

# Delivering Value through Our Global Network

INTEGRATED ANNUAL REVIEW 2018



International  
Federation  
of Accountants®

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## ABOUT THIS 2018 ANNUAL REVIEW

IFAC advocates globally for integrated reporting because it helps organizations deliver higher-quality information with real meaning. Information that serves the public interest by telling a clearer value creation and preservation story to stakeholders, employees, investors and capital markets, and, ultimately, to the communities they serve.

IFAC's 2018 integrated annual review helps us remain accountable to our member organizations and stakeholders. It also improves understanding of our strategic objectives and achievements, and their connection to the overarching key outcomes IFAC—on behalf of our members—seeks to advance.

The review provides information on our financial, human, intellectual, and social and relationship capitals alongside how we create value through our governance, strategy, resource deployment, and key activities. It continues our efforts to work with the integrated reporting principles and concepts IFAC advocates for globally, as set out in the International Integrated Reporting Council's Integrated Reporting Framework. As part of the journey, the IFAC Board provided directional input and review.

This review is part of our 2018 reporting suite, which also comprises our [Financial Statements](#) for the year ended December 31, 2018, available on the [IFAC website](#).

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# REPORT TO OUR STAKEHOLDERS

From the President and the Chief Executive Officer

We are living in an era of disruption and opportunity.

Entirely new technologies, industries, and innovations are emerging frequently and swiftly. Business models and needs are evolving. Expectations for accountants and the profession are on the rise.

Rapid and continual changes brings both challenge and great opportunity for accountancy.

With their finger on the pulse of changing needs, our member organizations and their members are at the forefront of change. Working together, we can leverage disruption, change, and innovation to expand the profession and direct our future.

Collaborating with our member organizations throughout 2018, IFAC further supported our members as they deliver a truly global profession of competent, credible, professional accountants equipped to respond to changing needs. Accountants who are recognized as essential to strong, sustainable organizations, financial markets, and economies.

By focusing on delivering the greatest stakeholder value and channeling our comparative advantages, IFAC refined its emphasis on stakeholder satisfaction, while also delivering high-quality content and building the structures that will sustain even greater success in the future. We are proud of IFAC's achievements in 2018 and excited at what the future holds.

Top among these achievements was the 2018 World Congress of Accountants in Sydney, Australia, hosted by IFAC, Chartered Accountants Australia and New Zealand, and CPA Australia. This pinnacle event for the global accountancy profession attracted more than 5,000 finance and business leaders, policy setters, and accountants and inspired them to take charge of our profession's future. The conversations begun in Sydney will continue at the 2022 World Congress, which will take place Mumbai, India.

We completed our terms as president and CEO in 2018 and gratefully acknowledge the commitment and support of the IFAC Board, our member organizations and key stakeholders, and dedicated volunteers and staff. Without their tireless efforts, none of IFAC's many accomplishments would be possible.



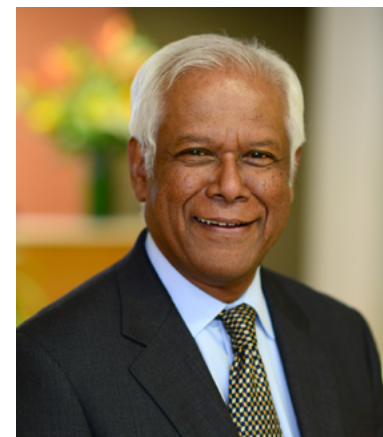
Rachel Grimes  
*President*



Faye Choudhury  
*Chief Executive Officer*



Rachel Grimes  
*President*



Faye Choudhury  
*Chief Executive Officer*

# FUTURE READY

## Scanning the Horizon

Rapidly-changing economic and social trends require the profession and IFAC to be agile and proactive. IFAC continually assesses global trends and their impact on accountancy, including these four paradigm-shifting trends.

### Accountancy in the digital age

We are in the midst of the fourth industrial revolution in which our physical, digital, and biological worlds are blurring with unprecedented scope and speed. These disruptive changes and new business models result in a demand for new skills from professional accountants, including increased efficiencies and innovation.

### Trust in business, capital markets, and the profession

Public trust in governments and institutions is at an all-time low. Simultaneously, the profession faces questions about ethics, professionalism, the adequacy of the standards, and performance in relation to those standards. We have the opportunity, and responsibility, to be part of the public conversation about rebuilding trust, including audit and corporate governance.

### Multi-capitalism and long-term thinking and reporting

Investors and others assessing organizational performance increasingly take a broader multi-capital perspective based on value creation. Evolving business demands require accountants be able to contribute to how value creation is managed and reported—in a way that drives both corporate responsibility and growth. Tomorrow's successful entities will be strategically nimble, future ready, and embrace innovation, as will the professional accountants who support them.

## Future generations

Competition is intensifying for talent, especially talent that is increasingly mobile. Globally, there are also widening gaps between available skills and employers' needs, as well as a greater drive for workforce diversity and inclusion. To compete, the profession must effectively demonstrate and communicate our relevance and advancement opportunities.

The accountancy profession shares a responsibility to evolve and ensure it is fully capable of harnessing change. How quickly can we react to change? How nimble and agile can we be?

Working with and leveraging the thought leadership of our member organizations and others within our global network, IFAC proactively addressed these emerging challenges and opportunities in 2018, including by developing a new strategic plan.

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## Vision

A global accountancy profession that is essential to strong, sustainable organizations, financial markets, and economies.

## Purpose

IFAC, with its member organizations, serves the public interest by enhancing the relevance, reputation, and value of the global accountancy profession.

## 2019-2020 Strategic Plan

With these trends in mind, we crafted a fresh two-year strategic plan in consultation with our member organizations and key stakeholders. [Strategic Plan, 2019-2020: Build Trust. Inspire Confidence.](#) identifies our mission-critical objectives and resulting strategic actions. It is a clear vision and mission that is durable beyond the two-year period covered in the plan.

### Our strategic objectives for 2019-2020 are:

- Contributing to and promoting the development, adoption, and implementation of high-quality international standards;
- Preparing a future-ready profession; and
- Speaking out as the voice of the global profession.

As IFAC is a member organization, successful execution will be underpinned by a deep focus on stakeholder engagement and leveraging their talents. Multi-stakeholder engagement will also be crucial.

### Accomplishing our objectives will require IFAC to:

- **Engage** with our member organizations, stakeholders, and multilateral international institutions;
- **Explore** opportunities to amplify knowledge and insights, focus on thought leadership, and explore research and partnership opportunities; and
- **Harness** our reputation and expertise to support professional accountancy organizations (PAOs) at the national and regional level, collaborate on public policy and regulatory issues, and promote PAOs and the profession to key stakeholders and other influencers.

With the [Strategic Plan, 2019-2020: Build Trust. Inspire Confidence.](#) as our roadmap, we will employ our unique comparative advantages to achieve these outcomes, and greater stakeholder satisfaction. We will also increase global confidence in the accountancy profession's ability to act independently and provide high-quality services in the public interest.



[Learn more in the 2019-2020 Strategic Plan](#)



# IFAC's Unique Comparative Advantages



## **Natural Facilitator**

IFAC convenes key groupings of professional accountants and professional accountancy organizations on a global level. We identify and debate key issues, opportunities, and challenges relevant to the profession. We actively contribute to improving organizational reporting by contributing to and promoting the development, adoption, and implementation of high-quality international standards.



## **Trusted Intermediary**

IFAC strengthens the profession by leveraging its global experience and relationships with key stakeholders, development partners and professional accountancy organizations.



## **Knowledge Gateway**

IFAC provides a global forum to share, synthesize, and create knowledge to support professional accountancy organizations and all accountants in providing high-quality services.



## **Influential Voice**

IFAC represents and advocates, in the public interest, on behalf of the global accountancy profession, and increases awareness of the profession as essential to sustainable organizations, financial markets, and economies.

# DELIVERING VALUE THROUGH OUR

## HOW IFAC CREATES VALUE

### VISION FOR THE PROFESSION

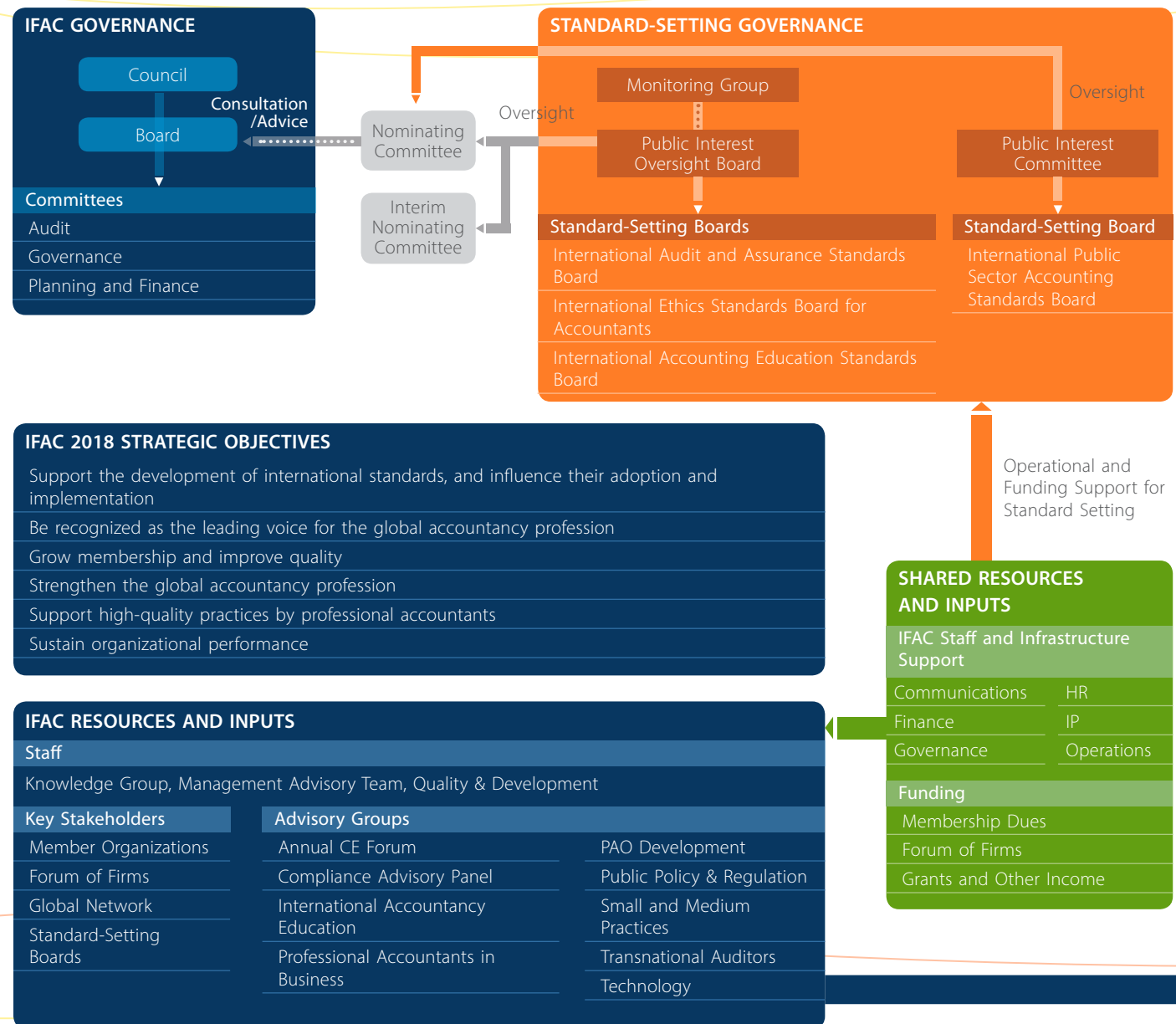
Essential to Strong, Sustainable Organizations, Financial Markets, and Economies

### IFAC PURPOSE

IFAC, with its Member Organizations, Serves the Public Interest by Enhancing the Relevance, Reputation, and Value of the Global Accountancy Profession

### VALUES

Integrity, Expertise, and Transparency





# GLOBAL NETWORK

## IFAC KEY SERVICES

- Supporting international standards
- Accountancy capacity building
- Quality & membership
- Supporting the profession
- Global advocacy

## IFAC COMPARATIVE ADVANTAGES

- Natural Facilitator
- Trusted Intermediary
- Global Knowledge Sharing Platform
- Influential Voice

## IFAC KEY OUTPUTS

- Guidance on international standards
- Member organizations and country profile assessments and updated action plans for all member organizations
- Programs to build PAO capacity
- Global Knowledge Gateway and other thought leadership, tools and guidance
- Programs and materials to enhance transparency and accountability in the public sector
- Policy positions, opinions, and points of view

## KEY OUTCOMES

- Strong and sustainable professional accountancy organizations developing and enhancing the quality of professional accountants
- A global exchange of knowledge and ideas
- Effective policy and regulatory decisions aligning the profession with the needs of the public
- Enhanced recognition of and confidence in professional accountants, and their relevance, reputation, and value
- Enhanced awareness of and dialogue on public interest and professional issues among key constituencies
- Reliable, comparable and timely organizational reporting
- Confidence in high-quality international standards that are adopted and implemented across the globe

## REPORTING

KPIs: Defining Success - IFAC Board

Value to members and stakeholders: Integrated Annual Review

# OUR GOVERNANCE

Our governance structure plays an integral role in how IFAC creates value for stakeholders. Specifically, the Council and Board ensure that IFAC operates effectively and meets strategic objectives.

## Council

IFAC governance ultimately rests with the IFAC Council, which comprises one representative from each IFAC member. The Council held its annual meeting in November 2018 in Sydney, Australia, alongside the World Congress of Accountants. At this meeting, Council approved all agenda items, including [Strategic Plan, 2019-2020: Build Trust. Inspire Confidence](#). It also elected a new president and deputy president, In-Ki Joo of South Korea and Alan Johnson of the United Kingdom and Portugal, respectively.

## Board

The IFAC Board takes all practicable steps to achieve IFAC's mission by governing and overseeing operations. It is composed of the president and not more than 22 additional members, including the deputy president. A guiding principle for Board membership is to ensure diverse representation on the Board, including gender diversity, regional representation, and professional backgrounds.

Following a recommendation from the search committee, the Board [appointed the new CEO, Kevin Dancey](#), with an initial focus on:

- Overseeing the development of our new strategic plan;

- Reviewing and providing input on IFAC's Monitoring Group response paper, [Perspectives on the Way Forward for Strengthening the Oversight and Operations of the International Audit & Assurance and Ethics Standards Boards](#); and
- Developing new strategic initiatives, including the proposed new direction for advancing accountancy education at the global level and the new fit-for-purpose approach to quality membership.

## Board Effectiveness

The Board has an extensive self-assessment and feedback process. Effectiveness is assessed annually for improvement opportunities, and a survey is completed after every meeting to identify areas for improvement.

Important value-creation activities to enhance the Board's effectiveness in 2018 included:

- Holding a cultural awareness retreat focused on improving work in diverse cross-cultural teams, including facilitating better communication and collaboration;
- Implementing an expanded orientation program for new Board members; and
- Continuing a mentoring process that matches new and experienced Board members.

## Board Subcommittees and Advisory Groups

The Board is assisted by several subcommittees. These include the Audit, Governance, and Planning and Finance Committees. In addition, Board members also participate in the Public Policy and Regulation and Technology Advisory Groups.

As incoming CEO, Kevin Dancey implemented a new Management Advisory Team, which is a flatter and more inclusive management structure to ensure more effective and integrated operations and advise on vital matters.

VOLUNTEERS ON THE IFAC  
BOARD AND COMMITTEES:

164

IFAC BOARD BY GENDER:

65% male

35% female

## Nominating Committee

The IFAC Nominating Committee makes recommendations to the Board, Council and Public Interest Oversight Board (PIOB) regarding the composition of IFAC's committees and the standard-setting boards. The Nominating Committee strives to find the best fit for each vacancy while taking into consideration professional background, technical skills, contributions to the profession, as well as geography, gender, and professional balance.

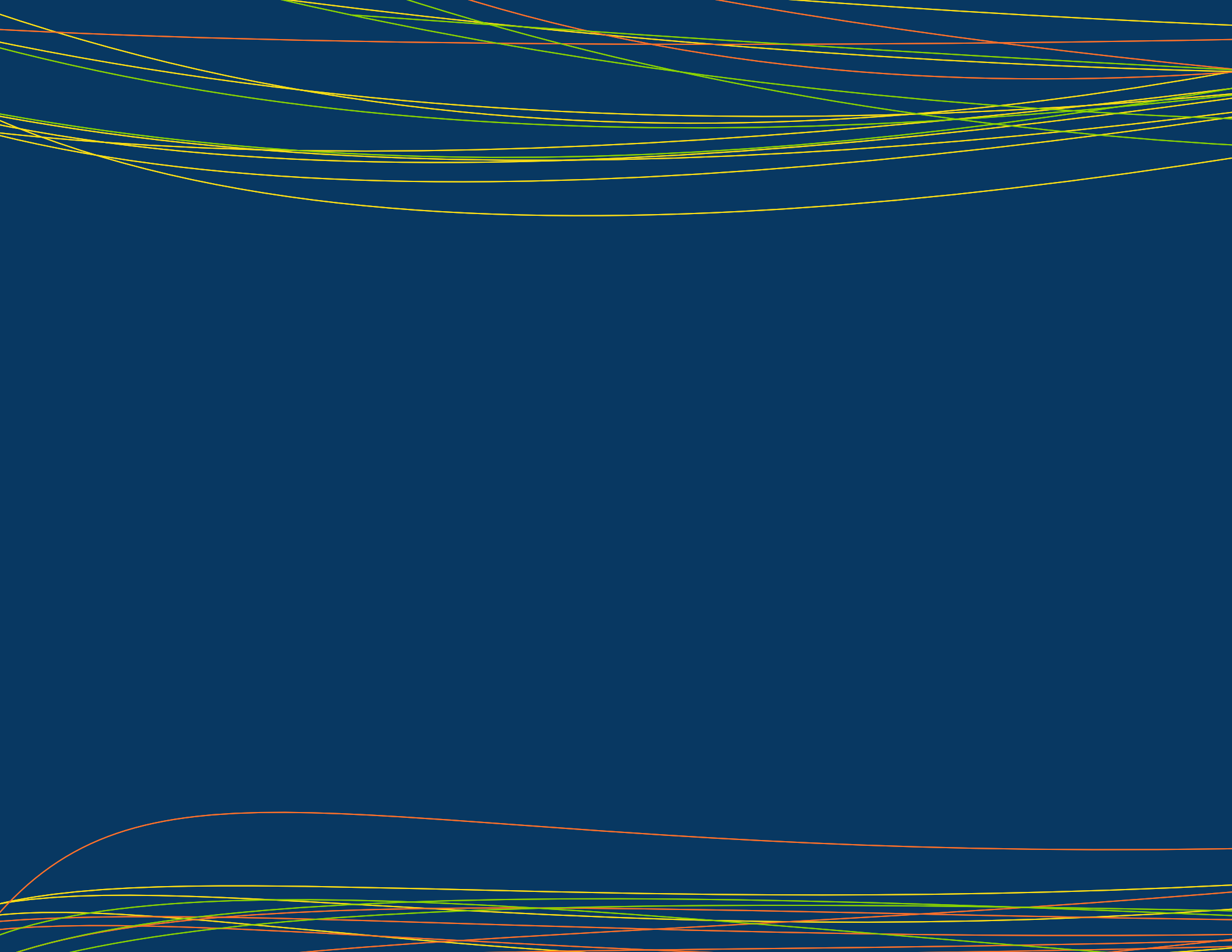
## Key Stakeholder Engagement

Stakeholder satisfaction drives our strategy and work plan and activities, including key stakeholder engagement landing points. One of these is the annual stakeholder satisfaction survey to evaluate our performance. This survey measures our stakeholders' views of IFAC's performance in key areas: acting as the global voice of the profession and supporting small- and medium-sized practices (SMPs) and professional accountants in business.

IFAC also convenes an annual Chief Executives' Forum, which creates an important opportunity to discuss trends, challenges, and implications with our largest member organizations. In 2018, our 16th annual Forum, "Inspire Confidence in a World of Rapid Change," garnered more than 75 participants, including senior executives from 50 member organizations. Forum participants also had the opportunity to provide input into the development of our 2019-2020 strategy.

### IFAC BOARD REGIONAL BREAKDOWN:

Africa-Middle East: .....	3
Asia: .....	5
Australasia-Oceania: .....	1
Europe: .....	7
Latin America-Caribbean: .....	2
North America: .....	4



# What We Do

## Driving Our Key Outcomes

- Strong and sustainable PAOs developing and enhancing the quality of professional accountants
- A global exchange of knowledge and ideas
- Effective policy and regulatory decisions aligning the profession with the needs of the public
- Enhanced recognition of and confidence in professional accountants, and their relevance, reputation, and value
- Enhanced awareness of and dialogue on public interest and professional issues among key constituencies
- Reliable, comparable and timely organizational reporting
- Confidence in high-quality international standards that are adopted and implemented across the globe

# SUPPORTING INTERNATIONAL STANDARDS

Strategic Objective: Support the development of international standards, and influence their adoption and implementation

## Key Achievements

- Provided more than US \$21.5 million in fully-costed funding and approximately 31 staff members.
  - 2017: more than US \$18.8 million in fully-costed funding and approximately 25 staff members.
- Successfully recruited for all vacant staff positions, including the IAASB technical director position.
- Supported contract extensions for:
  - IAASB Chairman Prof. Arnold Schilder through June 30, 2019;
  - IESBA Chairman Dr. Stavros Thomadakis through December 31, 2019; and
  - IPSASB Chair Ian Carruthers through December 31, 2021.
- Served as secretariat for the Interim Nominating Committee to recruit a new IAASB chair.
- Supported the appointment of the IAESB Chair Anne-Marie Vitale.
- Published the [International Public Sector Financial Accountability Index: 2018 Status Report](#) launched in Sydney, Australia at the World Congress of Accountants.

## Overall Performance

IFAC met or exceeded all our Key Performance Indicators (KPIs) for this objective in 2018.

- Received an overall rating of 8.1 out of 10 from the standard-setting board chairs for the services delivered (2017 rating: 7.7).
- Satisfactorily fulfilled the Member Compliance Program Strategy and Work Plan to support and improve standards adoption and implementation.
- The Board approved the model for advancing accountancy education.
- The Board is satisfied with actions recommended and support provided by management for the Monitoring Group Review.

IFAC is committed to an international standard-setting system that is credible, inclusive, legitimate, and produces standards that are relevant, innovative, and responsive to meet the challenges of the future. The multi-stakeholder, shared public-private governance model under which the standards are developed ensures that the public interest remains the focus of standard setting, takes place without political or commercial interference, and includes checks and balances to ensure that no one stakeholder has undue influence.

High-quality international standards, adopted and implemented in jurisdictions around the world, are indispensable to the global economy. They underpin the quality, consistency, and comparability of financial information in the public and private sectors; improve financial stability and promote capital flows; and play an essential role in small- and medium-sized entities' (SMEs') growth and financing.

## Supporting the International Standard-Setting Boards

The multi-stakeholder approach to developing high-quality standards includes financial and operational support from IFAC for four international standard-setting boards:

- International Auditing and Assurance Standards Board (IAASB);
- International Ethics Standards Board for Accountants (IESBA);
- International Accounting Education Standards Boards (IAESB); and
- International Public Sector Accounting Standards Board (IPSASB).

The IAASB, IESBA, and IAESB are overseen by the PIOB, which ensures that standards are set in a transparent manner under stringent due process that emphasizes the public interest. The IPSASB is



overseen by the Public Interest Committee, which ensures that the public interest is served by the IPSASB.

### Monitoring Group Review

Since the inception of the four standard-setting boards, we have maintained a dialogue with regulators and other key stakeholders on potential enhancements to the governance model under which the standards are developed. During 2018, and particularly in response to the [Monitoring Group Consultation: Strengthening the Governance and Oversight of the International Audit-Related Standard-Setting Boards in the Public Interest](#) (November 2017), IFAC encouraged the Monitoring Group to engage in broad-based, open, and collaborative dialogue with key stakeholders to arrive at a proposal that would have the comprehensive support of all key stakeholders.

The global accountancy profession's contribution to this dialogue is reflected in:

- IFAC's [Response to the Monitoring Group Consultation](#) (February 2018);
- The IFAC-commissioned Gibson Dunn report, [Reactions to the Monitoring Group Consultation Paper Regarding International Audit-Related Standard Setting: A Summary of Public Comments](#) (April 2018); and

- IFAC's [Perspectives on the Way Forward for Strengthening the Oversight and Operations of the International Audit & Assurance and Ethics Standards Boards](#) (August 2018).

The Monitoring Group's next consultation paper is expected in the second quarter of 2019. We look forward to continuing to actively engage with the Monitoring Group and other key stakeholders to progress this important dialogue and arrive at the best public interest outcome for the global economy.

### The Interim Nominating Committee

In 2017, the Monitoring Group asked for IFAC's cooperation in establishing an [Interim Nominating Committee](#) (INC) to make a recommendation for the next IAASB chair. The Interim Nominating Committee is comprised of five members and two observers representing IFAC and the PIOB, with IFAC serving as Secretariat and an independent chair appointed by the Monitoring Group.

After an extensive search and rigorous selection process, the recommended candidate was approved by IFAC and the PIOB in October 2018. Unfortunately, the candidate formally withdrew from the role for personal reasons. The INC was reinstated in November 2018 with the same composition, terms of reference, and process to conduct a new search.

VOLUNTEERS ON THE  
STANDARD-SETTING BOARDS:

137

GENDER BREAKDOWN FOR ALL  
STANDARD-SETTING BOARDS:

68% male

32% female

DAYS OF MEETINGS SUPPORTED FOR THE  
STANDARD-SETTING BOARDS AND THEIR  
CONSULTATIVE ADVISORY GROUPS:

48

Professor Arnold Schilder's term as IAASB Chair was extended to June 30, 2019 to allow for the INC to complete its work and recommend a new candidate. The new IAASB chair is expected to start on July 1, 2019.

### Adoption and Implementation

We use a holistic approach to achieve global convergence to high-quality international standards

that further trust, transparency, and economic growth and equality. In addition to supporting the standard-setting boards, we also enhance adoption and implementation of the standards by:

- Including standards adoption in our member organization requirements;
- Monitoring and reporting on [global adoption status](#);

- Producing implementation guidance and resources;
- Developing the profession's capacity to implement standards;
- Advocating for the value and importance of the standards; and
- Managing high-quality translations and reproductions to encourage wide-spread use while maintaining appropriate protections and copyrights.

Powered by information from our member organizations, we launched a bespoke campaign in 2018 to support International Standards: 2017 Global Status Report, the first-ever global snapshot. The report indicated, among other positive findings, that nearly 80% of jurisdictions worldwide have adopted the International Standards on Auditing for mandatory audits. In addition, more than 60% have adopted the

International Code of Ethics for Professional Accountants.

International Public Sector Accounting Standards adoption and implementation—especially building public sector accountancy capacity—has been a crucial focus for us. A key achievement in 2018 was the publication of [The International Public Sector Financial Accountability Index: 2018 Status Report](#) by IFAC and the Chartered Institute of Public Finance and Accountancy, with the Zurich University of Applied Science as a knowledge partner. The Index details public sector financial reporting quality around the world and assesses international adoption progress, and future outlook.

## Adoption in Jurisdictions\*

**79%** adopted International Standards on Auditing for all mandatory audits (2009 or more recent standards)

**61%** fully adopted the Code of Ethics for Professional Accountants (2009 or more recent Code)

**55%** made strides in the adoption of International Public Sector Accounting Standards

**20%** full adopted all International Education Standards for all professional accountants

\*Adoption rates across 80 of the 130 jurisdictions in which IFAC member organizations operate.

## Advancing Accountancy Education in the Public Interest

Advancing accountancy education is integral to our vision that the accountancy profession be recognized as vital to organizations, markets, and economies. Competent and credible professional accountants, committed to lifelong learning, underpin this vision.

To remain relevant in an environment of rapid change, professional accountants must increasingly demonstrate competencies beyond today's typically-recognized accountancy competencies. In response, IFAC and the International Accounting Education Standards Board [announced a new way forward](#) in 2018.

To progress the new way forward, in 2018 we:

- Established the International Accountancy Education Transition Advisory Group to help shape the future model;
- Held a [multi-stakeholder webinar](#) to provide an overview of the future model and answer questions; and
- Conducted a stakeholder survey of the proposed model's elements, which demonstrated strong support for the proposed future model.

The IAESB, and its PIOB oversight, will cease in 2019 when the IAESB has completed its [work plan](#). The future model will become effective on July 1, 2019.

During 2018, IFAC collaborated with the Association of Accounting Technicians of the UK to develop a [An Illustrative Competency Framework for Accounting Technicians](#). The publication, issued in early 2019, is a resource for PAOs developing an AT designation as an additional pathway into the accountancy profession. This dialogue will continue throughout 2019, and serve as an example for a new, collaborative way forward.

# SPEAKING WITH A GLOBAL VOICE

Strategic Objective: Be recognized as the leading voice for the global accountancy profession

## Key Achievements

- Advocated against restricting firms to audit-only in POLITICO.
- Determined the [global cost of regulatory fragmentation](#), adding a decisive proof-point to our messaging on the importance of collaboration in policy setting.
- Issued the [profession's policy recommendations to the G20](#).
- Increased international, non-English language, and top-tier media coverage of the accountancy profession.
- Grew our social media audiences across all channels.
- Successfully co-hosted the World Congress of Accountants in Sydney, Australia with Chartered Accountants Australia and New Zealand and CPA Australia.
- Announced the IFAC Board's selection of Mumbai, India as the host city for the 2022 World Congress of Accountants during an interview with Good Evening India, which has 400 million viewers.
- Launched multiple country-specific surveys to capture public perception of the accountancy profession, gain insights into key issues affecting the business and financial landscape, and drive media coverage.
- Leveraged leadership travel and events to build media engagement and relationships.

- Hosted the second annual Global Communicators Forum for senior communicators from our member organizations.

## Overall Performance

Performance for this objective is based on three KPIs.

- Positive stakeholder satisfaction
  - 2018: speaking out, 7.92/10; improving the reputation of the profession, 7.7/10; advocating effectively, 7.95/10
  - 2017: speaking out, 8.0/10; improving the reputation of the profession, 7.9/10; advocating effectively, 7.8/10
- Significantly contribute to three events focused on identified platforms, and receive overall positive feedback.
- Fulfill the 2018 Communications Plan, developed by IFAC and Edelman, and approved by the IFAC Board, and achieve all identified KPIs.

IFAC proactively represents and advocates for the accountancy profession at the global level. We strive to drive conversations that raise awareness of the profession's crucial roles in building strong organizations, financial markets, and economies. Through consultative and collaborative processes with our member organizations and other key stakeholders, we strive to reflect the global profession's views in our output and content.

## Thought leadership

### *Audit quality and reform*

IFAC participated in the international conversation on significant audit reform in 2018. The [article in POLITICO by IFAC CEO Kevin Dancey](#) added accountancy's perspective on this issue to the global discussion and resulted in further media inquiries and more than 20 media mentions around the world.

### *Fighting fraud, corruption and money laundering*

Before the G20 Summit in Buenos Aires, IFAC supported the accountancy profession in Argentina/Latin America as a prominent voice in the fight against corruption. We signed an anti-corruption compact with the International Bar Association, hosted an anti-corruption event with the B20, and launched a survey on corruption and perception of the profession. We also issued the [profession's ten actionable recommendations for G20 countries to advance the global economy](#).

### *Regulatory fragmentation*

Working with Business at OECD, we issued a [report highlighting the US \\$780 billion cost of regulatory divergence](#), adding a decisive proof-point to our messaging on the importance of collaboration in policy setting. Using the report's findings as the basis of a broad-based communications

campaign, IFAC achieved headline-grabbing coverage in major financial media, including the Financial Times, Bloomberg and The Wall Street Journal, as well as local-language media coverage across 15 jurisdictions. A robust social media campaign and toolkit for member organizations further extended the report's messaging to key audiences—resulting in our most impactful leadership launch to date.

### **Talent**

To better understand the next generation's career aspirations, we commissioned a survey examining the career preferences of Generation Z'ers across the globe. The results showed that this important cohort is largely inclined to pursue a career in accountancy, which they see as providing a stable and fruitful career path.

### **Tax**

We also published an article by Executive Director Russell Guthrie in Forbes on international tax issues that was published following the US tax-filing deadline. The article called for increased global cooperation from policy makers for effective taxation in the globalized, digital economy.

## **Global outreach and engagement**

### **World Congress of Accountants:**

In November, we leveraged the 2018 World Congress of Accountants in Sydney, Australia to amplify the profession's priorities, including throughout the agenda, keynote speeches, panels and sessions. We also used the opportunity to connect with the more than 5,000 attendees in our customized exhibition booth. These

conversations provided insight into what drives their passion for accountancy. In total, IFAC was mentioned in more than 18 World Congress-relates media articles across seven different countries, with articles in English, French and Vietnamese.

### **Edelman**

In 2018, we deepened our successful partnership with public relations agency Edelman. Taking full advantage of Edelman's international reach, IFAC gained traction with media across the globe, resulting in positive and impactful media coverage across Africa, Asia, Latin America, Europe and North America. We were also able to take advantage of Edelman's advice on digital and social media strategy in 2018, resulting in a 30% year-on-year increase in followers across IFAC social media channels.



**Media outreach**

Our strategic focus on building credibility in international markets, speaking into topical issues in different geographies, and taking advantage of executive travel resulted in a notable increase in global earned media coverage.

In 2018, our 2018 media program also included country-specific surveys to drive coverage. These surveys, conducted in India in late 2017 and Argentina in mid-2018, captured the public's perception of the accountancy profession, as well as insight into key issues affecting the business and financial landscape.

Our ongoing outreach connected to IFAC leadership travel and event participation also continued to pay dividends in 2018. IFAC also leveraged events in Zimbabwe, Nigeria, and South Africa to build media relationships and position our organization's and leadership's

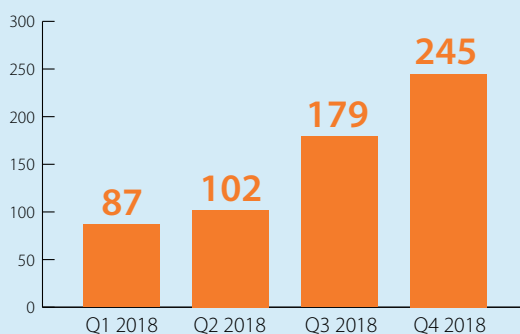
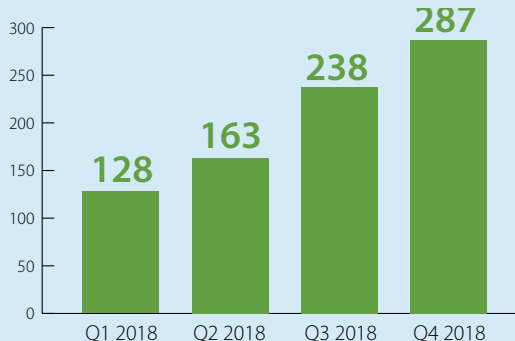
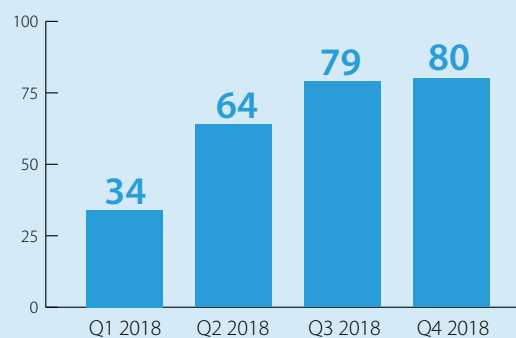
expertise across countries in Africa. This yielded a boom in international and top-tier coverage and positioned IFAC as a go-to source on public sector reform and anti-corruption measures in Africa.

**2018 Communicators Forum**

Building on the success of its first Global Communicators Forum, IFAC hosted the second annual Forum, drawing senior communicators from our member organizations around the world. Bringing these communicators together enables us to both engage with our members' key messaging and to offer new perspectives and learnings. Focused on the power of storytelling, the 2018 Forum leveraged our relationship with Edelman and drew on discusses at the IFAC Chief Executives Forum. The event helps us extend the voice of the profession in partnership with our member organizations, and creates a two-way opportunity for amplification and collaboration.




**Communications Plan KPIs**

- Develop thought leadership and digital campaigns
- Drive media interviews and place original content
- Increase international and non-English language media coverage
- Develop messaging and engage on standard-setting issues, including on the Monitoring Group proposals.

**Media Mentions****2018 International Media Mentions****2018 Total Media Mentions****2018 Top-Tier Media Mentions**



## 2018 Social Media Snapshot

Platform	Total Followers	Increase Since 2017
	23.3K	13%
	16.5K	30%
	11K	29%

- 92.6 million total social impressions
- 13K social media engagements with IFAC posts
- 8.2K social posts mentioning IFAC
- 6.7K unique shares of IFAC social media

## International Highlights & Leadership

### India survey:

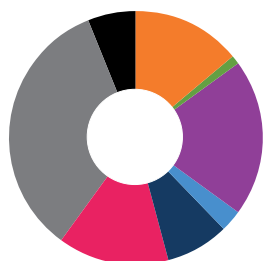
- 32 articles in English & Hindi
- Total readership over 3.7 million

### Argentina survey:

- 54 total media mentions
- 20 Spanish-language articles
- A mention in Reuters

Following an Institute of Chartered Accountants of Nigeria conferences, IFAC President Rachel Grimes' remarks were cited alongside Nigerian President Muhammadu Buhari's in 28 articles, many of which were in Nigeria's top-tier media.

## 2018 Media Coverage by Region



United States of America	14%
Canada	1%
Europe	20%
Australia / New Zealand	3%
East Asia	8%
South Asia	14%
Africa	34%
Latin / South America	6%

## 2018 Media Coverage by Topic



Audit reform	7%
Capacity Building	8%
Education	7%
Ethics	6%
General	14%
Governance	9%
Role of the Accountant	20%
Standard Setting	18%
Technology	5%
WCOA	6%

## IFAC Media Coverage

In 2018, IFAC achieved 50% more media coverage globally and 10x as much top-tier coverage (compared to 2017).

TOTAL IFAC MEDIA MENTIONS:

287

EARNED MEDIA PLACEMENTS:

205

TOP-TIER MEDIA HITS:

80

EXECUTIVE INTERVIEWS:

4

# GROWING MEMBERSHIP

Strategic Objective: Grow membership and improve quality

## Key Achievements

- Following Council's approval, admitted one new member: the [Association of Accountants of the Republic of Latvia](#).
- Completed [175+ member and associate profiles](#), including international standards adoption status and IFAC requirements.
- Worked directly with nine members and associates to support and resolve specific, targeted challenges using CARE—communication, assistance, review, and enforcement.
- Working with IFAC member organizations and volunteers, published seven articles on the Global Knowledge Gateway sharing experience and knowledge with the broader IFAC community.
- Developed five regional priority plans as part of our active pipeline management to reach the KPI target of nine new members and associates by the end of 2020.
- Following outreach, engagement, and development support, received nine applications in late 2018 for the 2019 admission cycle.
- Staff and volunteers carried out targeted engagement with PAOs interested in progressing with IFAC membership in 21 jurisdictions covering 6 regions.

## Overall Performance

IFAC met or exceeded all our targets for this objective in 2018, which called for:

- Helping members enhance quality assurance review systems, investigative and disciplinary mechanisms, and their promotion of adoption and implementation of international standards; and
- Achieving membership growth.

IFAC membership is a globally-recognized hallmark of a high-quality PAOs. IFAC membership makes it clear to public and private sector organizations locally, regionally, and internationally that the PAO has credibility, sustainability, and standing.

Our membership requirements include international standards adoption and implementation, as well as quality assurance and investigation and discipline systems.

## Member Requirements & Improving Quality

IFAC member organizations all participate in our [Member Compliance Program](#). The Program helps member organizations understand and follow clear guidelines and benchmarks on how to ensure high-quality performance and champion international standards. It also guides continual improvements in development areas.

## Our Membership Requirements

Adoption and implementation of high-quality international standards—and the development of competent and credible professionals to implement them—are fundamental to fostering reliable, comparable, and timely organizational reporting—the underpinnings of trust in markets, investment, and economic growth.

## Global Assessments

The Compliance Program's two principal outputs are PAO-produced status updates and IFAC-produced full assessments of progress, challenges and further opportunities for collaboration and partnerships. These updates and assessments power IFAC's information on the global status of international standards adoption and implementation.

## Developing Strong Future Members

The Program also steers the membership admission process and pipeline. IFAC begins working with developing PAOs well in advance of their formal application. This allows the PAO to begin to follow our requirements and use our benchmarks and resources to lay a strong foundation in preparation of future IFAC membership. When our Council votes to admit new members and associates, they can see years of continual progress—demonstrating the PAO's quality and readiness to join our network.

In 2018, we began implementing a new approach to driving quality membership. The new structure and oversight are fit-for-purpose and include transitioning the Compliance Advisory Panel to a membership committee during 2019. This will allow the committee a more targeted focus on admission and enforcement matters while staff continues to implement the Compliance Program. The Program will continue to be overseen by the IFAC Board, without the additional oversight of the PIOB.

The Program will continue to be fully transparent, including publishing all compliance information online. We will also continue to develop and improve the Program, such as enhancing the risk-based approach to developing and monitoring action plans for well-developed member organizations. As well, we will continue to develop our self-assessment tools and reporting

methodology. Crucial collaboration with partners and stakeholders, such as the international standard-setting boards and the World Bank, will also continue.

## Knowledge Sharing

Knowledge sharing supports quality across the entire profession, and provides our member organizations the opportunity to amplify their success stories. It was a primary focus in 2018 and remains one for 2019.

In 2018, we leveraged knowledge and experience from our member organizations, volunteers and staff by increasing the member organization-driven content published on the Global Knowledge Gateway. These articles provide our member organizations the opportunity to share how they approached and resolved issues, their adoption and implementation progress stories, and technical expertise. Using this approach, member organizations' reach and influence were extended to Gateway's 300,000+ annual web visitors and its 30,000+ subscribers.

## New Member:

Association of Accountants of the Republic of Latvia

## Knowledge Sharing on Gateway

- The Bahamas Institute of Chartered Accountants explained how updated national legislation, which it worked with the government to develop and advance, opened new opportunities
- The Cayman Islands Institute of Professional Accountants reflected on the importance of adapting governance arrangements to drive performance
- The Colegio de Contadores Públicos Autorizados de Panamá shared its success story on how to unity to improve quality assurance reviews, which was also published in Spanish
- The Institute of Chartered Accountants of Barbados detailed how changing its corporate governance drives organizational performance
- The Institute of Chartered Accountants of India told its success story of helping the Indian railroads get on the right track for accrual accounting
- The Lesotho Institute of Accountants detailed its journey to a localized professional accounting qualification
- The Society of Certified Accountants and Auditors of Kosovo provided advice on how improving PAO governance can increase global engagement

Thank you to all our member organizations that shared their stories on Gateway and with the IFAC global network.

# DEVELOP THE ACCOUNTANCY PROFESSION

Strategic Objective: Strengthen the global accountancy profession by providing development and PAO support

## Key Achievements

- Participated in or organized 19 outreach engagement and stakeholder events, including five regional events, to raise awareness of the value and need to develop the accountancy profession.
- Provided technical assistance to 16 member organizations, whose support needs were identified through regional priorities.
- Leveraged the expertise of the PAO Development Committee to publish new content to help PAOs become future ready.
- Sustained seven ongoing UK Department for International Development (DFID)-funded PAO capacity building projects in: Ghana, Kyrgyz Republic, Myanmar, Nigeria, Rwanda, Uganda, and Zimbabwe, as well as supporting the Pan-African Federation of Accountants.
- Approved a regional project to develop an online learning platform for a public sector qualification by the African Organization of English-speaking Supreme Audit Institutions on behalf of the African Professionalization Initiative.
- Hosted a three-day conference, Developing Accountancy Capacity in Fragile and Conflict-affected States, in Johannesburg, South Africa. The event facilitated a dialogue between the accountancy profession, Accountants General, Auditors General, and development partners to design a fit-for-purpose strategy to build accountancy. The event was funded

by DFID and the Global Fund and organized in partnership with the Pan African Federation of Accountants.

- Received an “A+” rating on IFAC’s fourth annual DFID review.
- Developed the Note on Good Practices for Collaboration—World Bank Group and IFAC, providing a basis for collaboration for country- and region-specific client-facing capacity building activities.
- Held a two-day PAO Capacity Building Partners’ Knowledge-Sharing Roundtable to share experiences, explore lessons learned, and identify opportunities to enhance the Capacity Building Program and PAO’s approach.

## Overall Performance

We met or exceeded all our KPIs for this objective in 2018, which called for:

- Successful execution of the IFAC-Board approved Capacity Building Program and Donor Engagement work plans;
- DFID annual review rating not below “A”; and
- Effective management of the DFID relationship and grant.

Competent accountants behaving with integrity provide society with reliable financial information that underpins economic development, and ultimately contributes to reduced poverty and shared prosperity.

PAOs are the cornerstone of a strong accountancy profession. They are the engines that produce the competent professionals who create reliable financial and non-financial information that supports economic development.

PAOs educate and certify accountancy professionals according to international technical and ethical standards and best practices; improve the quality of financial reporting through the review, investigation, and discipline; and act as a resource to government, regulators, and other stakeholders.

## PAO Development Committee Expertise

- Evolving Expectations for Accountants Means Changing Needs for Education & Training
- What Does a Future-Ready PAO Look Like?
- Building a Future-Ready PAO

Without strong, sustainable PAOs there wouldn't be accountants able to facilitate economic activity, development, and decision making by the public and private sectors. Building PAO capacity is central to strengthening the profession.

## Capacity Building

Our [PAO Capacity Building Program](#) leverages an extensive network and seeks out mutually-beneficial partnerships, realizing opportunities for collaboration and optimization of scarce human and financial resource. Projects frequently use a PAO-to-PAO model to share experiences and common solutions and generate partnerships that extend beyond the lifetime of the initial engagement.

Beginning in 2014, the Program included a grant from DFID, which has funded projects in eight countries across Africa and Asia.

Beyond DFID-funded projects, IFAC establishes regional priorities to support current and potential member organizations. Staff and volunteers engage directly with the PAO, including on-the-ground and virtual technical assistance. These support efforts are aided by the IFAC PAO Development Committee, whose members are often the lead technical advisor working with each PAO.

## Education

Education and pathways for professional accountants was also a key IFAC focus area in 2018 and will continue to be in 2019. During 2018, IFAC collaborated with the Association of Accounting Technicians of the UK to develop a [An Illustrative Competency Framework for Accounting Technicians](#). The publication, issued in early 2019, is a resource for PAOs developing an AT designation as an additional pathway into the accountancy profession. This dialogue will continue throughout 2019 (see supporting international standards for more information on the future path for international accountancy education).



[An Illustrative Competency Framework for Accounting Technicians](#)

# SUPPORTING KEY CONSTITUENCIES

Strategic Objective: Support high-quality practices by professional accountants and ensure key constituencies are considered in standard setting

## Key Achievements

- Held two CFO roundtables in Malaysia and Singapore with the support of the Malaysian Institute of Accountants and the Institute of Singapore Chartered Accountants (ISCA).
- Conducted a workshop with 16 PAOs to help them better support and engage with accountants in business and the public sector.
- Hosted a webinar with more than 25 PAOs to gain insight into PAO needs in relation to SMPs and accountants in business.
- Advocated for the accountants in business and SMP constituencies in the standard-setting process, includes ongoing interaction with the standard-setting boards.
- Produced key resources and materials to help IFAC member organizations engage and support their membership.
- Published 110+ original articles and videos on the Global Knowledge Gateway.
- Attracted more than 316,000 unique visitors (295,000 in 2017), totaling more than 1 million visitors since its 2014 launch.
- Grew Gateway's newsletter subscriptions to more than 30,000 (29,000 in 2017).
- Created a dedicated technology content area to highlight emerging technology trends, including blockchain, artificial intelligence, data analytics, cybersecurity, and ethics in a digital age.

## Overall Performance

Delivered value to member organizations by supporting the accountants in business and small- and medium-sized practices constituencies.

- Accountants in business: 7.61/10 in 2018, 7.6/10 in 2017
- SMP: 7.72/10 in 2018, 7.8/10 in 2017

Professional accountants in business, the public sector, and in SMPs make up a significant proportion of the accountancy profession. Helping the profession support and enhance its relevance to these key constituencies, and promoting awareness of their vital roles as business partners and advisors, continues to be strategically important for IFAC and our member organizations.

## Global Insights and Advocacy

Using our international convening power, IFAC brought together accountants in business, SMPs, PAOs, and other stakeholders in London, New York, and Singapore through committee meetings. These events facilitated high-quality interaction, engagement and collaboration, and provided the opportunity to identify and debate trends, opportunities and challenges. They also increased engagement and collaboration with IFAC member organizations and others in our network; provided opportunities to advocate and promote

## Outreach Activities

- ISCA professional accountants in business conference in Singapore (450+ delegates)
- Kampuchea Institute of Certified Public Accountants and Auditors-ASEAN Federation of Accountants Conference 2018, Digitalization of Accounting (Phnom Penh, Cambodia)
- West Africa Economic and Monetary Union International Congress (Dakar, Senegal)
- ADC Nazionale congress, Brescia, Italy
- 30+ additional events and speaking & stakeholder engagement opportunities

awareness of the value of these segments of the profession; and, importantly, generate actionable recommendations for IFAC member organizations on discussed issues.

## Policy and Standards

IFAC support for these key constituencies includes specific input into policy and standards in 2018, including participation on the B20 SME Development Task Force in Argentina ahead of



the G20 meeting, and with IFAC's Public Policy and Regulation Advisory Group.

Advocating for these constituencies in the standard-setting process includes ongoing interaction with the standard-setting boards, such as:

- Feedback on proposed standards through more than 16 formal and informal responses to proposals and meeting papers (19 in 2017);
- Attendance by standard-setting board members at committee meetings;
- Engaging in conference calls and webinars on specific SMP issues; and
- SMP Committee members participation in various standard-setting board task forces and working groups.

Input into standard setting on behalf of these segments of the profession also contribute to IFAC's support for standard setting more broadly.

## Knowledge sharing and resource development

In collaboration with PAOs, committee members, partners, and other stakeholders, we developed thought leadership, guidance, toolkits, articles, and webinars in 2018 to achieve our objective.

### *Professional Accountants in Business*

Engaging accountants in business presents a practical challenge since they are dispersed across many organizations and locations, often in small numbers. Consequently, they often become disconnected from their member organization. To help PAOs take a strategic and practical approach to enhancing relevance for accountants in business, IFAC provided our member organizations with a self-assessment evaluation tool to identify the areas of growth and investment.

### *Small- and Medium-sized Practices*

During 2018, IFAC prepared promotional and communications materials to counter a lack of awareness of the range of resources, tools and guidance available for SMPs. IFAC also worked closer with member organizations to increase local impact.

## Key Resources

### *Professional Accountants in Business*

Focusing on CFOs and finance functions in the digital and multi-capitals age, and resulting skills implications, IFAC developed:

- A Vision for the Finance Professional and the Finance Function;
- Perspectives on the Finance Function Journey;
- Identifying the Role of the Finance Function in Enterprise Performance Management; and
- United, Connected and Aligned: How the Distinct Roles of Internal Audit and the Finance Function Drive Good Governance

### *Small- and Medium-sized Practices*

- Guide to Using International Standards on Auditing of Small- and Medium-sized Entities, 4th Edition, updated for projects on auditor reporting, disclosures, auditor responsibilities relating to other information, and using the work of internal auditors
- IFAC Global SMP Survey, which focused on practice transformation and shared more than 6,000 survey responses from 150 countries
- Guide to Practice Management for Small- and Medium-sized Practices, 4th Edition, which includes a new module on leveraging technology
- The International Code of Ethics for Professional Accountants: Key Areas of Focus for SMEs and SMPs

# OUR HUMAN AND INTELLECTUAL RESOURCES

## Key Achievements

- Implemented the People Development Program for leadership, including emerging leaders.
- Expanded our mentoring program.
- Instituted the Human Resources and Compensation Committee, an IFAC Board subcommittee created to provide oversight and guidance on effective human resources administration.
- Engaged a global management consultancy firm to align evolving competitive and governance practices, and to strengthen the link to performance.
- Implemented enhanced Paid Time-off and Volunteer Policies focused on staff well-being and encouraging social responsibility.
- Achieved an upward trend in work-life balance integration as measured by the Employee Engagement Survey.
- Commissioned a culture study to enhance and sustain a culture that performs.
- Implemented a new payroll and fully integrated human resources platform, creating simplified and automated resources for staff.
- Retained 90% of core and high-performing staff.
- Improved time-to-fill vacant and new position in 2018. In 2018, 17 new employees were hired (13 in 2017, 10 in 2016).

## Member and Volunteer Value

Our network encompasses emerging, developing and well-developed economies, and PAOs that vary significantly in development, capacity, legal

status, and authority. Through IFAC member organizations, key constituencies include accountants working in businesses and practices of all sizes, the public sector, and academia—three million worldwide.

IFAC maintains robust relationships with firms, international standard setters, oversight organizations, donors and development agencies, and other international organizations. In 2018, we continued to strengthen relationships with member organizations and stakeholder groups to take an inclusive approach that supports the diverse needs of all our members and stakeholders.

Our diverse Board and committee volunteers are central to our effective functioning and meeting our objectives. These 164 committed experts dedicate countless hours to support IFAC in achieving our objectives and serving the public interest.

Our volunteers represent IFAC at global, regional and national events; work with current and potential member organizations; and provide thought leadership and original content.

IFAC members play a key role in the nominations process to successfully fill vacant board and committee seats. We rely on our members to nominate highly experienced, diverse professionals, and to sponsor their participation in our activities.

## Effective People, Leadership & Development, and Performance

Highly-qualified staff enable IFAC to execute our strategy, and our ability to attract and retain a diverse, adept, professional staff is a key focus.

Our Human Capital Strategy drives organizational performance through integrated human capital initiatives throughout an employee's employment life cycle. Each of these initiatives help deliver our employee value proposition, which is necessary for both attraction and retention of the best possible talent.

**3 million**

TOTAL MEMBERSHIP IN IFAC MEMBER ORGANIZATIONS

**80**

STAFF MEMBERS (78 IN 2017)

**90%**

OF CORE/HIGH-PERFORMING STAFF RETAINED

**34**

LANGUAGES SPOKEN BY IFAC STAFF (30 IN 2017)

**26**

NATIONALITIES REPRESENTED BY IFAC STAFF (28 IN 2017)

WORKFORCE BY GENDER:

**60%** female

**40%** male

**Compensation Paid in 2018 – Senior Management Personnel**

IFAC	Base compensation	Incentive compensation	Retirement compensation	Nontaxable benefits	Total
Fayezul Choudhury	679,866	284,700	35,175	4,420	\$1,004,161
Kevin Dancey <sup>1</sup>	363,575	0	22,375	20,209	\$406,159
Russell Guthrie	506,204	83,200	35,175	30,814	\$655,393
Alta Prinsloo	478,288	85,600	35,175	48,629	\$647,692
Sylvia Tsen	376,742	69,200	35,175	17,766	\$498,883
Standards Development	Base compensation	Incentive compensation	Retirement compensation	Nontaxable benefits	Total
James Gunn	417,521	69,200	35,175	43,407	\$565,303
Keean Siong	283,478	58,000	22,375	44,722	\$408,575

Additional compensation information is publicly disclosed in our US Internal Revenue Service Form 990.

**Human Resources and Compensation Committee**

The Human Resources and Compensation Committee was established in 2018 to provide oversight and guidance on effective human resources management, on behalf of the IFAC Board (the HRCC's first meeting was held in 2019).

We engaged the Korn Ferry-Hay Group to assess our competitive position in the market for all staff, including executives. Korn Ferry-Hay Group's methodology:

1. Obtains current market data using Korn Ferry's job evaluation methodology for competitive data from comparable organizations;
2. Provides detail on compensation practices against various target market positions within the competitive data, which reflects the expected competencies and performance of the roles; and
3. Recommends options for appropriate base salary, total cash and benefits, and perquisites for the positions.

The philosophy underlying our total rewards program is to provide an attractive, flexible, and market-based compensation program tied to performance and aligned with our mission and strategy. This helps us recruit and retain high-caliber talent. We view total rewards as an additional means to communicate our goals and standards of conduct and performance by motivating and rewarding employees for their achievements.

**Intellectual property**

High-quality translations are required to ensure consistent international standards implementation. Facilitating translations and reproductions of implementation support and guidance also help improve efforts in jurisdictions around the world.

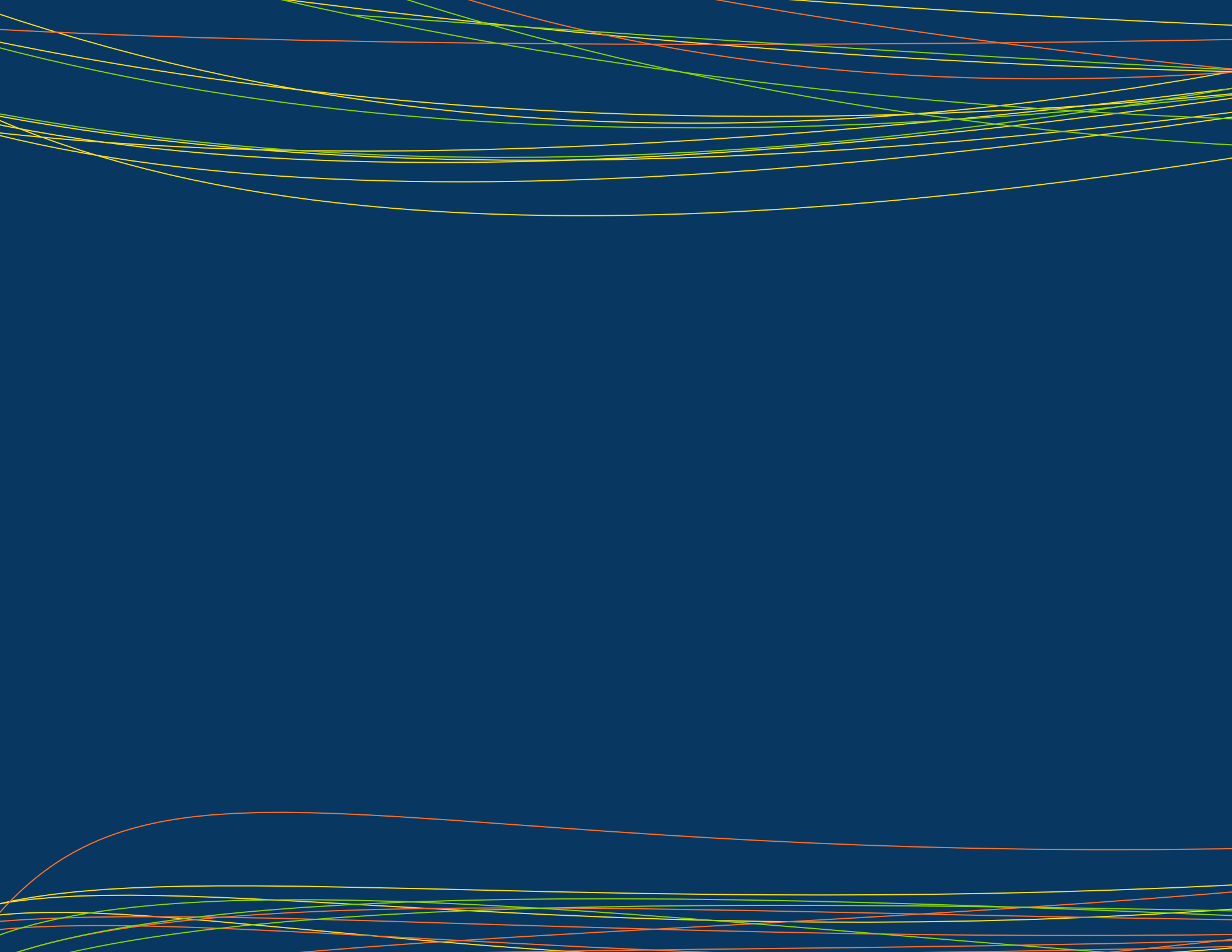
In 2018, IFAC signed 189 reproduction and translation agreements (135 in 2017) and completed 75 total translations in 21 languages for more than 50 publication.

IFAC maintains strong intellectual property stewardship. Our intellectual property policies balance the need for widespread standards adoption, including translation initiatives, with processes that ensure this vital intellectual property—including our brands and publications—remain appropriately protected.

**WORKFORCE BY AGE:**

20-29: **4%**  
 30-39: **33%**  
 40-49: **36%**  
 50-59: **20%**  
 60+: **7%**

<sup>1</sup> May-December 2018



# APPENDICES

# FINANCIAL HIGHLIGHTS

IFAC maintains a control environment designed to ensure that the values of integrity, transparency, and expertise are inherent in every aspect of the organization. This environment provides for sound stewardship of the resources provided by member organizations, the Forum of Firms, and other funders, and for a clear decision-making and accountability framework.

These financial highlights should be read with the 2018 Financial Statements, which include the independent auditor's report.

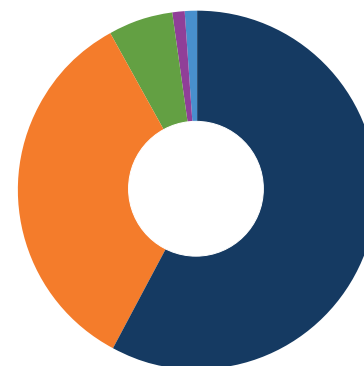
## Financial Performance

- IFAC is reporting a deficit of \$273 thousand for 2018 (2017: \$2.6 million surplus). IFAC had an operating surplus of \$164 thousand offset by net unrealized foreign exchange losses on foreign currency bank accounts of \$437 thousand.

- Total revenue increased by 2% (2017: 8%) to \$35.8 million.
  - Membership dues increased by 2.25% over 2017 as a result of increased dues from existing members and new member organizations.
  - The Forum of Firm's 2018 financial contribution to IFAC remained comparable to 2017.
  - External funding increased by 39.5% mainly due to the World Business Council for Sustainable Development and UK Department for International Development grants.
  - Publication sales and royalties and license fees decreased by 27% due to a delay in publishing the IAASB handbook, and other revenue decreased by 36% due to lower foreign exchange gains.

## 2018 REVENUE

REVENUE	2018	2017
Membership Dues	\$20,680,500	\$20,225,000
Forum of Firms	12,221,043	12,256,930
External Funding	2,203,936	1,579,626
Publications, Royalties, and Licensing	307,897	423,920
Other Revenue	405,889	637,510
<b>TOTAL REVENUE</b>	<b>\$35,819,265</b>	<b>\$35,122,986</b>



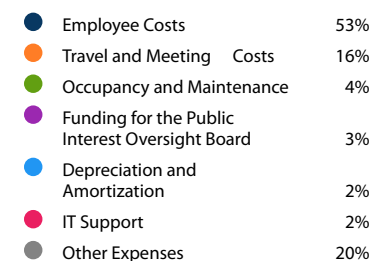
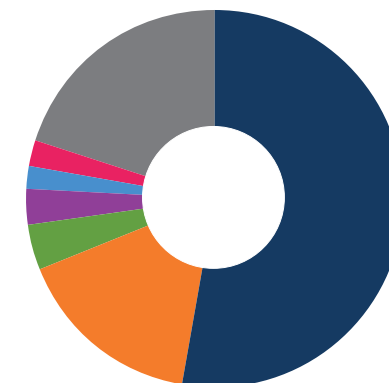
Membership Dues	58%
Forum of Firms	34%
External Funding	6%
Publications, Royalties, and Licensing	1%
Other Revenue	1%



## 2018 EXPENSES

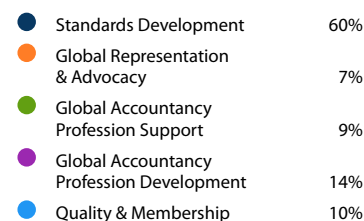
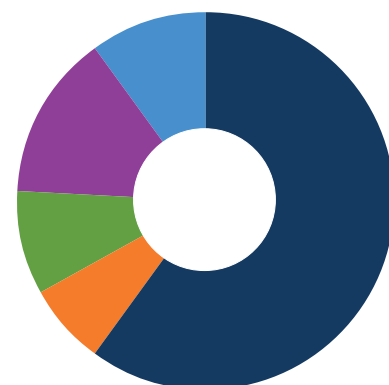
EXPENSES	2018	2017
Employee Costs	\$19,006,594	\$17,824,946
Travel and Meeting Costs	5,792,777	4,878,005
Occupancy and Maintenance	1,297,956	1,296,782
Funding for the Public Interest Oversight Board	1,167,626	1,093,782
Depreciation and Amortization	562,563	533,484
IT Support	709,112	642,267
Other Expenses	7,556,083	6,254,872
<b>TOTAL EXPENSES</b>	<b>\$36,092,711</b>	<b>\$32,524,138</b>

- Total expenses increased by 11% (2017: increased by 1.8%) to \$36 million.
- Employee costs increased by 6.6%. The increase was mainly due to increases in staff positions, remuneration, and transition costs for the incoming CEO partly offset by unplanned staff vacancies.
- Travel and meeting costs increased by 19% mainly due to World Congress of Accountants and increased travel activities across the organization to deliver on work plans
- Occupancy and maintenance increased by a modest 1% due to slight increase in maintenance and repair costs for the office space.
- IT support comprising of maintenance and licenses increased by 10% mainly due to new IT projects and higher IT consultant costs.
- Other expenses increased by 20.8% mostly due to use of consultants, higher recruitment and relocation costs, and higher foreign exchange loss.



## 2018 ALLOCATION

EXPENSE ALLOCATION TO ACTIVITIES	2018	2017
Standards Development	\$21,483,134	\$18,810,393
Global Representation & Advocacy	2,570,733	2,005,976
Global Accountancy Profession Support	3,124,270	3,288,923
Global Accountancy Profession Development	5,380,006	4,694,136
Quality & Membership	3,534,568	3,724,710
<b>TOTAL EXPENSES</b>	<b>\$36,092,711</b>	<b>\$32,524,138</b>



NET ASSETS/EQUITY	2018	2017
At beginning of year	\$9,831,185	\$7,577,276
Surplus/(deficit) for the year	(273,446)	2,598,848
Gain/(Loss) on re-measurement of defined benefit obligation	781,714	(344,939)
<b>AT END OF YEAR</b>	<b>\$10,339,453</b>	<b>\$9,831,185</b>

### Financial Position

- Total assets decreased by 6.13% (2017: increase 19.5%) and total liabilities decreased by 16.96% (2017: increase 11.1%) thereby increasing total net assets by 5.17%.
- At December 31, 2018, based on a discount rate of 4.4% (2017: 3.75%), the funded status of the defined benefit pension plan was negative \$2.3 million (2017: negative \$3.1 million). To manage the inherent risks and volatility in providing retirement benefits through a defined benefit pension plan in an uncertain economic environment, this plan was amended to provide that no further benefit accruals would occur after January 31, 2013. This amendment has resulted in the recognition of curtailments, which reduced IFAC's liability and expense in respect of the plan.
- The equity position as at December 31, 2018, was \$10.3 million (2017: \$9.8 million).

# OUR GLOBAL NETWORK

## IFAC Members

(As at December 31, 2018)

### Albania

- Institute of Authorized Chartered Auditors of Albania

### Argentina

- Federación Argentina de Consejos Profesionales de Ciencias Económicas

### Australia

- Chartered Accountants Australia and New Zealand
- CPA Australia
- Institute of Public Accountants

### Austria

- Institut Österreichischer Wirtschaftsprüfer
- Kammer der Wirtschaftstreuhandhändler

### Azerbaijan

- Chamber of Auditors of Azerbaijan Republic

### Bahamas

- Bahamas Institute of Chartered Accountants

### Bahrain

- Bahrain Accountants Association

### Bangladesh

- Institute of Chartered Accountants of Bangladesh
- Institute of Cost and Management Accountants of Bangladesh

### Barbados

- Institute of Chartered Accountants of Barbados

### Belgium

- Institut des Experts-comptables et des Conseils Fiscaux—Instituut Van de Accountants en de Belastingconsulenten
- Instituut van de Bedrijfsrevisoren—Institut des Réviseurs d'Entreprises

### Bolivia

- Colegio de Auditores de Bolivia

### Bosnia and Herzegovina

- Association of Accountants and Auditors of Republic of Srpska
- Union of Accountants, Auditors and Financial Workers of Federation of Bosnia and Herzegovina

### Botswana

- Botswana Institute of Chartered Accountants

### Brazil

- Conselho Federal de Contabilidade
- Instituto dos Auditores Independentes do Brasil

### Bulgaria

- Institute of Certified Public Accountants of Bulgaria

### Cameroon

- Institute of Chartered Accountants of Cameroon

### Canada

- Chartered Professional Accountants Canada

### Cayman Islands

- Cayman Islands Institute of Professional Accountants

### Chile

- Colegio de Contadores de Chile

### China

- Chinese Institute of Certified Public Accountants

### Chinese Taiwan

- Federation of CPA Associations of Chinese Taiwan

### Colombia

- Instituto Nacional de Contadores Públicos de Colombia

### Costa Rica

- Colegio de Contadores Públicos de Costa Rica

### Cyprus

- Institute of Certified Public Accountants of Cyprus

### Czech Republic

- Chamber of Auditors of the Czech Republic

### Denmark

- FSR—danske revisorer

### Dominican Republic

- Instituto de Contadores Públicos Autorizados de la República Dominicana

### Egypt

- Egyptian Society of Accountants & Auditors

### Estonia

- Estonian Auditors' Association

### Fiji

- Fiji Institute of Accountants

### Finland

- Suomen Tilintarkastajat ry

### France

- Compagnie Nationale des Commissaires aux Comptes
- Conseil Supérieur de l'Ordre des Experts-Comptables

### Georgia

- Georgian Federation of Professional Accountants and Auditors

### Germany

- Institut der Wirtschaftsprüfer
- Wirtschaftsprüferkammer

### Ghana

- Institute of Chartered Accountants (Ghana)

### Greece

- Institute of Certified Public Accountants of Greece

### Guatemala

- Instituto Guatemalteco de Contadores Públicos y Auditores

### Guyana

- Institute of Chartered Accountants of Guyana

### Haiti

- Ordre des Comptables Professionnels Agréés d'Haïti

### Honduras

- Colegio de Peritos Mercantiles y Contadores Públicos

### Hong Kong, Special Administrative Region of China

- Hong Kong Institute of Certified Public Accountants

### Hungary

- Chamber of Hungarian Auditors

### Iceland

- Félag Löggiltra Endurskodenda

### India

- Institute of Chartered Accountants of India
- Institute of Cost Accountants of India

### Indonesia

- Ikatan Akuntan Indonesia

### Iran, Islamic Republic of

- Iranian Association of Certified Public Accountants
- Iranian Institute of Certified Accountants

### Iraq

- Iraqi Union of Accountants and Auditors

### Ireland

- Chartered Accountants Ireland
- Institute of Certified Public Accountants in Ireland

### Israel

- Institute of Certified Public Accountants in Israel

### Italy

- Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili

### Ivory Coast

- Ordre des Experts-Comptables de Côte d'Ivoire

### Jamaica

- Institute of Chartered Accountants of Jamaica

### Japan

- Japanese Institute of Certified Public Accountants

### Jordan

- International Arab Society of Certified Accountants
- Jordanian Association of Certified Public Accountants

**Kazakhstan**

- Chamber of Auditors of the Republic of Kazakhstan

**Kenya**

- Institute of Certified Public Accountants of Kenya

**Korea, Republic of**

- Korean Institute of Certified Public Accountants

**Kosovo**

- Society of Certified Accountants and Auditors of Kosovo

**Kuwait**

- Kuwait Association of Accountants and Auditors

**Latvia**

- Association of Accountants of the Republic of Latvia\*
- Latvian Association of Certified Auditors

**Lebanon**

- Lebanese Association of Certified Public Accountants

**Lesotho**

- Lesotho Institute of Accountants

**Liberia**

- Liberian Institute of Certified Public Accountants

**Lithuania**

- Lithuanian Chamber of Auditors

**Luxembourg**

- Institut des Réviseurs d'Entreprises

**Macedonia, The former Yugoslav Republic of**

- Institute of Certified Auditors of the Republic of Macedonia

**Madagascar**

- Ordre des Experts Comptables et Financiers de Madagascar

**Malawi**

- Institute of Chartered Accountants in Malawi

**Malaysia**

- Malaysian Institute of Accountants
- Malaysian Institute of Certified Public Accountants

**Malta**

- Malta Institute of Accountants

**Mauritius**

- Mauritius Institute of Professional Accountants

**Mexico**

- Instituto Mexicano de Contadores Públicos, A.C.

**Moldova, Republic of**

- Association of Professional Accountants and Auditors of the Republic of Moldova

**Mongolia**

- Mongolian Institute of Certified Public Accountants

**Montenegro**

- Institute of Certified Accountants of Montenegro

**Morocco**

- Ordre des Experts Comptables du Royaume du Maroc

**Namibia**

- Institute of Chartered Accountants of Namibia

**Nepal**

- Institute of Chartered Accountants of Nepal

**Netherlands**

- Netherlands Association of Registered Controllers
- Royal Nederlandse Beroepsorganisatie van Accountants

**New Zealand**

- Chartered Accountants Australia and New Zealand (Formerly New Zealand Institute of Chartered Accountants)

**Nicaragua**

- Colegio de Contadores Públicos de Nicaragua

**Nigeria**

- Association of National Accountants of Nigeria
- Institute of Chartered Accountants of Nigeria

**Norway**

- Den norske Revisorforening

**Pakistan**

- Institute of Chartered Accountants of Pakistan
- Institute of Cost and Management Accountants of Pakistan

**Panama**

- Colegio de Contadores Públicos Autorizados de Panamá

**Paraguay**

- Colegio de Contadores de Paraguay

**Peru**

- Junta de Decanos de Colegios de Contadores Públicos del Perú

**Philippines**

- Philippine Institute of Certified Public Accountants

**Poland**

- Accountants Association in Poland
- Polish Chamber of Statutory Auditors

**Portugal**

- Ordem dos Contabilistas Certificados
- Ordem dos Revisores Oficiais de Contas

**Romania**

- Chamber of Financial Auditors of Romania
- Corpul Expertilor Contabili si Contabililor Autorizati din Romania

**Saudi Arabia**

- Saudi Organization for Certified Public Accountants

**Senegal**

- Ordre National des Experts Comptables et Comptables Agréés du Sénégal

**Serbia, Republic of**

- Serbian Association of Accountants and Auditors

**Sierra Leone**

- Institute of Chartered Accountants of Sierra Leone

**Singapore**

- Institute of Singapore Chartered Accountants

**Slovakia**

- Slovenska Komora Auditorov

**Slovenia**

- Slovenian Institute of Auditors

**South Africa**

- South African Institute of Chartered Accountants
- South African Institute of Professional Accountants

**Spain**

- Instituto de Censores Jurados de Cuentas de España

**Sri Lanka**

- Association of Accounting Technicians of Sri Lanka
- Institute of Certified Management Accountants of Sri Lanka
- Institute of Chartered Accountants of Sri Lanka

**Swaziland**

- Swaziland Institute of Accountants

**Sweden**

- FAR

**Switzerland**

- EXPERTSuisse - Swiss Expert Association for Audit, Tax and Fiduciary

**Tanzania, United Republic of**

- National Board of Accountants and Auditors

**Thailand**

- Federation of Accounting Professions

**Trinidad and Tobago**

- Institute of Chartered Accountants of Trinidad and Tobago

**Tunisia**

- Ordre des Experts Comptables de Tunisie

**Turkey**

- Expert Accountants' Association of Turkey
- Union of Chambers of Certified Public Accountants of Turkey

**Uganda**

- Institute of Certified Public Accountants of Uganda

**Ukraine**

- Ukrainian Federation of Professional Accountants and Auditors

**United Kingdom**

- Association of Chartered Certified Accountants (ACCA)
- Chartered Institute of Management Accountants
- Chartered Institute of Public Finance and Accountancy
- Institute of Chartered Accountants in England and Wales (ICAEW)
- Institute of Chartered Accountants of Scotland
- Institute of Financial Accountants
- Association of Accounting Technicians

### United States of America

- American Institute of Certified Public Accountants
- Institute of Management Accountants

### Uruguay

- Colegio de Contadores, Economistas y Administradores del Uruguay

### Vietnam

- Vietnam Association of Accountants and Auditors

### Zambia

- Zambia Institute of Chartered Accountants

### Zimbabwe

- Institute of Chartered Accountants of Zimbabwe

## Associates

(As at December 31, 2018)

### Albania

- Instituti i Kontabilistëve të Miratuar

### Armenia

- Association of Accountants and Auditors of Armenia

### Benin

- Ordre des Experts-Comptables et Comptables Agréés du Bénin

### Brunei Darussalam

- Brunei Darussalam Institute of Certified Public Accountants

### Burkina Faso

- Ordre National des Experts-Comptables et des Comptables Agréés du Burkina Faso

### Cambodia

- Kampuchea Institute of Certified Public Accountants and Auditors

### Croatia

- Croatian Audit Chamber

### El Salvador

- Instituto Salvadoreño de Contadores Públicos

### Guatemala

- Colegio de Contadores Públicos y Auditores de Guatemala

### Indonesia

- Institut Akuntan Publik Indonesia

### Ireland

- Accounting Technicians Ireland

### Kazakhstan

- Chamber of Professional Accountants of the Republic of Kazakhstan

### Kyrgyzstan

- Union of Accountants and Auditors

### Lithuania

- Lithuanian Association of Accountants and Auditors

### Luxembourg

- Ordre des Experts-Comptables du Luxembourg

### Montenegro

- Institute of Accountants and Auditors of Montenegro

### Pakistan

- Pakistan Institute of Public Finance Accountants

### Palestine

- Palestinian Association of Certified Public Accountants

### Papua New Guinea

- Certified Practising Accountants Papua New Guinea

### Russian Federation

- Audit Chamber of Russia
- Russian Union of Auditors
- Self-regulatory Organization of Auditors Association "Sodruzhestvo"

### Rwanda

- Institute of Certified Public Accountants of Rwanda

### Serbia, Republic of

- Chamber of Authorized Auditors of Serbia

### Togo

- Ordre National des Experts-Comptables et des Comptables Agréés du Togo

### Uzbekistan

- Chamber of Auditors of Uzbekistan
- National Association of Accountants and Auditors of Uzbekistan

### Vietnam

- Vietnam Association of Certified Public Accountants

## Affiliates

(As at December 31, 2018)

### Netherlands

- Nederlandse Orde van Register EDP-Auditors

### United Kingdom

- Association of Corporate Treasurers

### United States of America

- Information Systems Audit and Control Association
- National Association of State Boards of Accountancy
- The Institute of Internal Auditors

## Regional Organizations

(As at December 31, 2018)

- Accountancy Europe
- Confederation of Asian and Pacific Accountants
- Interamerican Accounting Association
- Pan African Federation of Accountants

## Accountancy Groupings

(As at December 31, 2018)

- Association of Accountancy Bodies of West Africa
- Fédération des Experts-Comptables Méditerranéens
- Fédération Internationale des Experts Comptables et Commissaires aux Comptes Francophones
- Gulf Cooperation Council Accounting and Auditing Organization
- Institute of Chartered Accountants of the Caribbean
- South Asian Federation of Accountants

# OUR VOLUNTEERS

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(November 2017 to November 2018)

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**Swiss Liaison Officer:** Thorsten Kleibold



### **2017-2018 IFAC Board:**

*Standing (L to R): Pamela Monroe-Ellis (Jamaica), Carol Bellringer (Canada), Gail McEvoy (Ireland), Alan Johnson (United Kingdom, Portugal), Bill Balhoff (United States), Philippe Arraou (France), IFAC President Rachel Grimes (Australia), Elbano de Nuccio (Italy), IFAC Deputy President In-Ki Joo (Republic of South Korea), Wienand Schruff (Germany), Fanisa Lamola (South Africa), Norunn Byrkjeland (Norway), Asmâa Resmouki (Morocco), Richard Petty (Australia), Joy Thomas (Canada)*

*Seated (L to R): Sebastian Owuama (Nigeria), Idésio Coelho (Brazil), Tommye Barie (United States), Shinji Someha (Japan), Michael Hathorn (United Kingdom)*

*Missing: Raphael Ding (Hong Kong, Special Administrative Region of China), Yacoob Suttar (Pakistan), Zhiguo Yang (China)*



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(January 1, 2018 – December 31, 2018)

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Sue Almond, Grant Thornton International Ltd  
Samuel Burke, PricewaterhouseCoopers International Limited  
Stewart Dunne, BDO

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Laura Taylor, PricewaterhouseCoopers International Limited  
Mohammed Yaqoob, Nexia International  
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Susana Martinez, RSM International Limited  
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### Swiss Liaison Officer

Jeremy Horwath



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