

June 2017

Acknowledged Accountancy Groupings— Policy Statement



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.

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Background

The IFAC By-Laws do not make any provision for acknowledgement or obligations of Accountancy Groupings that are smaller than the major regional groupings. IFAC is, however, prepared to consider acknowledgment of such groupings by formal Board decision where this will be of significant benefit to the advancement of the accountancy profession. This acknowledgment of these groupings would recognize that there may be specific commonalities (language, culture, proximity, trade, etc.) which would lead professional accountancy bodies to create such groupings in order to undertake more focused activities based on such commonalities.

In considering acknowledgement and assessing how each Accountancy Grouping meets its obligations, IFAC recognizes that each Accountancy Grouping has a unique history and undertakes specific activities to serve the needs of its members.

Criteria for IFAC Acknowledgement

To obtain IFAC acknowledgement, a grouping shall formally request acknowledgement by the IFAC Board and should demonstrate that:

- Its mission and values are clearly aligned with the mission and values of IFAC.
- It is actively involved in the development and enhancement of the accountancy profession.
- It is committed to establish strategies and work programs that are aligned with the strategies and work program of IFAC.
- It is well established, both financially and technically, has functioned for a reasonable period of time, and has the infrastructure and organizational/financial resources to participate in IFAC activities and to effectively fulfill its responsibilities.
- It has an appropriate governance structure.

The Board has delegated the initial consideration of applications for acknowledgement to the Compliance Advisory Panel (CAP). In carrying out its role, the CAP will ask that the application be supported by appropriate documentation such as, Constitution and By-laws, financial statements, organization charts, membership statistics, etc.

Rights of Acknowledged Accountancy Groupings

Acknowledged Accountancy Groupings (AAGs) shall have the right to attend the meetings of the IFAC Council as observers and to participate in the discussions and deliberations. AAGs will generally not be given the right to attend IFAC Board meetings. The IFAC Officers, however, may issue an invitation to attend a particular meeting. AAGs will have access to IFAC Board papers and may request an invitation to a Board meeting from the IFAC Officers if they believe they have a significant contribution to make to a particular item on the Board agenda.

Obligations

Upon acknowledgement by IFAC, an Accountancy Grouping should:

- Prepare and provide to IFAC a strategic plan and work program that is aligned¹ with the strategic plan and work program of IFAC. Subject to available resources, it would normally be expected that one or more of the Acknowledged Accountancy Grouping's activities would be in direct support of IFAC's activities. Examples would include:
 - Supporting the dissemination of IFAC and IASB standards
 - Supporting translation of IFAC and IASB standards
 - Cooperation in the execution of regional quality assurance programs
 - Proactively mentoring and developing national accountancy bodies
 - Assisting members to prepare and execute Action Plans as required by the IFAC Member Compliance Program
 - Providing input to and participating in IFAC Boards and Committees in those instances where the grouping's viewpoint would be appropriate
- Engage with IFAC to identify and pursue opportunities for collaboration on shared strategic objectives, and providing information on past and future planned activities for inclusion in IFAC's reporting on regional engagement.
- Assist IFAC in relationships and communications with member bodies and potential member bodies in the grouping.
- Where certain countries in the grouping are not represented in the Acknowledged Accountancy Grouping, demonstrate a commitment to bring professional accountancy organizations in these countries into membership.
- As requested, permit the IFAC President, or his/her designate, to attend Council (or equivalent governing body) meetings.
- Provide input or encourage their members to provide input on the exposure drafts or other consultations from IFAC and IASB.
- Encourage participation by IFAC members in the annual IFAC nomination process.
- Advise IFAC of (a) any proposed changes in the grouping's Constitution, membership and governance structure, (b) any matters that may affect the Acknowledged Accountancy Grouping's ability to meet the criteria or obligations under the Accountancy Groupings – Policy Statement, and (c) any matters that otherwise may be of relevance to ongoing engagement with IFAC.
- Submit annual audited financial statements at the time such statements are provided to the members of the Acknowledged Grouping.

¹ "Alignment" in this context means that one or more elements of the accountancy grouping's strategic plan and work program will be in direct support of IFAC's strategic plan and work program. IFAC recognizes that the accountancy grouping may have additional strategic objectives that are outside the scope of IFAC's strategy, but these objectives should not be in conflict with those of IFAC.

Upon acknowledgement of the grouping, IFAC should:

- Provide the Acknowledged Accountancy Grouping with copies of all IFAC technical pronouncements and other administrative communications as well as minutes and other papers related to the IFAC Board.
- Advise and consult with the Acknowledged Accountancy Grouping on any proposed changes in the IFAC Constitution and of any proposed changes in membership.
- As requested and to the extent practicable, provide assistance to the Acknowledged Accountancy Grouping in carrying out their mission.
- As requested and to the extent practicable, identify speakers and other representatives for conferences and seminars to promote the cohesion between IFAC and the Acknowledged Accountancy Grouping.
- Advise the Acknowledged Grouping of Nominating Committee activities including the annual Call for Nominations for the IFAC Board, Committees and Compliance Advisory Panel.
- Consult with the Acknowledged Grouping on applications for IFAC membership for organizations who are members or potential members of their organizations.
- Consult with the Acknowledged Grouping on discussions with development banks pertaining to matters within their grouping.
- Involve the Acknowledged Grouping, to the extent practical, in IFAC activities with member organizations within their grouping.

Failure to Meet Obligations

The Board will periodically consider whether Acknowledged Accountancy Groupings have met their obligations to IFAC. If the Board determines that an Acknowledged Accountancy Grouping has consistently failed to meet its obligations, it shall have the power to rescind acknowledgement of a grouping at any time.

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