

January 2017

IFAC Member Compliance Program: 2017 Work Program



IFAC serves the public interest and strengthens the accountancy profession by:

- Supporting the development of high-quality international standards;
- Promoting the adoption and implementation of these standards;
- Building the capacity of professional accountancy organizations; and
- Speaking out on public interest issues.

IFAC MEMBER COMPLIANCE PROGRAM: 2017 WORK PROGRAM

Strategic Objectives for 2016–2018

1. The *IFAC Member Compliance Program Strategy: 2016–2018* (2016–2018 Strategy) was prepared in alignment with the IFAC Strategy to ensure consistency with the organization’s direction and priorities. The 2016–2018 Strategy was exposed for public consultation for a 60–day period. Seventy-one responses were received supporting the proposed strategic objectives for 2016–2018. On September 7, 2015, the Public Interest Oversight Board (PIOB) confirmed that the 2016–2018 Strategy was developed in accordance with due process and with proper regard for the public interest.
2. The Program’s strategic objectives for 2016–2018 are:
 - (a) *Enhancing monitoring of member organizations’ compliance with membership requirements, including the [Statements of Membership Obligations](#), and strengthening the Program’s enforcement framework;*
 - (b) *Enhancing reporting on the status of adoption of international standards, Quality Assurance (QA), and Investigative and Disciplinary (I&D) systems; and*
 - (c) *Increasing support for adoption and implementation efforts of member organizations and national authorities.*
3. The strategic objectives, initiatives, and projects envisioned for 2016–2018 reflect a shift in emphasis of the Program. While the first 10 years of the Program’s existence centered on information gathering and development of SMO Action Plans, the next three years will focus more on monitoring and reporting activities with a view to support those member organizations that continue to face significant challenges in fulfilling their SMO requirements.

IFAC Member Compliance Program—Developing Annual Work Programs

4. Consistent with IFAC’s Strategy implementation approach, the Quality and Membership (Q&M) staff, with the advice and oversight of the CAP, prepare annual work programs to implement the 2016–2018 Strategy. The Q&M staff are guided by three factors in preparing work programs to advance the strategic objectives:
 - Greater emphasis on matters and initiatives that maintain the Program’s relevance and advance IFAC’s Strategy;
 - Collaboration with other IFAC groups and stakeholders where their knowledge and expertise can contribute to meeting the Program’s objectives; and
 - Maintaining resource use at current levels.
5. In addition, communication of Program initiatives forms part of regular reporting to the IFAC Board and interactions with member organizations and stakeholders. Increasing communication about the Program’s initiatives as well as the 2016–2018 strategic objectives is also an area of emphasis of the Work Program.
6. The annual work programs are developed taking into consideration feedback from Members, Associates, Regional Organizations (ROs), Accountancy Groupings (AGs), and other stakeholders provided during the strategy consultation process.

7. The Q&M staff provide progress reports on key initiatives at each of the CAP meetings. More specific time and other resource needs for new initiatives, including those outlined below, are also communicated to the CAP regularly.
8. In line with the CAP Terms of Reference, the CAP annually reports on the status of implementation of the work program and progress made in achieving objectives. While Q&M staff do not anticipate any revision of the annual work program, if changes in timeline or initiatives is needed, proposed changes will be discussed with the CAP. The work program will also be used to identify and agree on key performance indicators (KPIs) with the IFAC Board.
9. Q&M staff are also responsible for several core activities in support of the Compliance Program, the work of the CAP, and other IFAC membership-related processes. These core activities will continue to be carried out throughout the course of the year and consultations will be held with the CAP as necessary. These core activities include:
 - Reviewing SMO Action Plans for publication and preparing Dashboard Reports (DBRs);
 - Monitoring membership compliance risks and recommending enforcement actions to the IFAC Board as necessary;
 - Assessing membership applications for admission recommendations to the IFAC Board;
 - Addressing complaints received regarding member organizations;
 - Liaising with Recognized ROs and AGs on matters related to the implementation of Compliance Program;
 - Providing information, knowledge, and support to IFAC leadership for speaking engagements, outreach, events, and other matters;
 - Supporting three CAP meetings during the year, including preparing agenda papers and engaging with internal and external stakeholders; and
 - Reporting to the IFAC Board and the PIOB on the strategy implementation matters.

Summary of 2016 Results

10. At its March 2016 meeting, the PIOB agreed that the 2016 Work Program of the Compliance Program was developed in accordance with due process and with proper regard for the public interest.
11. The staff reported to the CAP on the status of the implementation of the 2016 Work Program on an ongoing basis at each of its meetings.
12. The three main achievements accomplished by the IFAC Q&M staff during 2016 include:
 - (a) Development of the Enhanced Enforcement Framework: The existing enforcement framework was reviewed and conforming changes were made to the IFAC Member Compliance Program Working Procedures to include the new process. The objective of the CAP and staff has been to enhance the existing enforcement framework from focusing solely on the member organizations' *participation* in the Program to focusing also on qualitative progress of member organizations to fulfill their SMO requirements. The implementation plan for introducing the changes was also drafted;
 - (b) New Content on the IFAC Website: New [Member Organization and Country Profile web pages](#) were launched on the IFAC website, featuring information from the Dashboard Reports (DBRs) on the status of adoption of international standards in jurisdictions and on the fulfillment of

obligations of member organizations. Profiles of 65 member organizations operating in 50 jurisdictions were originally published, with additional profiles being published regularly as part of the SMO Action Plan update process; and

- (c) Adoption and SMO Fulfillment Status Report: the report on the status of adoption of international standards and fulfillment of SMOs by member organizations was prepared in a new, enhanced format.
13. Detailed information on the status of implementation of the 2016 Work Program is contained in the [Appendix](#).

Focus of 2017 Activities

14. In 2017, the staff will continue to implement the strategic objectives outlined in *2016–2018 Strategy*. Strategic initiatives to be implemented are presented in the table below. The focus for 2017 will be:
- (a) Implementation of the Enhanced Enforcement Framework: with the enhanced enforcement framework developed and approved in 2016, in 2017 the staff will commence its execution in line with the Implementation Plan agreed with the CAP at its October 2016 meeting.
 - (b) Implementation of the DBR Initiative: the staff will continue to prepare DBRs as part of the SMO Action Plan update process to assess the status of adoption of international standards in the jurisdictions as well as the status of fulfillment of the SMOs by the IFAC member organizations. DBRs will continue to inform on an ongoing basis Member Organizations and Country Profiles webpages and serve as the data source for advanced analysis and reporting on the subject.
 - (c) Review of Compliance Program's Tools: the staff will consider the need to update the tools employed by the Compliance Program such as the self-assessment questionnaire and the SMO Action Plan to ensure they remain relevant, up-to-date, and user-friendly.
15. In 2016, IFAC leadership carried out a realignment focused on leveraging potential synergies. As a result, the activities of the Q&M area and those of the capacity building area are now combined as one operating area¹. The knowledge of the Q&M staff about the profession and their experience in working with IFAC member organizations will allow the staff to make a meaningful contribution in the donor-related activities. At the same time, involving the capacity building staff in the work of the Compliance Program will enhance the PAO development aspect of the Program.

¹ As part of the alignment, Sylvia Tsen, Executive Director, Quality and Member Relations, will no longer oversee the Compliance Program, the responsibility for which now rests with Alta Prinsloo, Executive Director, Strategy, and Chief Operating Officer.

2017 Work Program

Strategic Initiative	Actions	Timeline
A. Enhancing monitoring of member organizations' compliance with membership requirements, including the SMOs, and strengthening the Program's enforcement framework		
Maintain Integrity of the Member Compliance Program	<ul style="list-style-type: none"> Present Adoption and SMO Fulfilment Status Report to the IFAC Board and the PIOB 	Q4
Maintain Integrity of Self-Assessment Process and Tools	<ul style="list-style-type: none"> Review and revise (as needed) the self-assessment questionnaire completed as part of the membership admission process 	Q1–Q4
	<ul style="list-style-type: none"> Review and revise (as needed) the format of SMO Action Plans 	
Review of the Enforcement Framework	<ul style="list-style-type: none"> Implement the new enforcement framework 	Q1–Q4
B. Enhancing reporting on the status of adoption of international standards as well as QA and I&D systems		
Improve Usefulness and Accessibility of Member Compliance Program Information	<ul style="list-style-type: none"> Review the PIOB recommendation on defining another category—"Adoption +"—for adoption status of the IESBA Code 	Q1–Q2
	<ul style="list-style-type: none"> Produce adoption status reports for the independent standard-setting boards 	Q1–Q4
	<ul style="list-style-type: none"> Create and disseminate reports and publications on the adoption of international standards 	Q3–Q4
Enhance Member Compliance Program Communications	<ul style="list-style-type: none"> Maintain and update the Member Compliance Program and Member Organizations and Country Profiles webpages on an ongoing basis 	Q1–Q4
	<ul style="list-style-type: none"> Promote work of the IFAC Member Compliance Program through Member Compliance Program section of the IFAC website, newsletters, social media, and other communication means 	Q1–Q4
	<ul style="list-style-type: none"> Promote work of member organizations to fulfil SMOs through Member Compliance Program section of the IFAC website, newsletters, social media, and other communication means 	Q1–Q4

C. Increasing support for adoption and implementation efforts of member organizations and national authorities		
Outreach to IFAC Member Organizations	<ul style="list-style-type: none"> Conduct outreach activities based on (1) analysis of SMO fulfilment status and (2) requests from member organizations and other stakeholders. 	Q1–Q4
	<ul style="list-style-type: none"> Develop and conduct workshops and webinars to provide support in the process of adoption and implementation of international standards as well as in achieving compliance with SMOs 	Q1–Q4
	<ul style="list-style-type: none"> Contribute information and knowledge to IFAC leadership, other IFAC areas, and SSBs to facilitate implementation of their respective outreach strategies 	Q1–Q4
Collaboration with Other IFAC Activities Areas, Independent Standard Setting Boards (SSBs), Partners, and Stakeholders	<ul style="list-style-type: none"> Consult SSBs to ensure that the adoption assessment methodology is up-to-date and identify opportunities for collaboration, such as sharing information from DBRs related to challenges and successes in adoption 	Q1–Q4
	<ul style="list-style-type: none"> Work with IFAC Committees and other IFAC areas such as PAO Capacity Building, GAP-S, Global Representation and Advocacy, PAIB, among others, to leverage complementary interests and efforts to assist IFAC member organizations 	Q1–Q4
	<ul style="list-style-type: none"> Identify opportunities to work with the development agencies to exchange information, and collaborate on events that focus on SMO-related issues, and other initiatives such as peer review of World Bank ROSCs, ROSC 2.0 project, among other initiatives 	Q1–Q4
	<ul style="list-style-type: none"> Collaborate with ROs and AGs to address regional challenges, including consideration of co-hosting workshops and meetings 	Q1–Q4
	<ul style="list-style-type: none"> Collaborate with other organizations such as WTO as opportunities arise 	Q1–Q4

Status of Implementation of the 2016 Work Program

A. Enhancing monitoring of member organizations' compliance with membership requirements, including the SMOs, and strengthening the Program's enforcement framework		
<ul style="list-style-type: none"> Maintain a secure internal database for DBRs (initial population and ongoing maintenance) 	Q1–Q4	<ul style="list-style-type: none"> DBRs for 116 PAOs operating in 89 jurisdictions have been uploaded into the database
<ul style="list-style-type: none"> Support IFAC Global Reputation and Advocacy initiatives with information collected through the Program 	Q1–Q4	<ul style="list-style-type: none"> Analysis derived from the DBR database used for the compilation of the NEXUS 3 report
<ul style="list-style-type: none"> Provide report on SMO fulfilment to the IFAC Board 	Q4	<ul style="list-style-type: none"> Draft Adoption and SMO Fulfilment Status Report discussed at the October 2016 CAP meeting, submitted to the IFAC Board at its November 2016 meeting, and subsequently shared with the PIOB
<ul style="list-style-type: none"> Review and consider enhancements to the current enforcement framework 	Q1–Q4	<ul style="list-style-type: none"> Draft Enhanced Enforcement Framework developed and discussed with the CAP in its May and July 2016 meetings. Final framework agreed with at the October 2016 CAP meeting
B. Enhancing reporting on the status of adoption of international standards, QA, and I&D systems		
<ul style="list-style-type: none"> Produce adoption status reports for the independent standard-setting boards, and consult regularly on adoption assessment methodology 	Q1–Q4	<ul style="list-style-type: none"> Adoption reports provided on request and as part of annual report prepared for the CAP, IFAC Board, and the PIOB Meetings and discussions with the SSBs on the definitions of adoption status of the respective standards held throughout the year
<ul style="list-style-type: none"> Create templates for user-friendly online reports and publications with necessary access controls and disclaimers 	Q3	<ul style="list-style-type: none"> New Member Organization and Country Profile webpages launched in July. Profiles of 86 PAOs operating in 67

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		jurisdictions are available on the IFAC website as of December 31, 2016.
<ul style="list-style-type: none"> Submit adoption status report to the IFAC Board and PIOB 	Q4	<ul style="list-style-type: none"> Draft Adoption and SMO Fulfilment Status Report discussed at the October 2016 CAP meeting, submitted to the IFAC Board at its November 2016 meeting, and to be subsequently shared with the PIOB
<ul style="list-style-type: none"> Update the Member Compliance Program website content 	Q2–Q3	<ul style="list-style-type: none"> Web copy of the Compliance Program’s webpage updated. Full update is pending the update of the IFAC website
<ul style="list-style-type: none"> Promote work of member organizations fulfilling SMOs through Member Compliance Program section of the IFAC website 	Q3–Q4	<ul style="list-style-type: none"> Published summary and lessons learned from the SMO Workshop in Costa Rica on the Compliance Program webpage Published ongoing tweets on the publication of the SMO Action Plans Released an official press release announcing the launch of the webpages in July Issued Q&M’s first eNews to explain new content and webpages to users in August Published an article on the IFAC Global Knowledge Gateway page in September
<p>C. Increasing support for adoption and implementation efforts of member bodies and national authorities</p>		
<ul style="list-style-type: none"> Consider outreach requests from member organizations, RO/AGs, etc. 	Q1–Q4	<ul style="list-style-type: none"> Organized SMO Workshop in Costa Rica focused on the progress in fulfilment of the SMOs in the region in February Met with PAOs from Mozambique (March, June), Albania (April), Montenegro (April), Belarus (April), Syria (April) to discuss the membership admission process Presented at the World Bank's Centre for Financial Reporting Reform (CFRR) PAO Forum on the new Strategy and enhanced enforcement framework in April

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		<ul style="list-style-type: none"> Presented at the Association of Southeast Asian Nations (ASEAN) Federation of Accountants Council Meeting on new Strategy and enhanced enforcement framework in July Participated in the Inter-American Accounting Association's annual meeting in June Conducted PAO visits to Uruguay (June) and Honduras (August) to assist PAOs with SMO Action Plan updates Participated in the Inter-American Accounting Association's Workshop on establishing a quality assurance system in October Participated in IFAC Council Meeting and RO/AG meeting in Brazil in November
<ul style="list-style-type: none"> Use information in DBRs to determine outreach strategy for 2017 	Q4	<ul style="list-style-type: none"> Held a discussion with IAASB on host countries for their meetings based on the adoption information from the database An SMO Workshop in Jordan in collaboration with the World Bank planned for January 2017 focused on SMO fulfilment initiatives within the region An SMO Workshop planned in Uganda in May 2017 alongside the ACOA focused on SMO fulfilment initiatives within the region
<ul style="list-style-type: none"> Contribute information and knowledge to IFAC leadership and areas and the independent standard-setting boards to facilitate outreach strategies 	Q4	<ul style="list-style-type: none"> Supported IFAC leadership with presentations and speeches in China (May), Argentina (May), India (June), Brazil (September) Supported IESBA with outreach visit to Peru in November Presented to IAESB at its November meeting in New York on the findings of the Adoption and SMO Fulfillment Report with the goal to contribute to the IAESB work plan
<ul style="list-style-type: none"> Work with IFAC PAO Development Committee and other IFAC areas to leverage complementary interests and efforts to assist IFAC member organizations 	Q1–Q4	<ul style="list-style-type: none"> Held monthly meetings with the IFAC Global Accountancy Professional Development Department (GAP-D), Global

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		<p>Accountancy Profession Support Department (GAP-S) to share information and provide updates</p> <ul style="list-style-type: none"> • Cooperated with GAP-D in the development of tracking tool to support PAOs and webinar activities in case studies to share with member organizations, ongoing • Presented to PAO Development Committee on preliminary findings from DBRs in May • Cooperated in the agenda development for the regional SMP forum (Colombia) in August • Presented to the SMP Committee on the CAP activities in October • Supported the Gateway initiative in the preparation of an address to a Russian audience in September
<ul style="list-style-type: none"> • Identify opportunities to work with the World Bank (and other development agencies) to exchange information and collaborate on events that focus on SMO-related issues 	<p>Q1–Q4</p>	<ul style="list-style-type: none"> • Assisted in organizing the World Bank CFRR PAO Forum in April • Collaborated on organizing the SMO Workshop in the Middle East and further collaboration in the region • Invited the World Bank to present at the CAP May 2016 meeting • Exchanged information with the World Bank CFRR regarding prospective applicants from Azerbaijan in August • Exchanged information with the Inter-American Development Bank and collaborated on events focused on SMO-related issues • Provided input into the World Bank MENA Region Draft CGFR Strategy and Workplan
<ul style="list-style-type: none"> • Collaborate with the World Bank on other development initiatives, including the ROSCs on Accounting and Auditing (peer review, advice on ROSC v2 revisions, etc.) 	<p>Q1–Q4</p>	<ul style="list-style-type: none"> • Participated throughout the year as peer reviewers of the ROSC 2.0. • Participated as peer reviewers of the ROSC Corporate Governance Methodology in March and August

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<ul style="list-style-type: none"> Collaborate with ROs and AGs to address regional challenges, including consideration of co-hosting workshops and meetings 	<p>Q1–Q4</p>	<ul style="list-style-type: none"> Communicated throughout the year with the Association of South East Asian Nations Federation of Accountants (AFA) regarding its expression of interest to be acknowledged by IFAC and potential opportunities to collaborate with IFAC Communicated throughout the year with the Committee for Integration Europe—Latin America (CILEA) regarding its expression of interest to be acknowledged by IFAC and potential opportunities to collaborate with IFAC Supported the Institute of Chartered Accountants of the Caribbean (ICAC)/IFAC Consultative Meeting with regional PAOs and involvement of the Q&M staff in March Engaged with Federation of European Accountants (FEE) staff regarding an expression of interest from Georgia and Ukraine for membership in FEE in September Participated in the Inter-American Accounting Association’s annual meeting in June Participated in the Inter-American Accounting Association’s Workshop on quality assurance review system in October
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