

STRONG & SUSTAINABLE

How We're Creating Impact

Integrated Annual
Review 2022



International
Federation
of Accountants®

CONTENTS

- 2 About This Review
- 3 Letter from Our President
- 5 Letter from Our CEO
- 7 Our Impact
- 9 **Strong & Sustainable Accountancy Profession**
- 11 **Strong & Sustainable Private and Public Organizations**
- 13 **Strong & Sustainable Financial Markets and Economies**
- 14 IFAC Value Creation
- 15 Strategic Objectives
- 18 Stakeholder Engagement
- 20 Sustainability Ambition
- 21 Governance
- 27 Financial Highlights
- 30 Support Structures & Resources
- 32 IFAC Members and Associates
- 35 IFAC Volunteers
- 38 Appendix

[Click text to go to section](#)

ABOUT THIS REVIEW



IFAC is the global organization for the accountancy profession. We serve the public interest by helping to ensure a skilled, knowledgeable, and ethical workforce of professional accountants around the world; by contributing to the development of sustainable private and public sector organizations; and by supporting strong international financial markets and economies.

IFAC's membership is comprised of more than 180 professional accountancy organizations in over 135 jurisdictions, representing millions of accountants in public practice, industry, government and education. IFAC's stakeholders also include the largest global networks of accountancy firms (the Forum of Firms), as well as regulators, policy makers, and international organizations.

This review draws on integrated reporting principles and concepts as set out in the International Integrated Reporting <IR> Framework and is a key element of our accountability to stakeholders.

This review is supplemented by IFAC's [Financial Statements for the year ended December 31, 2022](#), which have been reviewed and approved by IFAC's Board of Directors.

LETTER FROM OUR PRESIDENT

“My seven years on the IFAC board have been a highlight of my professional life and I am grateful, and enormously privileged, to have had the opportunity to serve my profession.”

Alan Johnson CMG
IFAC President

Photo by Kamil Rodinger, Chamber of Auditors of the Czech Republic

LETTER FROM THE PRESIDENT

In 2022—and throughout my term as President—IFAC’s many successes were possible because of our resilience as individuals, as colleagues, and as partners in advancing the global accountancy profession in the public interest. I am extremely proud of what we have accomplished together.

It is my privilege to reflect on another year of remarkable achievements at IFAC.

The implementation of our IMPACT approach was an exceptionally important step in IFAC’s history. We are now much more capable of communicating our value proposition and the public interest purpose of our work to our many stakeholders. We are in a better position to prioritize and carry out our work in alignment with the evergreen Strategic Plan and our bedrock Vision, Purpose, Values, and Strategic Objectives. I would also emphasize that our IMPACT approach enhances the attractiveness of the accountancy profession by helping us to convey to prospective accountants how their work will serve businesses, capital markets, economies, and society as a whole. Arriving at the IMPACT approach has engaged the whole organization, and I must thank Kevin Dancey, IFAC’s CEO, whose leadership made this transformation possible.

In outreach and engagement by myself and my Board colleagues in 2022, we highlighted three themes: sustainability, public financial management, and the fight against corruption and related financial crimes. We used these opportunities to communicate IFAC’s contributions in each area, including our call to action to keep up the momentum behind the International

Sustainability Standards Board, our on-the-ground public sector capacity-building initiatives, and the invaluable Action Plan and Framework for the fight against corruption and related financial crimes. At the same time, we gained invaluable insights from our members about how these issues affect the profession in their various jurisdictions.

Engaging with our members as President was always an honor and a privilege. In 2022, it was gratifying to have opportunities to travel and meet with colleagues in person after two years largely limited to virtual connections. I want to thank every member organization who invited me to speak at their events and provided me opportunities to meet with government officials and representatives of the regulatory community. The work of our member bodies is inspirational and transformational—and they prove every day that we are a truly global and interconnected profession that is dedicated to the public interest. We saw further proof of this at the 21st World Congress of Accountants, hosted by The Institute of Chartered Accountants of India, which occurred in November 2022. The theme was “Building Trust, Enabling Sustainability.” This event, which brought together professionals from around the world, was an important reminder of what we are capable of doing when we come together.

IFAC’s volunteers deserve recognition for maintaining continuity throughout the pandemic in pursuit of crucial organizational goals—including diversity, equity, and inclusion. In 2022, we completed our third consecutive year with a majority female Board. The exemplary contributions of our volunteers are all the more

remarkable considering the pandemic-imposed travel restrictions that resulted in many of our engagements being done virtually!

I was very pleased to see the Monitoring Group process reach a successful conclusion after many years of hard work. This work began even before I joined the IFAC Board in 2015. Many thanks are owed to the Monitoring Group co-chairs, the Public Interest Oversight Board, the chairs of the independent standard setting boards, the Forum of Firms, the Global Public Policy Committee, the IFAC Board and, of course, Kevin, who led the work and rebuilt the trust and confidence needed to achieve the satisfactory outcomes.

I would like to take this opportunity to recognize the outstanding leadership of Kevin since his appointment in 2018, and thank him for the strong and close working relationship between us over the past two years.

Finally, I thank Asmâa Resmouki for her support during my presidential term, and know that profession is in good hands as she serves as President, alongside Jean Bouquot as Deputy President. IFAC has a bright future under their leadership—and they can count on the support of an outstanding IFAC team and Board.

My seven years on the IFAC board have been a highlight of my professional life and I am grateful, and enormously privileged, to have had the opportunity to serve my profession.

Alan Johnson, CMG
IFAC President

LETTER FROM OUR CEO

“An important element of the IMPACT approach is helping people, both within and outside of the profession, better understand the myriad ways that our work drives positive change within society. It is also about ensuring that we are laser-focused on creating value and becoming more attractive as a profession.”

Kevin Dancey C.M., FCPA, FCA
IFAC CEO



LETTER FROM THE CEO

When goals are accomplished and good work is done, it's tempting to attribute success to the hard work and intelligence of a single person. Giving success a singular figure to look to for inspiration simplifies the narrative, making lofty goals seem much more possible. After all, if just one person can do it, any person can.

The truth is that goals are pretty much always achieved thanks to the hard work of groups of people, not least of whom are the IFAC staff, volunteers on our Board and Advisory Groups, certainly our PAO members around the globe, the Forum of Firms and our many other stakeholders.

In 2022 and into 2023, I was frequently reminded of the power of community. IFAC's work would be impossible without the shared knowledge and action of a global network. In fact, I wouldn't hesitate to say that the work of professional accountants in general is becoming more dependent on communication and collaboration. Our capability, expediency, and adaptability increase exponentially when we work with our peers.

IFAC has ambitious goals, and our position as a global convener makes those goals possible. In 2022, we acted on and evolved our vision of creating a strong & sustainable accountancy profession, strong & sustainable private and public sector organizations, and strong & sustainable financial markets and economies. Our IMPACT approach, a framework established in 2021, breaks down how and why we do the work we do, and how our work creates value for our community and for society.

The IMPACT approach makes our work advocating for international sustainability standards and assurance all the more achievable. Professional accountants working in business, in public practice, and elsewhere are the future for driving sustainable business practices. By making the profession the go-to providers of sustainability services, we strengthen not only our profession but also the organizations where professional accountants work and to which they belong, and the markets and economies those organizations serve.

In 2022, we also launched awareness campaigns that encourage small business enterprise practitioners to provide sustainability services. Small businesses are substantial to every economy in terms of employment and contribution to GDP, as well as greenhouse gas emissions. Ensuring they have guidance on sustainable business practices is essential to respond to the threat of climate change.

We have also spent the last year planning new projects tackling financial crime in global business. These projects are essential, not just because corruption leads to an enormous waste of financial potential, but also because corruption stands in the way of building sustainable economies and achieving the United Nations Sustainable Development Goals (SDGs).

Our work with the Monitoring Group continued in 2022, enhancing the trust and confidence that all stakeholders need in the international standard-setting process. These efforts culminated in the launch of the International Foundation for Ethics and Audit in early 2023. This new entity houses the IAASB and IESBA, further

strengthening the independence of the international standard-setting system for ethics, audit, and assurance.

Today, over 90% of IFAC member jurisdictions continue to use international standards on reporting, audit, education, and ethics, as well as inspection and enforcement benchmarks. In 2022, IFAC was steadfast in contributing to numerous standards consultations, especially to represent the voice of small and medium practices (SMPs), and working to drive increased adoption and implementation of standards.

An important element of the IMPACT approach is helping people, both within and outside of the profession, better understand the myriad ways that our work drives positive change within society. It is also about ensuring that we are laser-focused on creating value and becoming more attractive as a profession. To complement the development to the IMPACT approach, in 2022 we very deliberately created tighter integration between our stakeholder engagement, thought leadership and policy functions. The goal was to create stronger "feedback loops" and connectivity with stakeholders, so that our policy and thought leadership outputs are as purposeful and as supportive as possible to meet the needs of our stakeholders and advance the goals of the profession for the public interest.

We thank you, our members and stakeholders for your ongoing support and we look forward to continuing our work together.

Kevin J. Dancey C.M., FCPA, FCA
Chief Executive Officer

OUR IMPACT

Throughout 2022, IFAC honed the work started in 2021 to develop an IMPACT approach to creating value for our stakeholders, and for society more broadly. Built on our vision and purpose, our values, our strategic objectives, and our comparative advantages and key activities, our IMPACT approach is about our areas of focus and the specific actions we look to take, most often in conjunction with various stakeholders, to affect positive change.

Our aim was not only to help our stakeholders better understand how and why we do the work we do, but also to help IFAC’s staff—and indeed professional accountants around the globe— relate their day-to-day efforts to a sense of purpose and to protecting the public interest.

We identified three IMPACTS, each derived directly from IFAC’s Vision and Purpose, and each aligned to our core Strategic Objectives. These are:

1. Strong and Sustainable

Accountancy Profession

2. Strong and Sustainable

Private and Public Sector Organizations

3. Strong and Sustainable

Financial Markets and Economies

Each IMPACT is supported by several Focus Areas, which we articulated to provide an additional level of clarity and prioritization to our work. These can be seen in the graphic on the prior page. We do not anticipate changes to our IMPACTS, though in order to remain agile and responsive to an ever-changing world, we will revisit the Focus Areas, and particularly the related Actions, on an annual basis. These will be presented in our Strategic Plan, which is approved by IFAC’s Council.



Naturally, our most direct scope of influence will be in IMPACT #1, which focuses on the profession. Each successive IMPACT builds on the ones before, and we believe that IFAC and the profession have critical work to do in each segment. All are critical to the profession’s public interest mandate and contribution to society. And collectively, the work of IFAC and the profession in all three of these IMPACT areas enables us to help make progress against the United Nations Sustainable Development Goals (SDGs.)

For each IMPACT, we present on the following pages a representative effort undertaken by IFAC. These examples demonstrate the value that IFAC unlocks when it works in collaboration with the profession and other stakeholders. We hope you will enjoy these narratives. For a more comprehensive account of our efforts during 2022, please see the [Appendix](#).

STRONG & SUSTAINABLE ACCOUNTANCY PROFESSION

Convening a Global Conversation: Attractiveness of the Profession

Organizations in every industry worldwide continue to face a talent shortage, a widening gap between available skills and employers' needs, a greater and necessary drive for workforce diversity, and changing societal values about work.

Accountancy is no exception, with the global pipeline for professional accountants decreasing in many jurisdictions. This poses challenges to both the profession and society more broadly.

Throughout 2022, concerns about the future attractiveness of the profession and the related issue of retention of talent became increasingly prevalent topics of discussion during IFAC's engagement with stakeholders. At the same time there was growing enthusiasm about new opportunities for the profession to elevate its contributions to sustainable business success.



STRONG & SUSTAINABLE ACCOUNTANCY PROFESSION

By the second half of 2022, IFAC was not only exploring the issues, but was determined to convene a global and ongoing conversation that would draw out different perspectives, seek areas of convergence, and begin to prioritize solutions to attract and retain talent and reposition how the profession is perceived.

At its Council meeting in November 2022, IFAC outlined preliminary thinking, which included such ideas as:

- Redefining how professional accountants are perceived, by articulating the strongest attributes of our profession and taking control of our narrative.
- Considering new educational and vocational pathways to membership in our profession, with the goal of expanding our overall size.
- Diversifying membership within PAOs to provide a better and broader value proposition for new entrants to the profession, and encouraging PAOs to consider consolidation if it would result in more resilient and adaptable PAOs that can better serve the public interest and their membership.

IFAC CEO Kevin Dancy encouraged the profession to break away from legacy thinking and traditional operating models, and to challenge ourselves and the status quo to open access into the profession, become more diverse so as to represent accountants from all sectors.

While IFAC's individual members organizations are diverse – in size, in maturity, in culture, in educational and regulatory norms, and in terms of their own membership – the dual issues of attracting and retaining talent are certainly one that the profession must face together.

With a foundation laid at the Council, IFAC took the discussion into its 2023 Chief Executives (CE) Forum, which took place a few months later in February of 2023. This enabled over 80 CEs of IFAC member organizations to come together for frank, constructive working sessions to look at the challenges and discuss innovative approaches to address them. New relationships were formed, existing relationships were strengthened, and there was a strong sense of community and collective ownership of the problems to be solved.



The dialogue has continued to advance, and IFAC remains committed to this critical journey to ensure a future fit profession. We look forward to our ongoing role facilitating and supporting solutions, to help ensure that our profession remains strong and robust and draws together the best and brightest from all backgrounds.

VALUE & OPPORTUNITY
The Role Accounting Technicians Can Play in the Global Accountancy Ecosystem

Financial markets and economies around the world are being served by resilient and adaptable professional accountancy organizations (PAOs) that have accountancy professionals at all levels and in all sectors. This allows the accountancy profession in each jurisdiction to serve the public interest by:

- delivering on every organizational need, from day-to-day to the most complex; and
- providing pathways that enhance access to the profession and attract more individuals to pursue careers in professional accountancy.

THE ACCOUNTING TECHNICIAN DESIGNATION
PAOs considering the introduction of an AT designation should do so as both a credible qualifying endpoint—leading to a fulfilling and meaningful career—and as an effective pathway toward other accountancy designations for those who want to continue their professional development journey.

As a minimum, an AT designation should require successfully completing a rigorous education program that develops and assesses competence in financial and non-financial systems and processes, risk management, and program information for decision-making. AT programs should also consider covering digital skills, ethics, sustainability, and professional skills, such as communication.

Once members have completed the AT designation, PAOs should ensure that their AT members commit to ethical standards and continuous professional development.

CALL TO ACTION
The value offered by Accounting Technicians can only be harnessed when the PAOs in a jurisdiction:

- Provide a membership pathway for ATs
- Define the distinct professional competence for ATs
- Integrate ATs under the ethical and public interest umbrella of the PAOs and the broader accountancy profession
- Advocate for legislative recognition of ATs in their jurisdictions
- Collaborate with employers and education providers on the market recognition and professional development of ATs.

Visit the IFAC website for additional information about Accounting Technicians.

HOW ACCOUNTING TECHNICIANS CAN CREATE VALUE

Accounting Technicians (ATs) are part of the global accountancy profession, working across all sectors in financial management roles that are essential to a strong and sustainable accountancy profession, private and public sector organizations, and financial markets and economies. When ATs are empowered with appropriate technical knowledge and practical skills—and valued by employers—they support the profession of reliable financial and non-financial information that drives strong and informed decision-making, and delivers transparency and accountability.

How can Accounting Technicians address a strong and sustainable accountancy profession?

- By offering a more accessible entry point and accelerated pathway into the accountancy profession, contributing to a vibrant and diverse profession
- By using their AT education as a strong foundation, ATs will want to pursue another accountancy designation to increase their chance of business opportunities and typically transition smoothly into the workforce
- By helping accountants in public practice deliver services to their clients at competitive price points
- By providing PAOs with a broader membership base, ATs raise PAOs' storage and more resilient

How can Accounting Technicians support strong and sustainable financial markets & economies?

- By offering their practical skills to all levels in the accountancy profession that supports high-quality private and public sector reporting, contributing to the reliability of reported information and to value for decision-making by management and external users
- By providing essential accounting services and advice for small and medium-sized entities (SMEs), supporting the growth and resilience of the backbone of the world's economies
- By supporting the work of other professional accountants in large organizations who manage data reporting systems applications, processing, analysis, and report production
- By working with technology to enhance the efficiency and effectiveness of finance functions, bringing a sound understanding of the high-understanding digital-enabled finance and accounting processes
- By applying their non-accountant data management skillset to sustainability-related data collection, analysis and reporting

How can Accounting Technicians support strong and sustainable financial markets & economies?

- By joining a PAO and following its ethical and public interest membership obligations, ATs enhance the overall quality and integrity of accountancy services, increase the efficacy of financial markets, and contribute to sustainable development
- By joining the practical skills of growing economies to ensure greater resilience to economic shocks, better risk management and support infrastructure
- As partners in the fight against corruption and economic crime by helping organizations to ensure compliance with anti-corruption legislation, detect and flag, and follow the anti-bribe and corruption they discover
- By providing career opportunities to individuals who may not otherwise have a pathway to professional work opportunities, contributing directly to the UN's Sustainable Development Goal 8: Decent Work and Economic Growth

IFAC acknowledges a grant to the Collaboration of Asian and Pacific Accountants, whose recent publication [Accounting Technicians: The Value Proposition](#) is the primary source of the information presented in this infographic.

© Copyright 2023 by International Federation of Accountants (IFAC) | 10/2023

STRONG & SUSTAINABLE

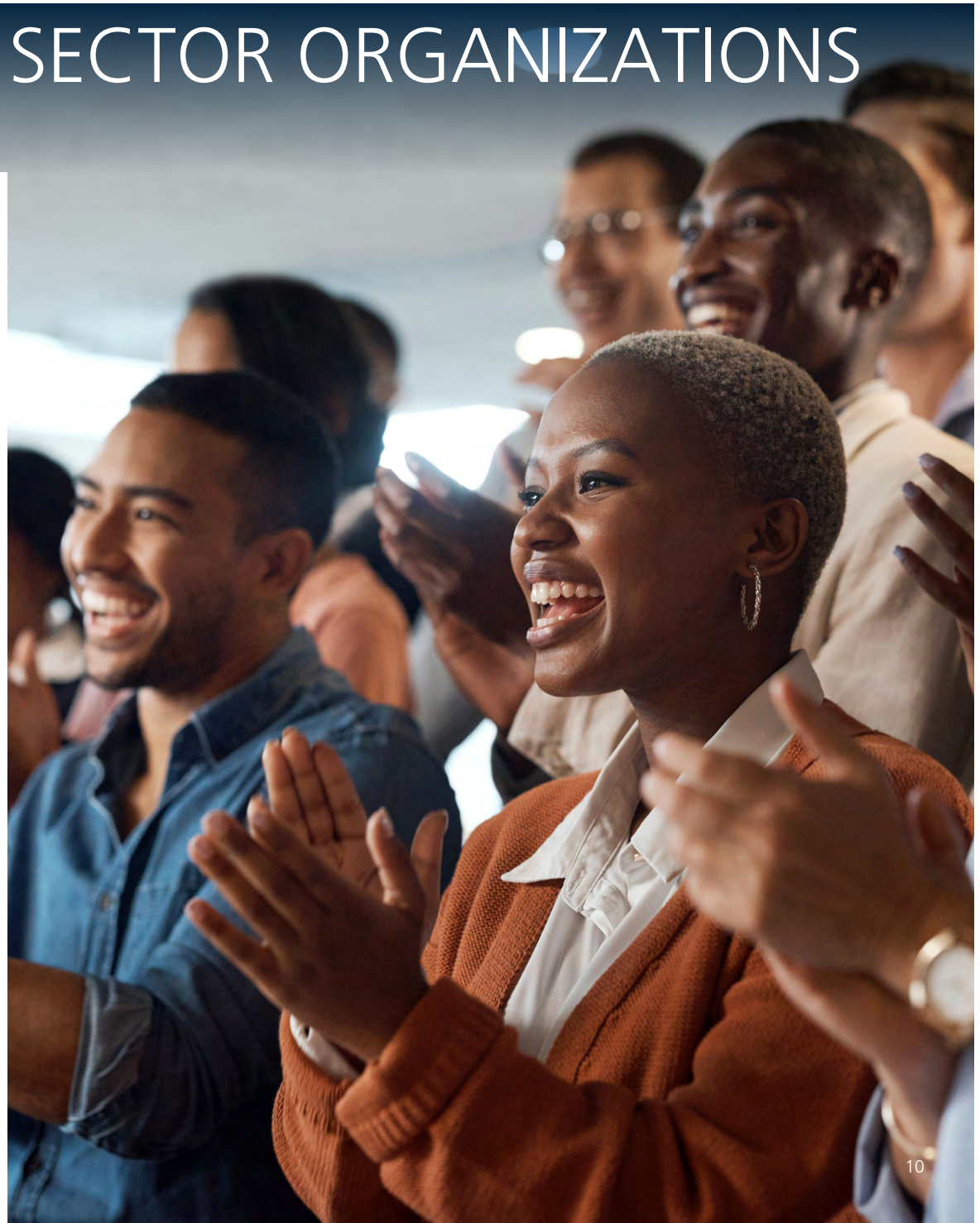
PRIVATE & PUBLIC SECTOR ORGANIZATIONS

A CASE STUDY: Generating a Public Sector Professional Accountant Pipeline in Africa.

There's an African proverb that says, "If you want to go fast, go alone. If you want to go far, go together."

When the Pan-African Federation of Accountants (PAFA) began exploring a partnership with the African Organisation of English-speaking Supreme Audit Institutions (AFROSAI-E) and the East and Southern African Association of Accountants General (ESAAG) to increase the capacity of accountants and auditors in the African public sector, they faced a steep challenge. Talented accountants predominantly saw career opportunities and greater rewards in the private sector, and accountancy education tended to be private sector orientated.

Creating career paths in the public sector would mean changing the mindset and pay scales of civil service entities, and accountancy curricula needed to better prepare accountants for these paths.



STRONG & SUSTAINABLE PRIVATE & PUBLIC SECTOR ORGANIZATIONS

Because IFAC understood the vision, we were able to offer critical support early on, as the partners began to lay the groundwork for what would become the African Professionalisation Initiative (API).

To be sustainable, the initiative needed to develop local support—and, more importantly, local ownership of the mission to build capacity. The solution would be a long-term change-management exercise, requiring champions supporting the effort in each country.

Educational materials for the project targets three key audiences:

- Incumbent government officials who needed additional technical accountancy competencies
- Private-sector accounting and auditing professionals interested in entering the public sector.
- Students aspiring to become accountants with an interest in pursuing public-sector careers.

IFAC’s support for this vision contributed to the API’s credibility among a wider array of global partners and its stature in the industry helped bring attention, including donor funds, to the project. In this case, IFAC was able to allocate a portion of the PAO Capacity Building Program grant that it had received from the UK government to fund the development of education and training materials, meaning the cost to government agencies and students would be minimal. In addition to making the courses more attractive to adopt and use, this decision demonstrated a commitment to prudent use of donor funds to support a long-term, sustainable strategy. IFAC has also consistently championed the importance of accrual-based reporting to sound financial management, giving API’s core value proposition greater authority on an international stage.

In 2022, Zimbabwe was the first country to implement the program, with the first cohorts of students expected to start soon. In 2023, Botswana signed up

as the next country to commence implementation with the local qualifications authority approving the registration of the API learning program. More than ten other countries have expressed interest in implementation, and the API is working with local stakeholders in these countries to lay the foundations for implementation. As these countries achieve success and as the materials become increasingly relevant to a more diverse set of countries, others will follow.

Efforts like these are certainly not quick fixes, but they can have a tremendous positive effect on the economic health of developing countries, as they enlarge the community of dedicated, professional public accountants who support efficient, effective and economic service delivery for their countries’ citizens. And we believe that the success of any effort to build long-term, sustainable capacity among public accountants will encourage and breed success elsewhere.



STRONG & SUSTAINABLE FINANCIAL MARKETS & ECONOMIES

Financial corruption is not only an immediate problem for sustainable economic, political, and social progress—it is also a problem that affects the most vulnerable individuals and public trust. Fighting corruption means not only helping people out of poverty; it also involves strengthening democracies, economies, and international relationships.

As advisors and strategic partners in business, the public sector, and society, professional accountants are well placed to fight economic crime.

Accountants are also positioned well to support an ecosystem of key actors and policymakers, that strive to counter corruption and economic crime at the global and domestic levels. In 2021, our presence at the Conference of the States Parties of the United Nations Convention against Corruption (UNCAC) was the catalyst for our current anti-corruption platform, which has become a major focal point for our organization.



STRONG & SUSTAINABLE FINANCIAL MARKETS & ECONOMIES

In 2022 (and again in 2023), our Chief Executives Forum’s discussion highlighted the need for the global accountancy profession to elevate its engagement on anti-corruption and anti-money laundering issues. This sparked an engagement campaign across the IFAC network, which ultimately led to the development of the [Anti-Corruption Action Plan](#).



We released our Action Plan in cooperation with the International Bar Association in September of 2022. The Action Plan provides a framework for enhancing the accountancy profession’s role in combating corruption and economic crimes, and is meant to evolve over time with new supporting actions and initiatives. Specific actions in the plan include studying the extent to which corruption and money laundering topics are part of pre-qualification training and assessments in different jurisdictions worldwide; supporting the adoption, implementation and enforcement of the IESBA Code, and, in particular, highlighting the NOCLAR (Non-Compliance with Laws and Regulations); and contributing crucial data on the extent of adoption and implementation of accrual accounting by governments through our International Public Sector Financial Accountability Index.

Collaborating with other organizations is key: 2022 saw IFAC attending the Basel Institute’s 4th International Collective Action Conference, where anti-corruption practitioners learned from each other in order to accelerate progress. A few months later, we published our [Trust in Tax](#) survey, which studies how and why 5,600 people across 14 countries do or do not trust tax systems and officials. A few weeks

after that, we published our [G20 Call to Action 2022](#), laying out the need for governments to recognize the key role that professional accountants play in the fight against corruption and economic crime. Finally, in December 2022, we attended the International Anti-Corruption Conference, where we brought further visibility to the Role of Professionals in the Fight Against Illicit Financial Flows with leaders from the World Economic Forum and the International Bar Association, among others.

Much of our work creating the Action Plan and organizing forums for discussion in 2022 laid the foundation for the work we’ll be doing in 2023. In particular, we’ll be working to gather and disseminate data regarding when and why corruption occurs, and how the profession can work together to prevent it. Professional accountancy organizations, IFAC Network Partners, and individual professional accountants are already fighting corruption, economic crimes and illicit financial flows. Creating the Action Plan was an essential part of IFAC’s goals for a strong and sustainable accountancy profession, strong and sustainable private and public organizations, and strong and sustainable financial markets and economies.



IFAC VALUE CREATION

OUR VISION, PURPOSE, AND VALUES

OUR STRATEGIC OBJECTIVES

- Speaking out & engaging as the voice for the global profession
- Contributing to & promoting the development, adoption & implementation of high-quality international standards
- Leading & developing a future-ready profession

OUR COMPARATIVE ADVANTAGES

- Global Convener
- Global Knowledge Gateway
- Global Voice

OUR KEY ACTIVITIES

- Accountancy capacity building
- Promoting, monitoring and supporting the adoption and implementation of International Standards
- Accountancy education
- Policy and advocacy thought leadership
- Stakeholder engagement

OUR FOCUS AREAS - 2022

- PAO Resilience and Adaptability
- Accountancy Firms and Networks
- IAASB, IESBA, & Education Standards —emphasizing Adoption & Implementation
- Assurance
- Ethics
- Professional Accountants as CFOs & Business Leaders
- Corporate Governance & Audit Committees
- Public Financial Management & Public Sector Finance
- International Reporting Standards (IASB, ISSB, IPSASB)
- Business, Professional & Public Sector Integrity
- Multilateral Engagement on behalf of the Profession

OUR IMPACTS

Strong and Sustainable
Accountancy Profession

Strong and Sustainable
Private and Public Sector Organizations

Strong and Sustainable
Financial Markets and Economies

OUR STRATEGIC OBJECTIVES

IFAC's three strategic objectives have proven durable over time and remain the underpinning of IFAC's IMPACT approach.

Speaking Out and Engaging as the Voice for the Global Profession

IFAC maintained strong momentum throughout 2022 in speaking out and engaging as the voice of the profession, regularly engaging with our member organizations, the Forum of Firms and other global stakeholders to help shape ongoing dialogue and policy development. IFAC participated in various consultations, webinars, presentations and roundtables—both as presenters and as participants—with organizations including the B20, OECD, United Nations, International Bar Association, the International Valuation Standards Council, IOSCO, the Good Governance Academy Colloquium, Journal of International Accounting Research, CIPFA Sustainability Reporting Roundtable, and INCP Summit.



In 2022, IFAC earned the following scores for its performance from its member organizations and the Forum of Firms:

- 8.54 for enhancing IFAC's role as the global voice, compared to 8.61 in 2021.
- 8.55 for speaking out as the global voice and sharing thought leadership and guidance, compared to 8.65 in 2021.



OUR STRATEGIC OBJECTIVES

Leading and Developing a Future-Ready Profession

For the global accountancy profession to be “future-ready”, we need to ensure a strong, sustainable, global profession able to attract and retain diverse, skilled professionals with the competencies to meet current and future needs. We also need to support professional accountancy organizations’ ability to develop the capacity they need to support economic growth in their countries and regions.

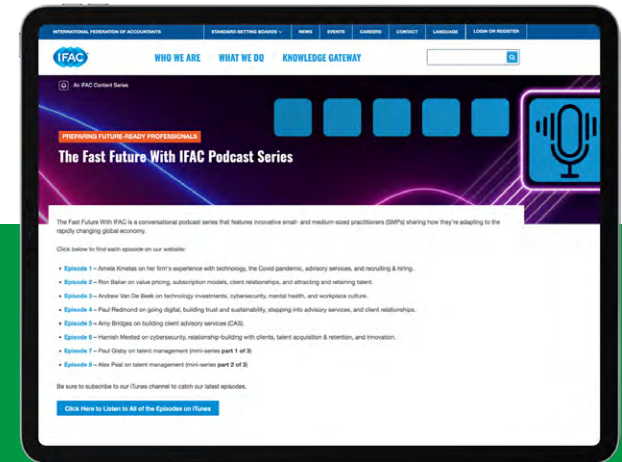
IFAC’s efforts to continue the profession’s journey to “future-ready” includes such priorities as helping accountants prepare for the digital economy, expanding their skills to lead in sustainability, understanding the importance of flexibility and mental health and, of course, addressing the overall issues of attractiveness and retention.

IFAC works to support professional accountants in business (PAIBs) and in the public sector, and small- and medium-sized practices (SMPs), all of whom are crucial to the strength and success of organizations, businesses, markets and economies worldwide. And their success is dependent upon their continual development.

Professional accountants must not only keep pace with rapid technological, social and economic changes, they must anticipate and prepare for what’s to come. Part of the remit of IFAC’s Professional Accountants in Business Advisory Group (PAIBAG), Small & Medium Practice Advisory Group (SMPAG) and Professional Accountancy Organization Development & Advisory Group (PAODAG) is to help identify and address emerging needs and support IFAC members in responding to these needs through advocacy, thought leadership, education and training, and member and stakeholder engagement.

In 2022, IFAC’s earned the following scores for its performance from its member organizations and the Forum of Firms:

- 8.34 rating for SMP support, compared to 8.30 in 2021.
- 8.07 rating for PAIB support, compared to 8.18 in 2021.
- 8.09 rating for advancing accountancy education by expanding our role to include advocacy for the skills and competencies of the professional accountant and advancing education in addition to supporting standard setting, compared to 8.13 in 2021.



OUR STRATEGIC OBJECTIVES


Contributing to and Promoting the Development, Adoption and Implementation of High-Quality International Standards

High-quality international standards applied by professional accountants are foundational to protecting the public interest, and an essential pillar of the global financial architecture.

To maintain this foundation for the global profession, IFAC's efforts to contribute to and promote the international standards include:

- monitoring international standards' adoption and facilitating implementation;
- providing the global profession's perspective on key matters under discussion;
- supporting the International Auditing and Assurance Standards Board, International Ethics Standards Board for Accountants, and International Public Sector Accounting Standards Board.






EXPLORING THE IESBA CODE

A Focus on Technology: Artificial Intelligence

The Conceptual Framework



The Five Fundamental Principles

- Integrity
- Objectivity
- Professional Competence and Due Care
- Confidentiality
- Professional Behavior
- Independence

Technology is changing the way that professional accountants (PAs) perform their work. While technological innovations like artificial intelligence (AI) can enhance the scope, efficiency, and effectiveness of this work, such innovations can also pose new challenges to how PAs continue to act in the public interest, as is required by the IESBA Code ("the Code").

In this installment, we examine the application of the Code's conceptual framework to address ethics and independence issues arising from the use of AI.

Consider the following AI scenario:

* You are the financial controller at a company that has just introduced an expensive new AI-enabled system to screen potential new customers and determine appropriate credit limits. The CFO has sent out a company-wide email claiming that this new technology will revolutionize how your company evaluates potential customers and assesses quality risks. This is a high-profile project for the CFO, who is expected to retire within the next fiscal year and who everyone expects will endorse you as their successor.

* You have been asked to implement the new AI-enabled system, as soon as possible. You do not yet sufficiently understand the assumptions and parameters underlying how the AI works, but the first batch of potential customers screened appears to overweight the likelihood of default and fraud risks of individuals from ethnic minority groups.

* Taking the time to investigate and evaluate unsuspected findings will delay implementation and could call into question the CFO's decision to purchase and implement this new system.


In this installment, we will consider our AI scenario and identify, evaluate and address possible threats to compliance with the five fundamental principles. As the Financial Controller, you might be tempted to rationalize the following:

* Extensive testing was probably done by the technology developer, our company's IT department, and the finance implementation team before it was deployed. Therefore, it is okay to rely on the results of the AI system.¹⁷ However, by applying the conceptual framework and asking appropriate questions, you would identify at least two threats that require evaluation.


IFAC also supported the launch of the [International Foundation for Ethics and Audit](#) (IFEA, or the Foundation) which became operational on January 31, 2023.

In 2022, IFAC's earned the following scores for its performance from its member organizations and the Forum of Firms:

- 8.52 in 2022 for efforts supporting adoption and implementation, compared to 8.59 in 2021.
- Separately, in a survey of standard setting board chairs, IFAC received an average score of 8.6 for overall support to the boards compared to 9.3 in 2021.



AUDITING ACCOUNTING ESTIMATES: ISA 540 (REVISED) IMPLEMENTATION TOOL



DISCLAIMER

This Tool is designed to assist practitioners in the implementation of ISA 540 (Revised), *Auditing Accounting Estimates and Related Disclosures*, but is not intended to be a substitute for reading the standard itself. Furthermore, a practitioner should utilize this Guide in light of his/her professional judgment and the facts and circumstances involved in each particular audit. It should also be noted that the examples provided are not exhaustive and do not represent every aspect of auditing accounting estimates, but are provided to help guide the auditor through some specific scenarios rather than through every situation that may be encountered on an audit.

IFAC disclaims any responsibility or liability that may occur, directly or indirectly, as a consequence of the use and application of this Tool.

Introduction

For entities of all types and sizes, management often has to make accounting estimates when monetary amounts in financial statements cannot be directly observed. Accounting estimates all have some degree of estimation uncertainty due to inherent limitations in management's knowledge or due to data that give rise to inherent subjectivity and variation in the measurement outcomes. Along with being subjective, accounting estimates may also be complex.

These characteristics of accounting estimates have important implications for the financial statement audit, because the effects of complexity, subjectivity or other inherent risk factors on the measurement of these monetary amounts affects their susceptibility to misstatement.



ISA 540 (Revised), *Auditing Accounting Estimates and Related Disclosures*, deals with the auditor's responsibilities relating to accounting estimates and related disclosures in an audit of financial statements. The auditor's objective is to obtain sufficient, appropriate audit evidence about whether accounting estimates and related disclosures in the financial statements are reasonable in the context of the applicable financial reporting framework (AFRF). This ISA is effective for audits of financial statements for periods beginning on or after December 15, 2019.

STAKEHOLDER ENGAGEMENT

Proactive stakeholder engagement is key to IFAC’s ability to contribute to the development of the profession, the public interest, and society more broadly. The table below and on the following page explores IFAC’s key stakeholders and the importance of our relationships with them.

Stakeholders	Why We Engage	How We Engage
 <p>IFAC Members and Associates</p>	<p>Our members and associates are our core stakeholders as they guide our strategic direction and, through our advisory groups and engagement activities, help contribute to meeting our strategic objectives, including by providing insights and addressing trends and issues affecting the global profession.</p>	<p>Our interaction with members and associates includes engagement calls; advisory group meetings, technical and policy discussions; events, forums and webinars; and surveys and consultations.</p>
 <p>Forum of Firms</p>	<p>Hearing perspectives from across the spectrum of the Forum of Firms’ global membership provides diverse viewpoints that complement what we hear from other important stakeholders. The Forum’s perspectives and resources also help guide and enable our strategic direction, agenda and thought leadership in support of the global profession.</p>	<p>The most regular and visible way we engage is through our participation at all Forum meetings where the entire Forum membership convenes. Increasingly, engagement also includes collaborative IFAC-Forum events, such as webinars. We also engage in other less visible ways including Forum member firm representatives as panelists and speakers at IFAC events and seeking feedback on draft IFAC policy positions and initiatives.</p>
 <p>Development Partners</p>	<p>Our development partners share common goals with IFAC—namely, strengthening public and private sector accountancy, including through international standards’ adoption, and improving the quality of financial management, reporting, and auditing. Our development partners help facilitate access to funding to develop, strengthen and ensure the long-term sustainability of professional accountancy organizations, especially in emerging economies.</p>	<p>Our relationships with development partners are the foundation for our capacity building and related work. We interact with the development partners to understand their priorities and identify opportunities for coordination and collaboration and share information on new standards, tools, and resources that may be useful to their work. We provide regular updates to our development partners, keeping them abreast of new developments. We also host quarterly meetings and an annual forum. In parallel, we also regularly hold bilateral discussions with many partners to discuss jurisdiction-specific issues and opportunities.</p>
 <p>Global Institutions Including regulators (e.g., IOSCO, IFIAR, FATF), business and professional bodies (e.g., Business at OECD, WEF, B20, IBA, ICGN), and policymakers (e.g., OECD, UN, G20)</p>	<p>As the global voice of the accountancy profession, we bring our members’ collective views to the global stage. This spans regulation, public policy, and the global business community. We advocate directly for smart policies and regulation and also work to ensure that the accountancy profession contributes to and helps shape the voice of the broader global business and policy-making community.</p>	<p>Our regular engagement with key global institutions includes speaking at events, forums and webinars; participating in formal and informal committees; and developing joint projects and initiatives. We also participate in public consultations as the voice of the global accountancy profession to ensure professional accountants’ perspectives and insights are considered in global debates.</p>

STAKEHOLDER ENGAGEMENT

Stakeholders	Why We Engage	How We Engage
 <p>IFAC Network Partners</p>	<p>Given their close relationship to the accountancy profession and IFAC membership, our Network Partners play a valuable role supporting the development of the profession, facilitating international standards' adoption and implementation, and providing leadership on matters that distinctly support their membership and our profession.</p>	<p>We regularly collaborate with Network Partners by participating at each other's events, meetings, and webinars. For Network Partners with a regional focus, IFAC consults with them to understand regional issues affecting the accountancy profession and to gain their perspectives on key strategic initiatives. IFAC also works with Network Partners on capacity building projects that support accountancy profession development.</p> <p>Network Partners also play an important role in advising IFAC on matters related to IFAC membership. Network Partners provide input and support to current and future members of IFAC.</p>
 <p>International Standard-Setting Boards</p>	<p>We champion the development, adoption and implementation of high-quality international standards, which ultimately support global economic growth, confidence and financial market stability.</p>	<p>We enhance international standards' adoption and implementation by including adoption and implementation support in our membership requirements; monitoring and reporting on global adoption status; providing regular input and feedback on standards development; collaborating and coordinating on implementation resources; and protecting intellectual property related to international standards, including managing high-quality translations and reproductions.</p> <p>In 2022, we also worked with the IAASB, IESBA, Public Interest Oversight Board and Monitoring Group to lay the groundwork for implementing the Monitoring Group's reforms and launching the International Foundation for Ethics and Audit (IFEA) in early 2023. IFAC continues to provide operational support to IAASB and IESBA through a service level agreement with IFEA.</p> <p>IFAC continues to support IPSASB, including providing financial, human capital, technology, operations, and communications infrastructure.</p> <p>We also work to strengthen our relationships throughout the standard-setting landscape by collaborating with all international standard-setting stakeholders, including the Monitoring Group, the Public Interest Oversight Board, the Forum of Firms, the GPPC and the IAASB, IESBA, and IPSASB.</p>

SUSTAINABILITY AMBITION

As part of our commitment to the UN Sustainable Development Goals, we have started our journey to measure and reduce our carbon footprint.

In 2022, again with ClimatePartner, we calculated our Corporate Carbon Footprint (CCF). This includes emissions from sources such as energy and heating, business travel, office supplies and everything else used in our operations. As stated previously, given that much of our carbon footprint is related to employee travel, we are using 2019—the last year




of normal business travel before the COVID-19 pandemic—as the baseline against which we will measure our mitigation and reduction efforts. Our full corporate carbon footprint reports can be found [here](#) on our website.

Measurement is the first step. But consistent with previous years, our commitment to climate action will not stop at measurement. While we have reduced our carbon emissions from pre-pandemic levels there continues to be a need to remain diligent and clearly

more to be done. We will continue to update our CCF calculation every year to monitor our progress and identify additional areas for improvement. This will include a strategy that sets out targets, measurement, and responsibilities for our mitigation initiatives focused on reducing emissions.

Below is a breakdown of activities that generate carbon emissions as well as the percentages of our total emissions.

Sources of Emissions

	2019		2020		2021		2022	
	CO2 Tons	%	CO2 Tons	%	CO2 Tons	%	CO2 Tons	%
 Flights for business	438.0	60%	138.3	47%	28.5	24%	398.4	78%
 Employee commuting, remote work, and hybrid work arrangements	236.5	32%	82.0	28%	41.8	35%	52.9	10%
 Other¹	54.3	8%	74.1	25%	50.7	41%	59.5	12%
TOTAL (tons CO2)	728.9	100%	294.4	100%	121.0	100%	510.8	100%

¹ Includes purchased electricity, goods and services and fuel and energy-related activities.

GOVERNANCE



Effective, transparent, and representative governance is fundamental for building trust in IFAC and for achieving IFAC’s purpose and strategic objectives. A strong governance structure helps to ensure that IFAC can have an impact and create value for its stakeholders.

The core governing bodies of IFAC are the Council and the Board. These two bodies work to ensure that IFAC operates effectively and meets its strategic objectives.

COUNCIL

IFAC’s highest governance body is its Council, which consists of one representative from each IFAC Member. IFAC held its first hybrid Council meeting on November 15, 2022, with a physical location in Mumbai, India. We were excited that this new format provided an opportunity for Council members to choose their method of participating in this important annual meeting.

During the meeting, the Council approved matters including the admission of one new IFAC Member and four new IFAC Associates; IFAC’s 2023 Strategic Plan; amendments to IFAC’s Constitution and Bylaws; the broad parameters of the budget for 2023; and the 2021 Swiss statutory financial statements.

The Council elected Asmâa Resmouki as the IFAC President and Jean Bouquot as Deputy President for 2023 and 2024, and approved the appointment and reappointment of the members of the Board and the Nominating Committee.

On November 3, 2022, one week before our Council meeting, IFAC hosted a special Monitoring Group-focused meeting with our member organizations and other key stakeholders. During this session, IFAC’s Chief Executive Officer, Kevin Dancey, provided a comprehensive update on the Monitoring Group Review.

BOARD

The Council delegates the power to govern and oversee IFAC operations to the Board. It is composed of the President and not more than 22 additional members, including the Deputy President. A guiding principle for Board membership is ensuring diverse representation on the Board, including diversity in gender, geography, and professional backgrounds.

During 2022, the full Board, including technical advisors and observers, met four times during the year. A summary of the highlights and key actions from each meeting is shared with IFAC’s member organizations and network partners shortly after the meeting.

The Board also conducts outreach on behalf of IFAC and engages with Member Organizations, Network Partners and other stakeholders. During 2022, IFAC President Alan Johnson and other Board members participated in more than 60 physical or virtual conferences, panels, meetings, or other events to advocate for or drive awareness of key issues related to the profession and its public interest mandate.

GOVERNANCE

IFAC BOARD OF DIRECTORS (November 2021 to November 2022)



Alan Johnson
President



Yeong Kyun Ahn
Republic of Korea



Gregory Anton
United States



Tommye Barie
United States



Tashia Batstone
Canada



Jean Bouquot
France



Joan Curry
Ireland



**Idésio da Silva
Coelho Jr.**
Brazil



Asmâa Resmouki
Deputy President
Morocco



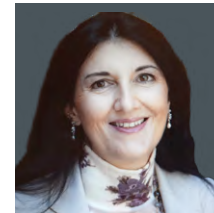
Caroline Gardner
United Kingdom



Atul Gupta
India



Kohei Kan
Japan



Chiara Mio
Italy



Winnie Nyamute
Kenya



Lisa Padmore
Barbados



**Margrét
Pétursdóttir**
Nordic Federation
Iceland



Jeanine Poggiolini
South Africa



Taryn Rulton
Australia



Yacoob Suttar
Pakistan



Jianhua Tang
China



Ayşe Ariak
Tunaboğlu
Turkey



Fiona Wilkinson
United Kingdom



**Ismaila
Muhammadu
Zakari**
Nigeria

GOVERNANCE

IFAC BOARD OF DIRECTORS (November 2021 to November 2022)



Left to right, Back: Jeanine Poggiolini, Kohei Kan, Ismaila Muhammadu Zakari, Ayşe Ariak Tunaboğlu, Yeong Kyun Ahn, Margrét Pétursdóttir, Yacoob Suttar, Fiona Wilkinson, Tashia Batstone, Caroline Gardner, Winnie Nyamute, Joan Curry, Lisa Padmore
Front: Chiara Mio, Asmâa Resmouki, Alan Johnson, Jean Bouqurot, Taryn Rulton
Not pictured: Gregory Anton, Tommye Barie, Idésio da Silva Coelho Jr., Atul Gupta, Jianhua Tang



Alan Johnson, IFAC President, at 2022 World Congress in Mumbai (November 2022).

GOVERNANCE

BOARD EFFECTIVENESS

The Board has an extensive self-assessment and feedback process. In addition to the Volunteer Performance Program conducted by the Nominating Committee, the Board looks for opportunities for improvement by surveying its own members following each meeting. In addition, the IFAC Board annually undergoes an extensive self-assessment process for the purpose of enhancing its effectiveness. Some of the key areas assessed in the survey during 2022 include:

The Governance Structure of the Board
Overall size, composition, and members' term of service of the Board.
Meetings of the Board
Content, format, conduct, and frequency of Board meetings and the effectiveness of Board subcommittees
Board Performance
Understanding of IFAC's vision and purpose and their linkage to strategic objectives and understanding of needs and perspectives of IFAC member organizations and key stakeholders.
Monitoring Management's Performance
Effectiveness of Board's monitoring management's execution of IFAC's Strategy, financial performance, and organizational performance against Key Performance Indicators, and effectiveness of the Board's working relationship with management.

Governance Review

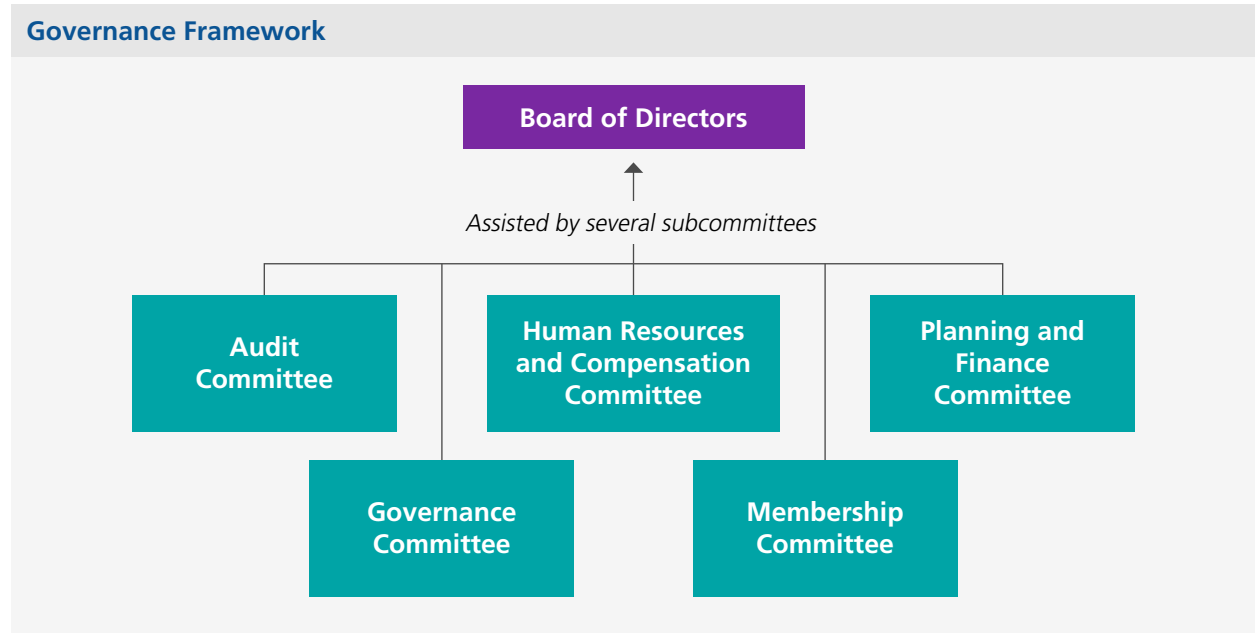
As part of our good governance practices and to ensure that our governance structure remains fit-for-purpose, the Board approved engaging the law firm of Gibson Dunn in 2021 to undertake a review of IFAC's governance. The review, which was conducted under the oversight of the Governance Committee (GC), was completed in January 2022. Gibson Dunn's report indicated that IFAC's governance structure works well in many respects but provided some recommendations for consideration. In 2022, the GC completed an extensive consultation process on these recommendations that included surveying Board members, technical advisors, and observers, and holding breakout sessions during the June 2022 Board meeting to discuss their views on the recommendations. Based on this consultation, the GC recommended and

the Board agreed that no fundamental changes to IFAC's governance structure were needed at this time. Minor enhancements, such as clarifying certain policies and expanding onboarding processes, are being implemented in 2023.

BOARD SUBCOMMITTEES

The Board is assisted by several subcommittees. These include the Audit Committee, Governance Committee, Human Resources and Compensation Committee, Membership Committee, and Planning and Finance Committee. A list of committee members can be found on pages 35-37 of this report.

In 2022 Board members also participated in the Public Policy and Regulation Advisory Group.



GOVERNANCE

Audit Committee

The Audit Committee monitors the integrity of IFAC’s financial reporting process and system of internal control regarding finance, accounting, and legal compliance. The Committee also monitors the independence and performance of the external auditor; provides a platform for communication among the external auditor, management, and the Board; and recommends the appointment of the external auditor to the Council after endorsement by the Board.

The Committee’s responsibilities include reviewing IFAC’s annual financial statements, reviewing the independent external auditor’s audit plan, and risk management.

Governance Committee

The Governance Committee monitors and makes recommendations to the Board on the development and implementation of sound governance policies and procedures and supports the Board by enhancing its capacity and effective functioning.

The Committee’s responsibilities include developing and periodically reviewing governance-related policies and procedures for recommendation to the Board and overseeing the periodic Board performance self-assessment.

As noted previously, the Governance Committee completed an extensive consultation process on the recommendations made by Gibson Dunn as part of its governance review.

Human Resources and Compensation Committee

The Human Resources and Compensation Committee provides oversight and guidance to management on behalf of the Board, on the effective administration of human resources. The Committee’s responsibilities include annually evaluating the CEO’s performance, reviewing and recommending the approval of the total compensation for the CEO, and reviewing and approving changes to the incentive compensation system’s design under the annual incentive compensation program.

Membership Committee

The Membership Committee provides guidance and input to IFAC staff on membership admissions and enforcement matters related to compliance with IFAC’s Statements of Membership Obligations. The Committee is also responsible for reviewing and providing guidance to IFAC staff’s recommendations to the IFAC Board about any changes to the membership criteria, significant organizational mergers and restructurings, and admission and enforcement procedures and actions.

Planning and Finance Committee

The Planning and Finance Committee oversees management’s development, implementation, and monitoring of strategies and operations. The Committee’s responsibilities include reviewing and providing guidance on the Strategic Plan, key performance indicators, and the budget.

Compensation Table

IFAC	Base Compensation	Incentive Compensation	Retirement Compensation	Other Taxable Benefits	Non-taxable Benefits	Total
Kevin Dancey	\$689,000	\$163,525	\$39,750	\$10,235	\$37,707	\$940,217
Russell Guthrie	\$500,000	\$75,725	\$39,750	\$2,097	\$38,144	\$655,716

Standards Development	Base Compensation	Incentive Compensation	Retirement Compensation	Other Taxable Benefits	Non-taxable Benefits	Total
James Gunn	\$475,000	\$77,725	\$39,750	\$1,152	\$55,406	\$649,033
Keean Siong	\$330,000	\$55,500	\$25,475	\$1,892	\$53,769	\$466,636

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

GOVERNANCE

NOMINATING COMMITTEE

The IFAC Nominating Committee makes recommendations to the Board and the Council regarding the composition of the International Public Sector Accounting Standards Board (IPSASB), IFAC Board and IFAC advisory groups. The Nominating Committee strives to find the most suitable candidate for each vacancy while taking into consideration professional background, technical skills, and contributions to the profession, as well as gender, geography, and professional balance.

In 2022, the Nominating Committee recruited 12 new volunteers and recommended 22 volunteer reappointments across all groups. The Nominating Committee filled four leadership positions in 2022, including the appointment of new IFAC Deputy President and re-appointment of three Advisory Groups' Chairs.

In total, approximately 185 volunteers contributed to the work of IFAC and 31 volunteers to the IPSASB in 2022. Each volunteer devoted between 90 and 500 hours to its respective groups' activities during 2022.

KPIs

To ensure that our work is appropriately aligned with our strategic objectives and IMPACT Approach, and to ensure accountability for achieving our goals, IFAC leverages a robust KPI framework and process that is overseen by the Board.

Each year, management undertakes an assessment of its annual KPIs, which are then discussed with and approved by the Board. Progress against KPIs is assessed and reported to the Board quarterly.

Management, in consultation with the Board, identified the following top risks shown in the table at right.

RISK MANAGEMENT APPROACH

IFAC operates in a complex and multi-stakeholder environment. We pursue opportunities and provide services that may pose external or internal risk. We apply an enterprise risk management framework with clear roles and responsibilities in the identification and management of risk, and to ensure that effective management of risk is a core competency.

Accordingly, risk management is an integral part of our strategic planning process. Management identifies and assesses the risks that may prevent IFAC from achieving its strategic objectives, and seeks to remediate such risks as part of its annual strategic planning process and on an ongoing basis.

Strategic Risks

- 1 Failure to be proactive and relevant as the voice for the global profession
- 2 Loss of stakeholder confidence (e.g., regulators and other market constituents) in the accountancy profession and international standard setting
- 3 Reduction in adoption and implementation of global standards (adoption and partial adoption), loss of credibility in the Member Compliance Program, and regulatory fragmentation
- 4 Failure to meet competing demands of member organizations and other stakeholders such that stakeholders become dissatisfied with the comparative advantages of IFAC and the value being delivered at the global level

Operational Risks with Strategic Implications

- 5 Insufficient funding for financial sustainability
- 6 Loss of intellectual capacity due to the inability to attract and retain a diverse and highly qualified staff and volunteer base

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 2022 Financial Statements, which include the independent auditor’s report.

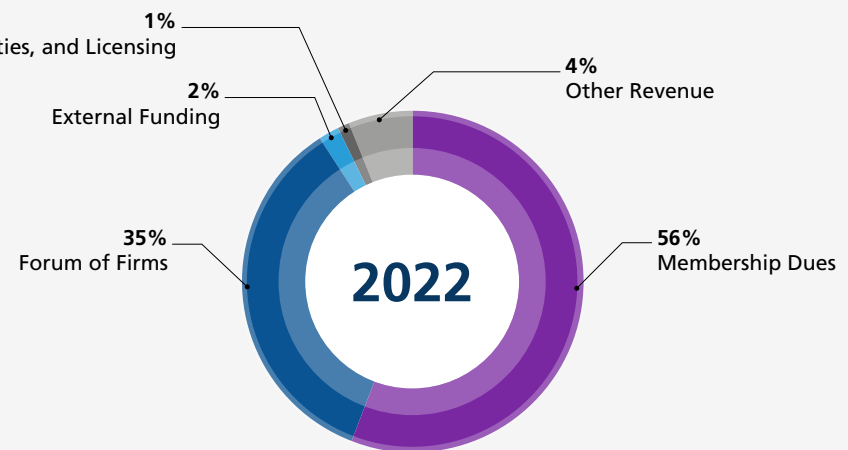
Financial Performance

- IFAC is reporting a surplus of \$1.239 million for 2022 (2021: \$2.025 million surplus). IFAC had an operating surplus of \$1,649 million and net unrealized foreign exchange losses on foreign currency bank accounts of \$410 thousand.
- Total revenue increased by 10.47% from 2021 to \$34.5 million. Primary drivers of this increase include:
 - Increase in membership dues as a result of the application of the dues formula following a one-time exceptional relief due to the pandemic and historical foreign exchange impact on the dues calculation.

- Net contributions received from the Forum of Firms increased consistent with an increase in expenses incurred by the Transnational Auditors Committee, which are reimbursed by the Forum. The Forum’s 2022 financial contribution to IFAC remained consistent with 2021.
- Other revenue includes a one-time gain of \$2.063 million due to the forgiveness of the Paycheck Protection Program (PPP) loan in 2022, offset by lower foreign exchange gains.

Revenue	2022	2021	Variance	
			\$	%
Membership Dues	\$19,185,900	\$18,148,000	\$1,037,900	5.72%
Forum of Firms	12,200,763	12,033,343	167,420	1.39
External Funding	588,224	551,210	37,014	6.72
Publications, Royalties, and Licensing	339,911	359,474	(19,563)	(5.44)
Other Revenue	2,156,664	112,029	2,044,635	1,825.09
Total Revenue	\$34,471,462	\$31,204,056	\$3,267,406	10.47%

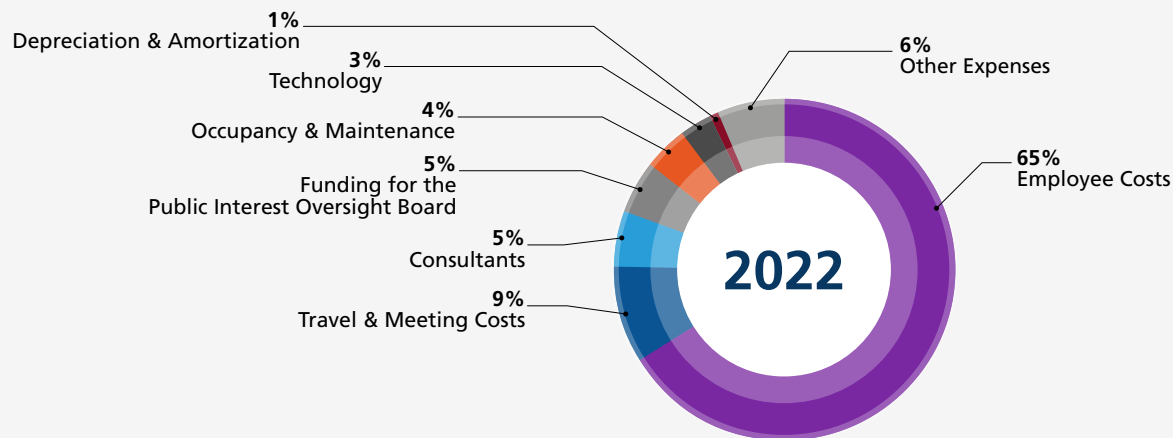
2022 Revenue by Percentage



FINANCIAL HIGHLIGHTS

Expenses	2022	2021	Variance	
			\$	%
Employee compensation and related expenses	\$21,471,128	\$20,116,958	\$1,354,170	6.73%
Travel and meeting	3,026,111	354,925	2,671,186	752.61
Consultants	1,579,945	2,105,791	(525,846)	(24.97)
Funding provided to the Public Interest Oversight Board	1,526,420	1,361,512	164,908	12.11
Occupancy and maintenance	1,360,770	1,278,184	82,586	6.46
Technology	1,009,882	807,717	202,165	25.03
Depreciation and amortization	516,766	424,513	92,253	21.73
Other Expenses	2,741,564	2,729,910	11,654	0.43
Total Expenses	\$33,232,586	\$29,179,510	\$4,053,076	13.89%

2022 Expenses by Percentage

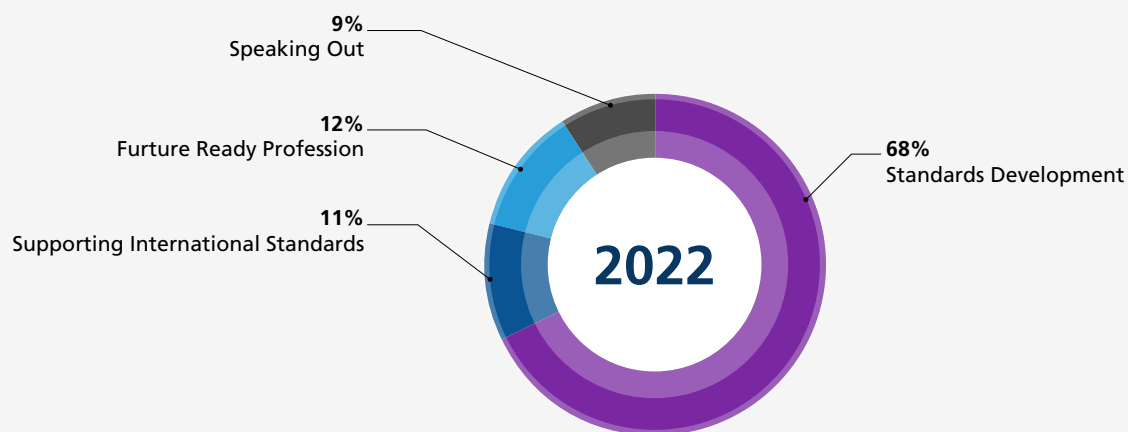


- In 2022, total expenses increased by 13.89% to \$33.2 million. Primary drivers of this increase include:
 - Employee costs increased due to the transition of consultants to full time employees and increased remuneration.
 - Travel and meeting costs were higher as we return to more in-person meetings and engagements.
 - Consultant costs decreased by primarily due to a transition of consultants to full time employees.
 - Technology expenses increased due to incremental IT initiatives and additional licensing necessary to facilitate telework and virtual and hybrid meetings.

FINANCIAL HIGHLIGHTS

Expense Allocation to Activities	2022	2021	Variance	
			\$	%
Standards Development	\$22,536,765	\$18,736,579	\$3,800,186	20.28%
Supporting International Standards	3,519,187	3,491,220	27,967	0.80
Future Ready Profession	4,178,077	4,480,966	(302,889)	(6.76)
Speaking Out	2,998,557	2,470,745	527,812	21.36
Total Expenses	\$33,232,586	\$29,179,510	\$4,053,076	13.89%

2022 Activity Allocation Expenses by Percentage



Net Assets/Equity	2022	2021	Variance	
			\$	%
At beginning of year	\$16,181,350	\$14,156,804	\$2,024,546	14.3%
Surplus/(deficit) for the year	1,238,876	2,024,546	(785,670)	(38.8)
At end of year	\$17,420,226	\$16,181,350	\$1,238,876	7.66%

Financial Position

- In 2022, total assets decreased by \$1.0 million or 3.91% and total liabilities decreased by \$2.2 million or 25.32% resulting in a \$1.2 million or 7.66% increase in total net assets. Significant drivers of this change include:
 - On May 3, 2021, IFAC was granted a loan from Emigrant Bancorp in the aggregate amount of \$2.1 million, pursuant to the Paycheck Protection Program Loan under the United States American Rescue Plan. This amount was recorded as a liability as of December 31, 2021. On January 4, 2022, IFAC received forgiveness of the PPP Loan in the amount of \$2,062,767 and recorded the amount as other (Revenue) in 2022.
 - Effective December 31, 2020, IFAC entered into an assumption of liability agreement with the AICPA. Under this agreement, the AICPA has assumed IFAC's obligations related to the defined benefit plan in exchange for a note payable of \$3.3 million. The note is payable, without interest, in five annual instalments of \$0.7 million commencing in 2021. At December 31, 2022 and 2021, the note balance amounted to \$2.0 million and \$2.7 million, respectively.

SUPPORT STRUCTURES AND RESOURCES

HIGHLIGHTS



Human Capital

- Maintained positive 2022 Employee Engagement Survey results.
- Successful retention of 97% of staff with a performance rating of 3+, who are comprised of:
 - 66% of High Performers with ratings between 4.0-5.0
 - 31% of Core Performers with ratings between 3.0-3.9
 - Mandated all managers attend annual performance review training.
- Hired and onboarded 14 new staff members, twice the amount hired in 2021.
- IFAC welcomed four interns over the summer for an eight-week program. During their time here, the interns were assigned to a specific department, attended weekly speaker series sessions, and were assigned mentors. The program concluded with an end of summer intern presentation to senior management.
- Launched formal wellness initiatives, including a session on mental health/stress management and an employee step challenge.



Technology

- Enhanced IFAC's New York boardroom with hybrid audio/video-conferencing technology providing high-definition audio/video quality for meetings and live streaming.
- Deployed new WiFi 6 infrastructure in the New York and Toronto offices, thus providing better security, less signal interference, and wider coverage.
- Decommissioned our outdated file server and migrated all files to SharePoint and OneDrive, thereby enhancing file-systems reliability, accessibility, backup, and recovery time.
- Deployed Microsoft Business Central for the International Foundation for Ethics and Audit to provide an integrated suite of financial applications for standard accounting, accounts payable and receivable, Fixed Assets, Financial Reporting, Budgeting, and Expense Management with multi-level approval processes and auditing workflows.
- Working with IFAC's regional managers, introduced a digital interface for the Member Compliance Program in IFAC's CRM system, allowing for improved workflow management and oversight of the Program's activities.
- Migrated to a new cellular carrier and saved over \$70K in yearly operating costs.
- Worked with the PIOB to create a Nominations Database System to allow the PIOB to manage the nominations process for IAASB and IESBA in 2022 and going forward. The new nominations system is entirely separate from IFAC, guaranteeing the PIOB privacy and ensuring that the process is completely independent from IFAC's functions and operations.

SUPPORT STRUCTURES AND RESOURCES



Comms

- Replaced the Gateway Editor role in <30 days, and transitioned the role from Thought Leadership to Comms to derive additional web support from the role.
- Developed the communications programming and a website to support the launch of the International Foundation for Ethics and Audit in January 2023.
- Hired a junior team member to assist across the Communication function.
- Delivered ongoing communications support to IFAC, IAASB, IESBA, and IPSASB, including establishing communications strategies, developing social media campaigns, meeting day-to-day communications needs and optimizing delivery and impact of communications.
- Decreased the Edelman budget by 40% in 2022 while increasing productivity as the Comms team has continued to mature and evolve.
- Partnering with IT, upgraded the websites for IFAC and the standard-setting boards, creating a more stable, sustainable foundation for future enhancements. The project included upgrading to entire software platform and moving to a secure, cloud-based infrastructure to lower risk and cost while enhancing content delivery globally.



Intellectual Capital

- Continued to enhance the digital publications platform, e-International Standards, which includes standards and non-authoritative guidance by the IAASB, IESBA, and IPSASB, along with robust search and navigation functionality. In 2022, 44,000 users accessed the platform across 183 countries.
- Facilitated 129 total translations in 28 languages for IFAC and standard-setting materials.
- Processed a total of 548 reproduction and translation agreements, up from 361 in 2021.
- Hired an in-house formatter for efficient and consistent Handbook formatting.

IFAC MEMBERS AND ASSOCIATES

As of December 31, 2022

Africa and Middle-East

Members

Association of National Accountants of Nigeria
 Botswana Institute of Chartered Accountants
 Egyptian Society of Accountants & Auditors
 Eswatini Institute of Accountants
 Institute of Certified Public Accountants in Israel
 Institute of Certified Public Accountants of Kenya
 Institute of Certified Public Accountants of Rwanda
 Institute of Certified Public Accountants of Uganda
 Institute of Chartered Accountants (Ghana)
 Institute of Chartered Accountants in Malawi
 Institute of Chartered Accountants of Cameroon
 Institute of Chartered Accountants of Namibia
 Institute of Chartered Accountants of Nigeria
 Institute of Chartered Accountants of Sierra Leone
 Institute of Chartered Accountants of Zimbabwe
 International Arab Society of Certified Accountants
 Iranian Association of Certified Public Accountants
 Iranian Institute of Certified Accountants
 Iraqi Union of Accountants and Auditors
 Jordanian Association of Certified Public Accountants
 Kuwait Association of Accountants and Auditors
 Lebanese Association of Certified Public Accountants
 Lesotho Institute of Accountants
 Liberian Institute of Certified Public Accountants
 Mauritius Institute of Professional Accountants
 National Board of Accountants and Auditors (Tanzania)
 Ordre des Experts Comptables de Tunisie
 Ordre des Experts Comptables du Royaume du Maroc
 Ordre des Experts Comptables et Financiers de Madagascar
 Ordre des Experts-Comptables de Côte d'Ivoire

Ordre National des Experts Comptables et Comptables Agréés du Sénégal

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

Saudi Organization for Chartered and Professional Accountants

South African Institute of Chartered Accountants

South African Institute of Professional Accountants

Zambia Institute of Chartered Accountants

Associates

United Arab Emirates Accountants & Auditors Association

Chartered Governance and Accountancy Institute in Zimbabwe

Ordre des Experts-Comptables et Comptables Agréés du Bénin

Ordre National des Experts Comptables et des Comptables Agréés du Mali

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

Ordem dos Contabilistas e Auditores de Moçambique

Palestinian Association of Certified Public Accountants

Qatari Association of Certified Public Accountants

Yemeni Association of Certified Public Accountants

Asia

Members

Association of Accounting Technicians of Sri Lanka
 Chinese Institute of Certified Public Accountants
 Federation of Accounting Professions (Thailand)
 Federation of CPA Associations of Chinese Taiwan
 Hong Kong Institute of Certified Public Accountants
 Ikatan Akuntan Indonesia
 Institut Akuntan Publik Indonesia
 Institute of Chartered Accountants of Sri Lanka

Institute of Certified Management Accountants of Sri Lanka

Institute of Chartered Accountants of Bangladesh

Institute of Chartered Accountants of India

Institute of Chartered Accountants of Nepal

Institute of Chartered Accountants of Pakistan

Institute of Cost Accountants of India

Institute of Cost and Management Accountants of Bangladesh

Institute of Cost and Management Accountants of Pakistan

Institute of Singapore Chartered Accountants

Japanese Institute of Certified Public Accountants

Korean Institute of Certified Public Accountants

Malaysian Institute of Accountants

Malaysian Institute of Certified Public Accountants

Mongolian Institute of Certified Public Accountants

Pakistan Institute of Public Finance Accountants

Philippine Institute of Certified Public Accountants

Vietnam Association of Accountants and Auditors

Vietnam Association of Certified Public Accountants

Associates

Brunei Darussalam Institute of Certified Public Accountants

Kampuchea Institute of Certified Public Accountants and Auditors

Lao Chamber of Professional Accountants and Auditors

Myanmar Institute of Certified Public Accountants

IFAC MEMBERS AND ASSOCIATES

Australasia and Oceania

Members

Certified Practising Accountants Papua New Guinea
Chartered Accountants Australia and New Zealand
CPA Australia
Fiji Institute of Accountants
Institute of Public Accountants

Europe

Members

Accountants Association in Poland
Association of Accountants and Auditors of Republic of Srpska
Association of Accountants of the Republic of Latvia
Association of Accounting Technicians (UK)
Association of Chartered Certified Accountants (ACCA)
Association of International Certified Professional Accountants—CIMA
Association of Professional Accountants and Auditors of the Republic of Moldova
Chamber of Auditors of Azerbaijan Republic
Chamber of Auditors of the Czech Republic
Chamber of Auditors of the Republic of Kazakhstan
Chamber of Financial Auditors of Romania
Chamber of Hungarian Auditors
Chartered Accountants Ireland
Chartered Institute of Public Finance and Accountancy
Compagnie Nationale des Commissaires aux Comptes
Conseil Supérieur de l'Ordre des Experts-Comptables
Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili
Corpul Expertilor Contabili si Contabililor Autorizati din Romania
Den norske Revisorforening

Estonian Auditors' Association
Expert Accountants' Association of Turkey
EXPERTsuisse—Swiss Expert Association for Audit, Tax and Fiduciary
FAR
Félag Löggiltra Endurskodenda
FSR—danske revisorer
Georgian Federation of Professional Accountants and Auditors
Institut der Wirtschaftsprüfer
Institut des Réviseurs d'Entreprises
Institut Österreichischer Wirtschaftsprüfer
Institute for Tax Advisors and Accountants
Institute of Authorized Chartered Auditors of Albania
Institute of Certified Accountants of Montenegro
Institute of Certified Auditors of the Republic of North Macedonia
Institute of Certified Public Accountants in Ireland
Institute of Certified Public Accountants of Bulgaria
Institute of Certified Public Accountants of Cyprus
Institute of Certified Public Accountants of Greece
Institute of Chartered Accountants in England and Wales (ICAEW)
Institute of Chartered Accountants of Scotland
Institute of Financial Accountants
Instituti i Kontabilistëve të Miratuar
Instituto de Censores Jurados de Cuentas de España
Instituut van de Bedrijfsrevisoren—Institut des Réviseurs d'Entreprises
Kammer der Steuerberater und Wirtschaftsprüfer
Latvian Association of Certified Auditors
Lithuanian Chamber of Auditors
Malta Institute of Accountants
Netherlands Association of Registered Controllers

Ordem dos Contabilistas Certificados
Ordem dos Revisores Oficiais de Contas
Polish Chamber of Statutory Auditors
Royal Nederlandse Beroepsorganisatie van Accountants
Serbian Association of Accountants and Auditors
Slovenian Institute of Auditors
Slovenska Komora Auditorov
Society of Certified Accountants and Auditors of Kosovo
Suomen Tilintarkastajat ry
Ukrainian Federation of Professional Accountants and Auditors
Union of Accountants, Auditors and Financial Workers of Federation of Bosnia and Herzegovina
Union of Chambers of Certified Public Accountants of Turkey
Wirtschaftsprüferkammer

Associates

Accounting Technicians Ireland
Association of Professional Financial Managers*
Auditors' Chamber of Ukraine
Chamber of Authorized Auditors of Serbia
Chamber of Auditors and Expert Accountants (Armenia)
Chamber of Auditors of Uzbekistan
Chamber of Professional Accountants of the Republic of Kazakhstan
Croatian Audit Chamber
Institute of Accountants and Auditors of Montenegro
Lithuanian Association of Accountants and Auditors
National Association of Accountants and Auditors of Uzbekistan
Ordre des Experts-Comptables du Luxembourg
Self-regulatory Organization of Auditors Association "Sodruzhestvo"
Union of Accountants and Auditors (Kyrgyz Republic)

*Admitted by the IFAC Council in November 2022

IFAC MEMBERS AND ASSOCIATES

Latin America and Caribbean

Members

Bahamas Institute of Chartered Accountants
Cayman Islands Institute of Professional Accountants
Colegio de Auditores de Bolivia
Colegio de Contadores de Chile
Colegio de Contadores Públicos Autorizados de Panamá
Colegio de Contadores Públicos de Costa Rica
Colegio de Contadores Públicos de Nicaragua
Colegio de Contadores, Economistas y Administradores del Uruguay
Colegio de Peritos Mercantiles y Contadores Públicos
Conselho Federal de Contabilidade
Federación Argentina de Consejos Profesionales de Ciencias Económicas
Institute of Chartered Accountants of Barbados
Institute of Chartered Accountants of Guyana
Institute of Chartered Accountants of Jamaica
Institute of Chartered Accountants of Trinidad and Tobago
Instituto de Contadores Públicos Autorizados de la República Dominicana
Instituto dos Auditores Independentes do Brasil
Instituto Guatemalteco de Contadores Públicos y Auditores
Instituto Mexicano de Contadores Públicos, A.C.
Instituto Nacional de Contadores Públicos de Colombia
Instituto Salvadoreño de Contadores Públicos
Junta de Decanos de Colegios de Contadores Públicos del Perú
Ordre des Comptables Professionels Agréés d'Haïti

Associates

Colegio de Contadores Públicos de Pichincha y del Ecuador
Colegio de Contadores Públicos y Auditores de Guatemala
Colegio Hondureño de Profesionales Universitarios en Contaduría Pública
Suriname Chartered Accountants Institute

North America

Members

Association of International Certified Professional Accountants–AICPA
Chartered Professional Accountants Canada
Institute of Management Accountants

IFAC AFFILIATES

As of December 31, 2022

North America

National Association of State Boards of Accountancy

Europe

Nederlandse Orde van Register EDP-Auditors
--

IFAC Network Partners

As of December 31, 2022

Africa and Middle-East

Professional Accountancy Organizations

Accountancy Europe [†]
Arab Federation of Accountants and Auditors
ASEAN Federation of Accountants
Association of Accountancy Bodies of West Africa
Comité de Integración Latino Europa-América/Latin Integration Committee of Europe and the Americas
Confederation of Asian and Pacific Accountants [†]
European Federation of Accountants and Auditors for SMEs
Fédération des Experts-Comptables Méditerranéens
Fédération Internationale des Experts Comptables et Commissaires aux Comptes Francophones
Gulf Cooperation Council Accounting and Auditing Association
Institute of Chartered Accountants of the Caribbean
Interamerican Accounting Association [†]
Pan African Federation of Accountants [†]
South Asian Federation of Accountants

Other IFAC Network Partners

Association of Corporate Treasurers
GAVI, the Vaccine Alliance and The Global Fund to Fight AIDS, Tuberculosis and Malaria (joint Memorandum of Understanding)
International Financial Reporting Standards Foundation
International Organization of Supreme Audit Institutions
The Institute of Internal Auditors
Value Reporting Foundation

[†] Regional Organizations

*Admitted by the IFAC Council in November 2022

IFAC VOLUNTEERS

IFAC Board

(November 2021 to November 2022)

IFAC President Alan Johnson, Chair
IFAC Deputy President Asmâa Resmouki, Morocco
Yeong Kyun Ahn, Republic of Korea
Gregory Anton, United States
Tommye Barie, United States
Tashia Batstone, Canada
Jean Bouquot, France
Joan Curry, Ireland
Idésio da Silva Coelho Jr., Brazil
Caroline Gardner, United Kingdom
Atul Gupta, India
Kohei Kan, Japan
Chiara Mio, Italy
Winnie Nyamute, Kenya
Lisa Padmore, Barbados
Margrét Pétursdóttir, Nordic Federation, Iceland
Jeanine Poggiolini, South Africa
Taryn Rulton, Australia
Yacoob Suttar, Pakistan
Jianhua Tang, China
Ayşe Ariak Tunaboğlu, Turkey
Fiona Wilkinson, United Kingdom
Ismaila Muhammadu Zakari, Nigeria
Swiss Liaison Officer: Thorsten Kleibold

IFAC Board Subcommittees and Advisory Groups

Audit Committee

Tommye Barie, Chair, United States
Caroline Gardner, United Kingdom
Atul Gupta, India
Kohei Kan, Japan
Lisa Padmore, Barbados

Human Resources & Compensation Committee

IFAC President Alan Johnson, Chair
IFAC Deputy President Asmâa Resmouki, Morocco
Tommye Barie, United States
Idésio da Silva Coelho Jr., Brazil
Margrét Pétursdóttir, Nordic Federation, Iceland

Governance Committee

Margrét Pétursdóttir, Chair, Nordic Federation, Iceland
Gregory Anton, United States
Joan Curry, Ireland
Chiara Mio, Italy
Winnie Nyamute, Kenya
Yacoob Suttar, Pakistan
Jianhua Tang, China
Ayşe Ariak Tunaboğlu, Turkey

Membership Committee

Idésio da Silva Coelho Jr., Chair, Brazil
Lindawati Gani, Indonesia
Jim Knafo, United States
Khalid Rahman, Pakistan
Ayşe Ariak Tunaboğlu, Turkey
Ismaila Muhammadu Zakari, Nigeria
Sylvia Meljem, Mexico

Planning and Finance Committee

IFAC Deputy President Asmâa Resmouki, Chair, Morocco
Yeong Kyun Ahn, Republic of Korea
Taryn Rulton, Australia
Tashia Batstone, Canada
Jean Bouquot, France
Fiona Wilkinson, United Kingdom
Ismaila Zakari, Nigeria
Wallace Gregory, United States
(Forum of Firms Representative, Member)
Tommye Barie, United States
(Audit Committee Chair, Observer)

Public Policy & Regulation Advisory Group

Fiona Wilkinson, Chair, United Kingdom
Helene Agélli, Nordic Federation
Monica Foerster, Brazil (SMP Advisory Group Chair)
Caroline Gardner, United Kingdom
Cédric Gélard, France
Youichi Mori, Japan
Dan Noll, United States (April-December)
Gary Pflugrath, Australia
Jeanine Poggiolini, South Africa
Ingmar Rega, Germany
Nancy Tse, Hong Kong S.A.R., China
(PAIB Advisory Group Deputy Chair)

IFAC VOLUNTEERS

Technology Advisory Group

Lisa Padmore, Chair, Barbados

Evansen Archary, South Africa

Gord Beal, Canada

Atul Gupta, India

Jana Schmitz, Australia

Donny Shimamoto, United States

Yacoob Suttar, Pakistan

The Board approved discontinuing the Technology Advisory Group (TAG) in March 2022. The TAG Chair and management made the recommendation as individual departments at IFAC are now suitably positioned to determine stakeholder technology needs and coordinate an appropriate response, which is included in the work plans of other advisory groups. Technology remains a key focus area for IFAC.

Nominating Committee

IFAC President, Alan Johnson, Chair

IFAC Deputy President Asmâa Resmouki, Morocco, Deputy Chair

Cesar Cheng, Colombia

Merran Kelsall, Australia

Angela Peasah, Ghana

Wienand Schruoff, Germany

Aiko Sekine, Japan

Joy Thomas, Canada

IFAC Advisory Groups

(January 1, 2022 to December 31, 2022)

International Panel on Accountancy Education

Anne-Marie Vitale, Chair, United States

Gail Boag, United Kingdom

Yoke Kai Chan, Singapore

Dhal Choi, Republic of Korea

Fábio Moraes da Costa, Brazil

Catherine Devaney, United Kingdom

Thorben Ehrlich, Germany

Lionel Escaffre, France

Susan Flis, United States

Stacy-Ann Golding, Trinidad & Tobago

Simon Hann, Australia/New Zealand

Alan Hatfield, United Kingdom

Yvonne Hinson, United States

Yoshinori Kawamura, Japan

Chaaminda Kumarasiri, Sri Lanka

Rania Uwaydah Mardini, Lebanon

Gabriela María Fariás Martínez, Mexico

Innocent Okwuosa, Nigeria

Greg Owens, United States

Adriana Florina Popa, Romania

Kim Watty, Australia

Irene Wiecek, Canada

Song Zhijian, China

Professional Accountancy Organization Development & Advisory Group

Jelena Misita, Chair, Bosnia and Herzegovina

Joselin Martin, Deputy Chair, United States

Andrew Conway, Australia

Prafulla Chhajed, India

Arnaud Debray, France

Sheree Ebanks, Cayman Islands

Khalid Hamid, United Kingdom

Razak Jaiyeola, Nigeria

Sylvia Meljem, Mexico

Jamal Milhem, Palestine

Gladys Jill Santos, Philippines

Mr. Naeem Akhtar Sheikh, Pakistan

Professional Accountants in Business Advisory Group

Sanjay Rughani, Chair, Tanzania

Nancy Sau Ling Tse, Deputy Chair, Hong Kong S.A.R., China

Zia-UL-Mustafa Awan, Pakistan

Gregory Bedard, United States

Anastasija Boljevic, Montenegro

Drs. Esther H.J. Bosch, Netherlands

Ibrahim Murat Çağlar, Turkey

Sharon Ditchburn, Australia

Eric Freudenreich, France

Lindawati Gani, Indonesia

Daping Gao, China

Tim Herrod, Canada

Nihar N Jambusaria, India

Catherine Little, United Kingdom

Margaret Muinde, Kenya

Stephen L. Muscat, Malta

Esteban Quiros, Costa Rica

Maria del Dado Alonso Sanchez, Spain

Milton Segal, South Africa

Khalilullah Shaikh, Pakistan

Ichiro Waki, Japan

Tine van de Werken, Netherlands

Gloria Zvaravanhu, Zimbabwe

IFAC VOLUNTEERS

Small and Medium Practices Advisory Group

Monica Foerster, Chair, Brazil
Johnson Kong, Deputy Chair, Hong Kong S.A.R., China
William Spiteri Bailey, Malta
Andrew Brathwaite, Barbados
Danielle Supkis Cheek, United States
Alexandra Penuela Cuesto, Colombia
Naofumi Higuchi, Japan
Muhammad Ali Latif, Pakistan
Michael Mbaya, Kenya
Baubre Murray, New Zealand
John Nagy, Canada
Faith Ngwenya, South Africa
Yunjin Oh, Korea
Alex Peal, United Kingdom
Tobias Polka, Germany
Matteo Pozzoli, Italy
Rajesh Sharma, India
Monica Stefan, Romania
Tapani Vuopala, Finland

Transnational Auditors Committee

Voting Representatives

Sam Burke, Chair, PricewaterhouseCooper International Limited
Sheri Anderson, KPMG International Limited
Jean-Luc Barlet, Mazars
Bettina Cassegrain, HLB International
David Chitty, Crowe Global
Andrew Collier, Kreston International
Stewart Dunne, BDO
Wallace Gregory, Deloitte Touche Tohmatsu Limited
David Kane, Ernst & Young Global Limited
Pablo San Martin, SMS Latinoamérica
Katherine Schamerhorn, Grant Thornton International Ltd

Alternate Representatives

Christine Albrecht, Deloitte Touche Tohmatsu Limited
Matthew Cook, KPMG International Limited
Ed Fox, Grant Thornton International Ltd
Paul Ginman, Nexia International
Matthew Hallett, PricewaterhouseCoopers International Limited
Marion Hannon, RSM International Limited
Gary Hengelsberg, Ernst & Young Global Limited
Nick Jeffrey, Baker Tilly International Limited
Gill Spaul, Moore Global Network Limited
Alfredo Spilzinger, SFAI Global

Swiss Liaison Officer

Jeremy Howarth

APPENDIX:

IFAC 2022 Performance Highlights by IMPACT *(as reported to IFAC Council Nov. 2022)*

IMPACT 1: Strong and Sustainable Accountancy Profession

Focus Area #1 PAO Resilience and Adaptability

ACTION: Enhance and grow IFAC membership that supports accountancy professionals at all levels and sectors

Alongside the IFAC Membership Committee, IFAC staff assessed five applications from Azerbaijan, Burkina Faso, Mali, Qatar, and Ukraine, and applicants were presented to the IFAC Board in September 2022 with a recommendation that all five be presented to the IFAC Council in November 2022 for approval.

ACTION: Support PAO capacity building & development

To support PAOs with the adoption and implementation of high-quality international standards and the fulfillment of IFAC membership requirements, IFAC has leveraged the eIS platform to make [the Statements of Membership Obligations \(SMOs\) available digitally](#). This provides a central access point to the SMOs and the many SMO-related resources that have been developed over the span of the last 20 years in multiple languages. The digital platform will be beneficial for all PAOs that want to better understand the IFAC membership requirements and develop roadmaps to fulfill the requirements.

IFAC is collaborating with the Interamerican Accounting Association (AIC) to translate the SMOs into Spanish and make the resources available for Latin America. These will be available in Q4 2022.



Beginning in October 2021 and concluding in May 2022, IFAC partnered with the ASEAN Federation of Accountants (AFA) to run seven monthly webinar workshops focusing on the SMOs. Each workshop featured an IFAC presenter, and presentations from professional accountancy organizations (PAOs), IESBA, Professional Accountancy Organization Development & Advisory Group (PAODAG), and the Pan African Federation of Accountants (PAFA). The workshops were held to support AFA members' ongoing efforts to fulfill the requirements of the SMOs but also support them in improving their member services and advocacy efforts around adoption and implementation of international standards to support the accountancy profession locally and regionally. Each workshop was attended by an average of 60 individuals representing 17 PAOs from Southeast Asia and Oceania (including Australia, New Zealand, and the Pacific Islands).

IFAC facilitated collaboration between the Arab Federation of Accountants and Auditors (AFAA) and PAFA, resulting in both IFAC Network Partners agreeing to sign a Memorandum of Understanding (MoU) in early 2023. This collaboration will cover: (1) holding joint masterclasses to provide an overview of the journey to IFAC membership under the umbrella of a PAO being sustainable, relevant and credible; (2)

expanding the Accounting Technician Qualification (ATQ) project for Africa to target Arabic-speaking jurisdictions in Middle East/North Africa (MENA) as well; and (3) advancing audit quality in both sub-Saharan Africa and MENA which includes supporting implementation of Quality Management standards and collaborating on a series of workshops on International Standard on Quality Management (ISQM) in multiple languages including Arabic.

In support of membership quality, the PAODAG members and technical advisors have assisted 16 PAOs through more than 20 mentoring and technical assistance engagements. They have also authored several Gateway articles, including:

- [How Private-Public Consultation Transformed the Cayman Islands' Economy](#)
- [Peace, Justice and Strong Institutions: How Effective & Just Enforcement Systems Contribute to Global Accountancy Development](#)
- [ICAP's Pursuit for Excellence – Redesigning the Basics for Its Education Scheme](#)
- [Building an Accounting Technicians Scheme in West Africa: ICAN's Experience](#)

APPENDIX: IFAC 2022 PERFORMANCE HIGHLIGHTS (BY IMPACT)

ACTION: Provide ongoing member engagement support to enable future-ready PAOs and professionals, as well as customized member engagement to align IFAC and PAO priorities

The PAODAG met three times during the year. The meetings were focused on PAO resiliency, considering how the emerging themes of sustainability, anti-corruption, public financial management, and technology are opportunities to ensure the ongoing relevance of the profession. As an outcome of this work, the PAODAG will shortly be issuing a set of recommended education-related actions for PAOs to respond to these emerging themes. The PAODAG has engaged and collaborated with the Small and Medium Practices Advisory Group (SMPAG), the International Panel on Accountancy Education (IPAE), and the Forum of Firms (FoF), and will continue to look for opportunities to harness these relationships in support of PAO development.

With respect to technology and digitalization:

- As part of the ongoing PAO Digital Transformation Series, in Q4 2022, IFAC released the Global Report Digital Readiness of Professional Accountancy Organizations, which provides an overview of the results and trends at a global scale, as well as offers actionable next steps for PAOs.
- IFAC plans to release the PAO powerup in Q4 2022. This 'white label' solution will provide a platform for developing member organizations to accelerate their digital journey, built on the experience of their peers.
- Quarterly "Tech Check" meetings continue to bring together the staff leads for tech activity or

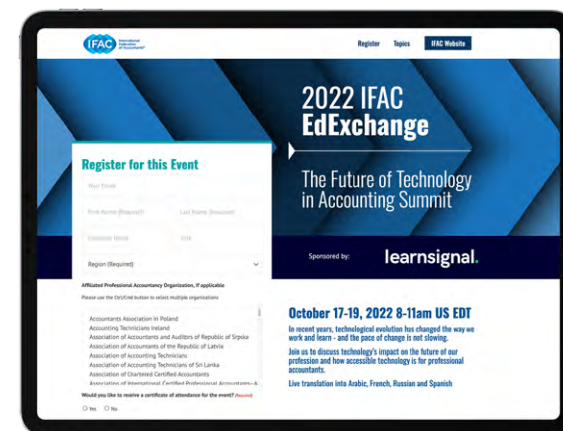
projects from across both IFAC and the Independent Standard-Setting Boards (SSBs) – each providing an update on developments with their projects with an opportunity for questions and answers.

- The IFAC Technology Matrix continues to be produced approximately every quarter – the latest version can be found [here](#).
- In March, the Technology Advisory Group (TAG) Chair and management made the recommendation to discontinue the TAG as individual departments at IFAC are now suitably positioned to determine stakeholder technology needs and coordinate an appropriate response, which is included in the work plans of other advisory groups.

IFAC partnered with the Malaysia Institute of Accountants (MIA) to publish a series of Gateway articles pertaining to the link between Islamic Finance (IF) and Sustainable Development Goals (SDGs). Part 1 of the 4-part series was published in September 2022 titled 'Facilitating SDGs with IF-Malaysia's Leadership in Sukuk'. The series of articles will be published in parallel to two focus group discussions leading up to a global roundtable event in Q1/Q2 2023 on Islamic Finance & SDGs.

IFAC has followed up with the partnership with the AIC on the 2021 series of webinars in Spanish, emphasizing Spanish guidance, resources, and sharing regional experiences on the adoption and implementation of international standards and best practices for Latin America. As an outcome of these initiatives, IFAC has supported Panama with the implementation of its new accountancy law, which addresses regulatory gaps and further adopts

international best practices; Peru in drafting proposals and sharing best practices from other jurisdictions to update their national law that regulates the profession; and Honduras with the urgency to establish and implement a mandatory quality assurance system for all auditors in the jurisdiction.



ACTION: Advance Accountancy Education to maintain and, as appropriate, update IES standards and support PAO education initiatives

On October 17-19, 2022, IFAC hosted its [2022 IFAC EdExchange: The Future of Technology in Accounting Summit](#). The event had over 30 speakers including Ben Elder, Meta's Global Head of Strategic Partnerships; Space Economy's George Pullen and Samson Williams; Cameron Carr, FinTech Advisor at International Organization of Securities Commissions (IOSCO) and Dr. Robert Kay, co-founder and Executive Director, Incept Labs as well as speakers from the professional accountancy organizations and firms. These experts covered topics such as new technologies available; the impact to FinTech; skills and

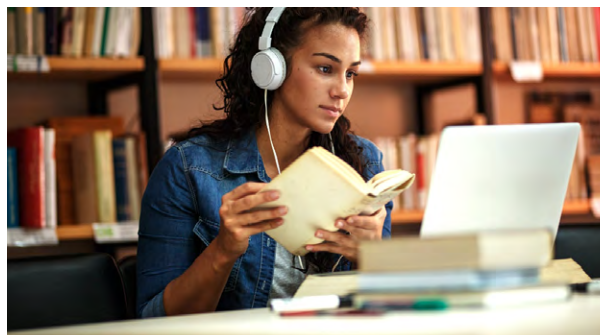
APPENDIX: IFAC 2022 PERFORMANCE HIGHLIGHTS (BY IMPACT)

competencies that professional accountants should be developing and how they can learn them; and the impact on the audit and ethical risks and opportunities as a result of clients and our own use of technology. In addition to providing certificates of completion to participants, PAOs were invited to leverage this content as a CPD/CPE offering for their members. The Summit was sponsored by Learningsignal. The event had over 6,000 registrants, which includes those who watched the livestream and those who signed up to be notified when the recordings are available. EdExchange was available in five languages through live translations.

Connected with the Summit, IFAC hosted an inaugural 'invitation only' virtual event on October 20 entitled "Enhancing PAOs to Advance Digital Readiness – A Convocation for PAOs' Technology and Education Directors". This PAO event is built upon the Summit with discussions around technology evolution in the PAO infrastructure and education delivery.

IFAC continues to make available presentations from experts to the IPAE and the Education Directors of PAOs and Firms on the [IFAC EdExchange Video Series](#) page. These presentations are specifically designed to inform the accountancy education advisory groups, but the content is relevant to many professional accountants.

In response to a request from PAOs and their members to understand available resources to enhance their sustainability knowledge, IFAC published [Remaining Relevant: Opportunities to Expand Your Sustainability Know-how](#), which contains courses and certificates currently offered by PAOs and other organizations that are available outside of their own membership. We will continue to add to these as new courses or certifications are identified.



IFAC continues to engage with education directors of PAOs and firms through hosting quarterly virtual knowledge exchange sessions. The intention of these sessions is to provide a forum for conversation amongst peers to talk about the challenges and opportunities we are facing within the profession. Topics discussed in 2022 included the impact of technology on assessments, sustainability curricula, and attraction and retention of talent in the profession.

Focus Area #2: Accountancy Firms and Networks

ACTION: Advocate for SMPs and promote the range of services they can provide.

IFAC published [Sustainability Information for Small-Businesses: The Opportunity for Practitioners](#), which highlighted the benefits to small businesses of having readily available and reliable sustainability information for achieving better-informed decisions, and enhanced strategic and risk management. It also covered the range of services that could be provided by Small and Medium sized practices (SMPs) to clients, including advisory services, reporting, agreed-upon procedures (AUP) engagements, and assurance services.

IFAC and the European Federation of Accountants and Auditors (EFAA) hosted a [webinar](#) for SMPs focused on sustainability and the opportunities it offers. This featured small firms who have already started providing sustainability services and examples of how practitioners can get started and take action.

The IFAC SMPAG continued to discuss topical issues and produce Gateway articles, including:

- [Staffing Trends During the Great Resignation](#)
- [Value Pricing – An Update with Ron Baker](#)
- [Insights on Small Firm Specialization with an Enhanced Focus on Business Advisory Services](#)
- [Challenges, Initial Steps and Key Resources for Small Firm Digitalization](#)

IFAC launched its first conversational podcast series [The Fast Future with IFAC](#) which features innovative SMPs sharing how they are adapting to the rapidly changing global economy. Five episodes have been released so far covering topics such as talent management, technology investments and building advisory services, with additional interviews planned.

IFAC organized a promotional social media campaign (including a toolkit for PAOs) to support the United Nations' (UN) Micro-, Small and Medium-sized Enterprises Day on June 27 which focused on sustainability and highlighting the role of professional accountants. It also involved collaboration with the Organisation for Economic Co-operation and Development (OECD) who authored an article: [No Net Zero Without SMEs: Strengthening Policy and Collective Action for SME Greening](#).

APPENDIX: IFAC 2022 PERFORMANCE HIGHLIGHTS (BY IMPACT)

ACTION: Engage with the FoF to amplify the agenda on audit and assurance quality

IFAC and the FoF held productive meetings in March, June and November of this year.

Throughout 2022, the FoF welcomed increased engagement from across the various IFAC constituency groups. Having an improved understanding of the depth and scope of IFAC's work in support of the public interest has generated useful interaction and offered increased opportunity for collaboration and leveraging. As in past years, a report from the IFAC CEO is a standing agenda item for all Transnational Auditors Committee (TAC) and FoF meetings, which has contributed to a strengthened constructive relationship.

The FoF continues to grow with the addition of 2 new members in 2022, bringing its membership to 33 members and 1 affiliate. Both new members are from the Asia-Pacific region bringing further useful diversity to the membership profile. The FoF uses an international benchmark of audit quality as the basis for its membership obligations – as such, membership reflects a commitment to those obligations across the network of firms further supporting a strong sustainable profession.

An activity which has been reactivated for the first time since the pandemic is the FoF's In-Country' Audit Quality Events. Designed and driven by FoF practitioners in the country, the event brings together the FoF firms in that country to engage on local audit quality topics. For 2022 the In-Country event will both support and leverage the World Congress of Accountants (WCOA) by occurring on November 17, the day before WCOA commences.

Collaborative or leveraging activities in 2022 have included:

- Supporting IFAC in the provision of multiple speakers for panels at WCOA
- Both leveraging and supporting the WCOA through the FoF hosting an In-Country Event in Mumbai (discussed above)
- Close to 20 FoF Audit Networks provided formal feedback on IFAC's Draft Strategic Plan
- Appearing in IFAC webinars, being presenters, etc.

Focus Area #3: IAASB, IESBA, and Education Standards, with Emphasis on Adoption & Implementation (A&I)

ACTION: Monitor and enable adoption of international standards through IFAC SMOs

IFAC published a brief update on the global adoption status of international standards originally published in the 2019 Global Status Report. As was true in the 2019 report, over 90% of IFAC member jurisdictions continue to use international standards on reporting, audit, education, and ethics, as well as inspection and enforcement benchmarks. The [2022 update](#) explains some of the shifts seen in the adoption rates, IFAC's methodology for assessments, and A&I success stories from IFAC member organizations.

Member assessments, including recommendations with resources and guidance material to support progress in the adoption of standards, were provided to PAOs in the following jurisdictions to date:

- Bolivia, Bosnia and Herzegovina, Brazil, Cayman Islands, Costa Rica, Dominican Republic, Ecuador,



Estonia, Greece, Guyana, Honduras, Kuwait, Lithuania, Nicaragua, North Macedonia, Panama, Poland, Portugal, Suriname, Trinidad & Tobago, Tunisia, the United States, and Zimbabwe.

- These [assessments](#) are available on the IFAC website in the public interest. All IFAC members have a respective jurisdictional and organizational profile which details the legal and regulatory environment, the status of adoption of seven international standards and best practices covered in the SMOs, and members' role and activities in the A&I process. The profiles are updated on a regular basis through the IFAC Member Compliance Program to allow IFAC to report on and see trends in the global status of international standards. While all IFAC member organizations adhere to the commitment and spirit of continual improvement, individual organizations are at different stages of institutional capacity and maturity, which affects their pace of progress.

APPENDIX: IFAC 2022 PERFORMANCE HIGHLIGHTS (BY IMPACT)

An IFAC Gateway article entitled “[How the IFAC Member Compliance Program Drives Progress in Standards’ Adoption](#)” highlighted that the Member Compliance Program was [included by the OECD’s Partnership of International Organisations for Effective Rulemaking](#) as an example of an international rulemaking implementation best practice.

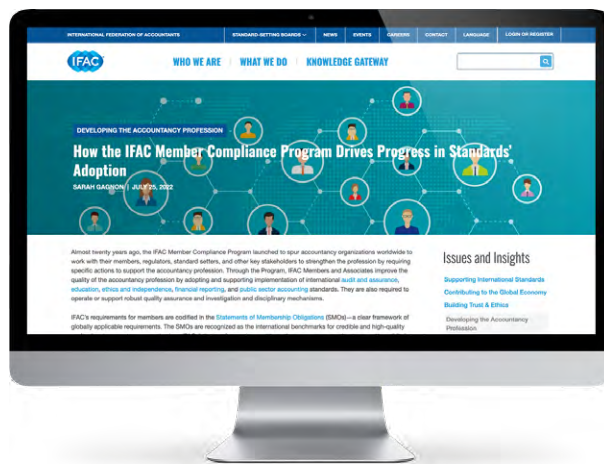
ACTION: Deliver standards through digital (eIS) platform

The eIS, IFAC’s digital publications platform which was launched in November 2021 to provide digital versions of IAASB, IESBA and IPSASB standards, has been expanded to include SMOs and Pathways to Accrual content, as well as enhanced search functionality. The eIS platform has been visited by 40,000 users across over 200 jurisdictions since launch.

An eIS survey focused on user feedback for both the current and future iteration of the platform was launched in June 2022 and remained open through August 2022. Feedback on the eIS was overall positive, with 64% of participants noting that the platform assisted them in accomplishing their goals. IFAC is looking to begin Phase 2 of eIS, which will focus on personalization, and the transfer of the IES standards to the platform in Q4 2022. IFAC is also working with an external consultant to optimize our Google Analytics in order to get meaningful data from the eIS platform.

ACTION: Provide targeted translations support

In the past year, over 400 agreements were processed for the reproduction or adoption of international standards and supporting publications. In addition, we have approved and published over 200 individual translations.



ACTION: Provide input to standard-setting from a global perspective, including through regular engagement with IAASB and IESBA and consultation responses, especially from an SMP perspective

IFAC presented to and engaged in a Q&A session with the IAASB during its June 2022 board meeting on the “Adoption and Implementation of International Standards, focusing on the ISA.”

In regard to supporting the development of standards, IFAC and the IAASB conducted a joint survey on IAASB Exposure Draft Proposed ISA for Audits of Financial Statements of Less Complex Entities (ISA for LCE), which received over 250 responses from a wide range of stakeholders from over 80 jurisdictions. IFAC and the SMPAG also submitted [responses](#) to the Exposure Draft on this consultation.

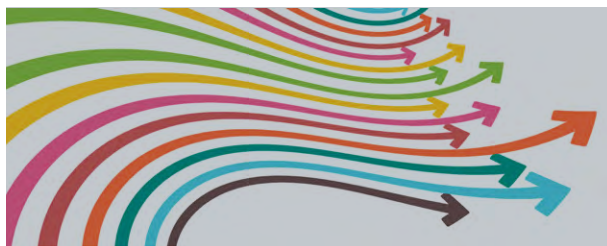
The SMPAG engaged with the IAASB extensively, providing formal comment letters and feedback during multiple meetings. This included:

- Submitting comment letters in advance of the IAASB’s Board meetings covering audit evidence, fraud, and going concern matters and audits of less complex entities.
- Discussion with representatives from IAASB and IESBA in the April and October SMPAG meetings and specific separate engagements on audit evidence and audits of less complex entities projects.
- Formal comment letter [response](#) on the IAASB proposed Narrow Scope Amendments to ISA 700 (Revised) and ISA 260 (Revised) Exposure Draft.

The SMPAG engaged with IESBA extensively, providing formal comment letters and feedback during multiple meetings. This included:

- Discussion with representatives from IESBA in the April and October SMPAG meetings.
- Submitting comment letters in advance of the March IESBA quarterly Board meeting covering the IESBA Strategy 2024-2027 and tax planning and related services.
- Formal comment letter responses submitted to IESBA’s [Technology Exposure Draft, Definition of Engagement Team Exposure Draft](#), and their [Work Plan and Strategy survey](#).

APPENDIX: IFAC 2022 PERFORMANCE HIGHLIGHTS (BY IMPACT)



ACTION: Provide targeted implementation support

Audit and Assurance Standards

To help auditors implement ISA 540 (Revised), *Auditing Accounting Estimates and Related Disclosures*, IFAC published an [Implementation Tool](#) that provides an overview of steps and related matters to consider, including “What,” “Why” and “How” suggestions.

On June 30, with the support of the World Bank, IFAC held a PAO Knowledge Exchange event on the IAASB’s quality management standards featuring both PAOs and software providers highlighting their implementation support initiatives. The event was simultaneously translated into 4 languages (Arabic, French, Russian, and Spanish).

The FoF continues to be receptive to collaborating further with IFAC on matters in support of Audit Quality. An important development in this respect was having several FoF representatives from mainly non-founder firms (i.e., non-big-6 firms) as a key component of a Technical Review Group that reviewed the first installment of a series of resources currently under development to provide implementation support for ISQM 1. This collaboration is inaugural in design; we hope it will serve as a useful model and precedent going forward.

With respect to Quality Management (QM), IFAC produced a dedicated [QM web page](#) with a suite of resources to help practitioners implement the new standards. This included:

Gateway articles:

- [Preparing for the New Quality Management Standards: ISQM 1 Quality Objectives and Quality Risks](#)
- [Preparing for the New Quality Management Standards: ISQM 1 Risk Responses](#)
- [Preparing for the New Quality Management Standards: ISQM 1 System Evaluation and Monitoring](#)
- [ISQM: What’s New for Firms’ Monitoring and Remediation Processes?](#)
- [ISQM – The Full Picture – How Do the Components of a Quality Management System Fit Together?](#)

Panel Discussions:

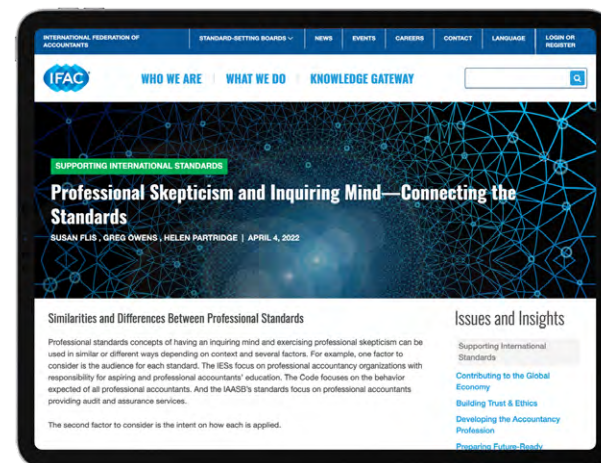
- [ISQM 1: Getting Ready for the New Risk-Based Approach](#)
- [ISQM 1: Early Lessons Learned and Next Steps](#)

Ethics Standards

IFAC presented to and engaged in a Q&A session with the IESBA during its March 2022 board meeting on the “Adoption and Implementation of International Standards, focusing on the IESBA Code.” Subsequently, in April, IFAC provided assistance for the A&I portion of the IESBA Annual Report and joined the IESBA Planning Committee meeting to further discuss partial adoption of the IESBA Code in

IFAC member jurisdictions and actions that could be taken to advance outreach and uptake.

IFAC collaborated with IESBA staff to promote adoption and implementation of the *International Code of Ethics for Professional Accountants* (the Code) in various regions such as the Middle East, including a workshop with the Abu Dhabi Accountability Authority to discuss adoption of the Code and increase awareness of key recent revisions to the International Independence Standards relating to non-assurance services, fees and the definition of public interest entity.



A Gateway Article [Professional Skepticism and Inquiring Mind – Connecting the Standards](#) was published covering how the concepts are interlinked.

IFAC is supporting the IESBA for a Global Ethics Day celebration planned for October 19, *Ethics Empowered*, with a bonus session on the last day of the 2022 EdExchange Summit.

APPENDIX: IFAC 2022 PERFORMANCE HIGHLIGHTS (BY IMPACT)

Education Standards

Beginning in 2022, IFAC and the IPAE launched an initiative to identify the challenges and barriers to IES adoption and implementation. This initiative is helping to identify ways to better inform how PAOs and the profession can build capacity and how IFAC and IPAE can support them. The pilot initiative was launched in the Middle East, expanded to the Caribbean region, and will continue to expand to other regions in 2023. To date this initiative has led to:

- A webinar hosted by IFAC, the World Bank and AFAA on June 21, 2022, [Connecting the Accountancy Education Ecosystem](#), to encourage regional collaboration and foster access to experts which attracted more than 1,000 registrants and 500 live participants from our member organizations, regional Network Partners, supreme audit institutions, government, and key accountancy education stakeholders.
- Progress of three PAOs from partial adoption to full adoption of the International Education Standards.
- Ongoing collaboration in the MENA region facilitated by IFAC. IFAC will be hosting its first bi-annual Virtual MENA PAO Knowledge Exchange Workshop on October 25, 2022 starting with a presentation from the Institute of Certified Public Accountants of Cyprus (ICPAC) sharing experiences and initiatives undertaken to increase the number of high-quality professional accountants.

Focus Area #4: Assurance

ACTION: Deliver global policy and research activities for audit quality and assurance services

In partnership with AICPA-CIMA, IFAC published "[The State of Play in Reporting and Assurance of Sustainability Information: Update 2019-2020 Data & Analysis](#)." This is the second benchmarking study/report identifying trends over the 2019-2020 period as well as providing new types of data and analysis (vs. last year's report). Data for fiscal 2021 will be used to provide a further update/report in the near future. The report garnered significant media coverage in both top tier and important trade press, including *Accounting Today*, *Axios*, *Bloomberg Tax*, *CFO Dive*, *Journal of Accountancy*, *Strategic Finance* and *WSJ CFO Journal*.

The first stakeholder presentation of our updated *State of Play* results/publication took place at PAFA's sustainability week program on August 3rd. IFAC staff participated in PAFA's four-day, sustainability-focused stakeholder event addressing a wide range of topics, including Environmental, Social, and Governance (ESG) standard setting, adopting an Integrated Mindset, the relevance of sustainability to Small and Medium Enterprises (SMEs) and SMPs, and the role of education. Subsequent webinars/presentations are taking place throughout the remainder of 2022.

IFAC partnered with the Jeju Group (PAOs from Japan, Singapore and Korea and chaired by former IFAC President In-Ki Joo) on September 19 to host a webinar highlighting results and analysis from the updated *State of Play* report. The webinar included presentations from Japan, Korea, and Singapore and

draw over 300 participants from PAOs (based in South Asia, Southeast Asia, East Asia, and Oceania), as well as regulators, donor partners and other relevant stakeholders.

Given the importance of Non-Audit Services to potential regulatory reforms in the European Union (EU) and elsewhere, IFAC (in consultation with Accountancy Europe) published a new report, [Audit Fees Survey 2022: Understanding Audit Fees and Non-Audit Services Fees, 2013-2020](#), which provides new insights on audit, tax and other services. The data will inform evidence-based discussions about audit, audit reform, and the costs associated with the value-added services that professional accountants provide.



APPENDIX: IFAC 2022 PERFORMANCE HIGHLIGHTS (BY IMPACT)

ACTION: Promote and advocate for high-quality sustainability and integrated reporting assurance underpinned by adherence to the Code of Ethics

IAASB Chair Tom Seidenstein, IESBA Chair Gabriela Figueiredo Dias and I participated in an IOSCO Roundtable Discussion Event on Sustainability Assurance on February 16, 2022. The Roundtable leveraged IFAC's 2021 report *The State of Play in Sustainability Assurance* and recent publication of "IFAC's Vision for High-Quality Assurance of Sustainability Information."



ACTION: Monitor and provide input to governance, audit and supervisory reform processes

IFAC submitted a response to the European Commission's Consultation on Corporate Reporting – Improving its Quality and Enforcement, based on IFAC's Point of View on Achieving High-Quality Audits.

As part of our policy development on audit quality-related issues, IFAC circulated an audit quality questionnaire to 135 members of the FoF and IFAC

Advisory Groups. Many of the questions were related to issues raised in the European Commission's Consultation. Feedback from the questionnaire will help us understand issues of interest to our stakeholders and help focus our future work on audit quality.

Focus Area #5: Ethics

ACTION: Advocate for the accountancy profession's foundation of ethics, integrity, and trust-based on the IESBA Code of Ethics

IFAC partnered with IESBA and AFA to host a virtual panel discussion for the Asia-Pacific region on October 12, 2022 to share views and learnings about implementation of the revised Public Interest Entity (PIE) revisions. Participants included PAOs (based in South Asia, Southeast Asia, East Asia, and Oceania), national standard-setters from the region, and members of IESBA's PIE Working Group.

A second panel discussion was also hosted in collaboration between IFAC, IESBA and PAFA on October 20, 2022. Participants also included PAOs, national standard-setters from the region, and members of IESBA's PIE Working Group.

In collaboration with CPA Canada, the Institute of Chartered Accountants of Scotland (ICAS) and IESBA, IFAC examined the ever-changing technology landscape and its implications for ethical leadership, including the challenges and opportunities ahead for the accountancy profession. The second, third and fourth thought leadership publications were launched to offer practical guidance for professional accountants, PAOs, educators and employers:



- [Technology is a double-edged sword with both opportunities and challenges for the accountancy profession](#)
- [Identifying and Mitigating Bias and Mis- and Disinformation](#)
- [Mindset and Enabling Skills of Professional Accountants – A Competence Paradigm Shift](#)

A new *Exploring the IESBA Code* installment, [A Focus on Technology: Artificial Intelligence](#), was published. It sets out an artificial intelligence (AI) scenario to assist accountants in identifying, evaluating, and addressing threats to compliance with the Code's fundamental principles.

APPENDIX: IFAC 2022 PERFORMANCE HIGHLIGHTS (BY IMPACT)

IMPACT 2: Strong and Sustainable Private and Public Sector Organization

Focus Area #1: Professional Accountants as CFOs and Business Leaders

ACTION: Elevate the positioning of professional accountants as trusted value partners

IFAC developed a placemat on the importance of an integrated mindset in driving sustainability in organizations, and highlighting the critical contribution of professional accountants in connecting sustainability and financial information, processes, and systems to enhance decision-making and corporate reporting. The placemat is available [here](#) and has been proactively used in IFAC’s global sustainability dialogue with members and in our global representation activities such as with the B20.

IFAC partnered with Accounting for Sustainability (A4S) at this year’s UN Climate Week NYC to convene a panel of finance leaders to explore their perspectives as stewards and implementers of climate transition plans. The webinar provided useful insights into how finance and accounting leaders are enabling decarbonization strategies and transition planning, and what obstacles they are facing.

The Professional Accountants in Business Advisory Group (PAIBAG) met on March 29-30, and September 27-28, 2022, providing opportunities to explore how accountants in business and the public sector can add value to their organizations and to society. Key learnings are communicated to the IFAC membership and key stakeholders in a post-event meeting report. The report from the March meeting, [Global Priorities for Professional Accountants in Business and the Public Sector](#), explores key trends impacting professional accountants as CFOs and business leaders including inflation, the supply chain crunch, and sustainability/ESG. Key areas of discussion across the two PAIBAG meetings included:

Two case studies on the role the role of the CFO and finance function in sustainability and enabling an integrated mindset

- An international food and agri-business, Olam Agri: [Case Study: The Role of the Sustainability Finance Team in Driving Impact at Olam Agri | IFAC](#) – delivered by Olam Agri’s CFO and finance team
- Natura & Co, a multinational beauty and cosmetics company, a leader in impact accounting that has issued an integrated profit and loss statement. Delivered by the Group Controller for Latin America.

Challenges and recommendations for accountants in responding to inflation and the supply chain crunch, as summarized in this [Gateway article](#).

- How accountants and the profession can enable and advance the circular economy. See [Accountants Enabling the Circular Economy](#) (with the Royal NBA).
- Digitalization and finance transformation journey at Procter and Gamble and the implications for the role of Professional Accountants in Business (PAIBs). Following on from the CPA Canada and IFAC publication, *The Professional Accountant’s Role in Data*, CPA Canada and IFAC also hosted a joint webinar, [“Data management value chain: An opportunity for accountants in the digital age”](#)
- Other areas covered during the September meeting included the critical role of accountants in ensuring confidence in sustainable debt financing and challenges arising from data sovereignty. PAIBAG members also participated in a panel discussion on navigating chaos in the perfect storm to identify challenges PAIBs and their companies are facing in the current volatile environment, and how are they overcoming them to ensure resilience and adaptability. Insights from the September meeting will be summarized in an upcoming meeting report.

IFAC PAIB resources have been brought together onto a central landing page on the IFAC website to aid accessibility: [Professional Accountants as Business Leaders and Value Partners](#).

APPENDIX: IFAC 2022 PERFORMANCE HIGHLIGHTS (BY IMPACT)

Focus Area #2: Corporate Governance and Audit Committees

ACTION: Support IFAC member engagement with non-executive directors to raise awareness of effective audit committee practices

[Engaging with Audit Committees to Support Accountants Addressing New Responsibilities](#)

highlights priority issues for consideration on audit committee agendas, including dealing with economic uncertainty, oversight of ESG/sustainability reporting, the post-pandemic working environment, and audit committee knowledge, skills, and competencies.

ACTION: Advocate for board responsibility for financial and sustainability-related reporting, integrated reporting, internal and external assurance activities, audit quality and enhanced corporate governance

To explore corporate governance responsibilities for sustainability/ESG, and how boards are approaching ESG oversight for better decision making as well as reporting and transparency, the PAIBAG was joined by a panel of experienced board directors, who between them have a wealth of non-executive experience across a range of companies and jurisdictions. Nancy Tse, the Deputy Chair of the PAIBAG and an experienced board director herself moderated the discussion between panelists:

- Nick Allen, Audit & Risk Committee Chair, CLP Holdings Limited, & Chairman of Link REIT
- Susan Angele, Senior Advisor, KPMG Board Leadership Center

- Alan Johnson, IFAC President, and non-executive director at Imperial Brands plc, William Grant & Sons Ltd, and DS Smith plc.

Highlights from this discussion will be included in the upcoming PAIBAG meeting report.

In collaboration with the Value Reporting Foundation and Institute of Internal Auditors, IFAC launched "[Executing the Board's Governance Responsibility for Integrated Reporting](#)", the second installment in a thought leadership series on *Accelerating Integrated Reporting Assurance in the Public Interest*. This second paper explores Board accountability for integrated reports and how executing a cohesive and coordinated internal approach to integrated reporting assurance provide the basis for improving the quality of integrated corporate reports and better preparing organizations for external assurance.

Focus Area #3: Public Financial Management and Public Sector Finance

ACTION: Raise awareness of the benefits of strong PFM and opportunities for the accountancy profession to enable public sector objectives and counter corruption

A summary of the November 2021 Council session, [Public Financial Management \(PFM\): Collaborating in the Public Interest](#), was published on the IFAC Gateway as a series of three articles, along with recordings of the session:

- [PFM Trends and Actions for the Accountancy Profession](#)
- [Driving PFM Reform in Rwanda: The Role of the Accountancy Profession](#)



- [IFAC, Gavi and the Global Fund Partnership for Results: Strengthening Public Financial Management in the Health Sector](#)

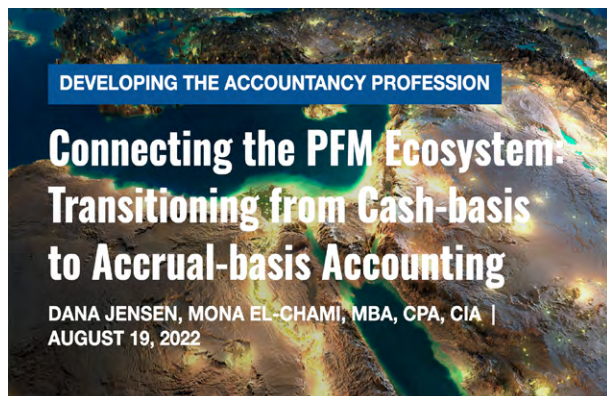
The Memorandum of Understanding to Strengthen Accountancy and Improve Collaboration (MOSAIC) Forum included a session on [Supporting a Transparent and Accountable Public Sector](#), which explored the demand for public sector professionals to support transitions to accrual and broader PFM reforms, as well as how PAOs can play a strong role in supporting governments, and how development partners can support PAO efforts in the public sector.

A session was held at the 2022 Chief Executives' Forum on "[Public Financial Management \(PFM\): Depth, Breadth, and Opportunity](#)". The discussion highlighted the scope of the public sector and the various elements that are fundamental to strong PFM. Joan Curry, IFAC Board member and Head of Finance in Ireland's Department of Transport, shared insights into Ireland's public sector accounting reform, and

APPENDIX: IFAC 2022 PERFORMANCE HIGHLIGHTS (BY IMPACT)

Rob Whiteman, CEO of Chartered Institute of Public Finance and Accountancy (CIPFA), shared his perspectives on PFM as a broad discipline with many opportunities, and highlighted key skills needed in the public sector, as well as CIPFA's priorities to support PFM in the United Kingdom and internationally.

Since 2020, the World Bank Group MENA Governance Global Practice, IFAC, and AFAA have joined forces to host a collaborative webinar series to provide a forum for the organizations to work together to support MENA region members and partner jurisdictions, position them for success during and post-COVID, and advance transparency and accountability throughout the region. [The third event in the series](#), which attracted 660 registrants and 325 live participants, was held in June to support the transition to accrual-basis accounting in MENA. The event included speakers from ACCA, IFAC, IPSASB, the Saudi Organization for Chartered and Professional Accountants (SOCPA), the Ministry of Finance (Saudi Arabia), and the World Bank.



ACTION: Identify and communicate priorities and challenges to ensure a capable and professionally skilled accounting and finance workforce in the public sector to support professionalization and to establish attractive career pathways in the public sector

The PAIBAG held a public sector session exploring priorities and challenges for the profession across jurisdictions in enabling an effective public sector finance workforce, including the need for continued advocacy to promote the value of a career in public sector accountancy, the importance of investing in the workforce, skills development, and embedding diversity and inclusion into teams. Highlights are summarized in the report [Enabling an Effective Public Sector Finance Workforce](#) (with CIPFA).



Gateway articles highlighting the role of PAOs in the public sector include:

- A case study from SOCPA highlighting the [Rise of Female Accountants in the Public Sector](#) and that young professionals seeking diverse careers are increasingly attracted to the public sector for its stability and long-term career prospects in the MENA region.
- [ICAB's Lessons Learned from Public Financial Management Reform in Barbados](#), which outlines the Institute of Chartered Accountants of Barbados' (ICAB) journey of collaboration with the government on PFM reform and three key lessons learned.

IFAC is collaborating with the ACCA on a joint project exploring *Professionalization in Public Sector Finance*, which will outline what 'professionalization' means in a public sector finance context, the benefits of professionalization, and examples of global good practice. The report will be launched in November.

IFAC continues to support the [African Professionalisation Initiative](#) (API). This initiative is a partnership between the accountancy profession, accountants general and supreme audit institutions in Africa, and is working to grow the capacity of professional accountants in the public sector through high quality accountancy education programs (partly developed through funding provided under the DFID PAO Capacity Building Program) and broader capacity building efforts at country level. IFAC advocated for the API in various forums and provides platforms for the API to engage with our stakeholders, including through the PAO Development & Advisory Group and MOSAIC. Implementation of the API will likely be a key consideration in the IFAC, Global Fund and Gavi capacity building projects mentioned above.

IFAC participated in an "Accountancy Education in the Public Sector" event organized by the World Bank's Centre for Financial Reporting Reform and its Public Sector and Accounting Reform program (PULSAR), with attendance from stakeholders in Europe, Central Asia and Latin America. The event was an opportunity to advocate for continued professionalization of public financial management, and to increase awareness of IFAC's various public sector education resources and those of Confederation of Asia and Pacific Accountants (CAPA) and the API.

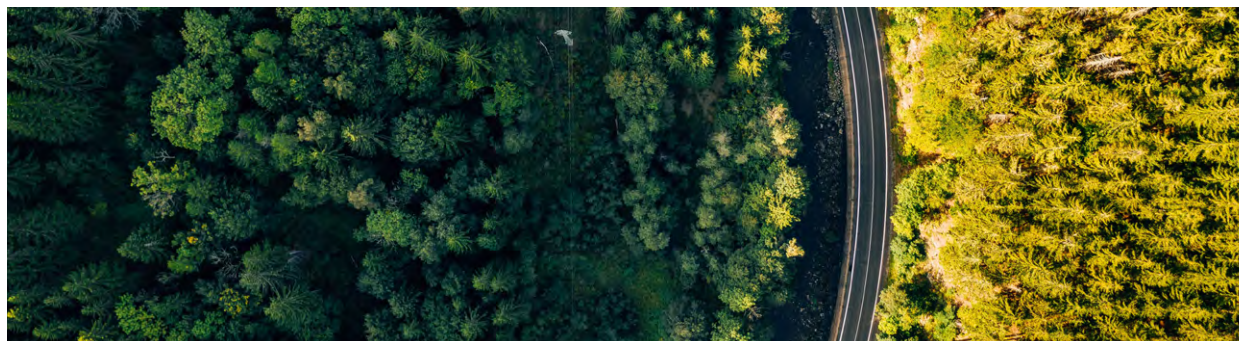
IMPACT 3: Strong and Sustainable Financial Markets and Economies

Focus Area #1: International Reporting Standards

ACTION: Support International Sustainability Standards Board (ISSB) development of a comprehensive global baseline of investor-focused sustainability disclosure requirements that build on existing sustainability and integrated reporting initiatives, their alignment/compatibility with jurisdiction-specific reporting regimes, and their adoption around the world

In 2021, IFAC issued the [Building Blocks Approach and How Global Standards Become Local](#). Together, these provide a framework for how jurisdictions can become part of the global system for sustainability-related reporting, using existing mechanisms already in place for adopting IFRS Standards used in financial reporting. Throughout 2022, IFAC has urged its member organizations to engage in policy discussions on ISSB adoption/implementation (see item immediately below).

IFAC published a [Call to Action for Professional Accountants](#), focusing on why professional accountants should support sustainability initiatives. The Call provides focused advocacy in support of the ISSB initiative and adoption/implementation of forthcoming IFRS Sustainability Disclosure Standards—including actions for professional accountants working within PAOs, within business, or in public practice. This publication is the fourth in a series of guidance publications related to the ISSB initiative.



IFAC, in partnership with Principles for Responsible Investment (PRI) and the World Business Council for Sustainable Development, re-released a [joint statement](#) calling for alignment between the ISSB's global sustainability disclosure standards and reporting requirements of major jurisdictional initiatives in the European Union and United States. This statement now includes support from sixty-five preparer and investor entities, as well as the largest global accounting firm networks.

IFAC participated, along with the Value Reporting Foundation, in The Economist's 3rd Annual Sustainability Week in Washington D.C.—addressing the need for a global baseline of disclosure requirements and high-quality assurance.

IFAC submitted comment letters (drawing on input from the Public Policy and Regulation Advisory Group (PPRAG) and IFAC member organizations and network partners—e.g., AICPA and Accountancy Europe) in response to:

- the U.S. Securities and Exchange Commission's Climate-related Disclosures for Investors proposed rule-making.

- both draft standards proposed by the ISSB, one addressing climate-related and one addressing general sustainability disclosures.
 - In advance of submitting its response, IFAC circulated a draft letter to PAOs intended to encourage comment letters from the accountancy profession.
 - IFAC also organized, in partnership with the Institute of Indonesia Chartered Accountants (IAI), a B20-approved event promoting the ISSB's draft standards and encouraging comment letter responses from corporate/preparer stakeholders in the region.
- the European Financial Reporting Advisory Group (EFRAG) consultation on draft European Sustainability Reporting Standards. Consistent with the two preceding consultations, IFAC's response focused on the need for alignment of global and jurisdictional reporting requirements—including similar approaches to materiality—as well as the importance of assurability and connecting financial information with sustainability information.

APPENDIX: IFAC 2022 PERFORMANCE HIGHLIGHTS (BY IMPACT)

ACTION: Advocate for enhanced and globally consistent corporate reporting

IFAC's Global Sustainability Dialogue (GSD) initiative continues our advocacy/support for a harmonized global system for sustainability-related reporting, based on a global baseline of disclosure requirements set by the new ISSB.

IFAC launched the GSD initiative at PAFA's Leadership Forum in Victoria Falls, Zimbabwe. This initiative—based on IFAC's Call to Action for the Accountancy profession (published February 2022)—focuses on i) raising awareness of the relevance of sustainability to the future of the profession, ii) promotes the ISSB initiative, iii) highlights IFAC's policy/thought leadership work since 2020, and iv) seeks to understand jurisdictional/regional challenges and opportunities faced by the profession. Several GSD events are planned throughout the remainder of 2022. The GSD has prompted follow-up stakeholder side events at WCOA, focusing on Asian and African Member Bodies.

Another GSD initiative was co-hosted with CAPA on September 29 which included participation from CAPA members based in South Asia, Southeast Asia, East Asia and Oceania) and other non-CAPA member Asia-based PAOs.

To facilitate reaching the widest possible audience, IFAC has developed a series of pre-recorded videos on sustainability related topics. (See paragraph 20 below for more information). These videos were adapted to incorporate subtitles in Spanish and Portuguese for use at the Group of Latin American Accounting Standard Setters (GLASS/GLENIF) conference in October, which had over 2,000 participants. GLASS/GLENIF is the group comprised of the accounting standards setters of 17 jurisdictions of Latin America.

An additional GSD event is scheduled in December with the Institute of Singapore Chartered Accountants (ISCA) in Singapore.

To advance IFAC policies and advocacy on behalf of the profession and in support of IFAC's Member Organizations, Network Partners, and other stakeholders, IFAC participated in numerous other events addressing sustainability. These included:

- a New York Climate Week panel hosted by Deloitte and Datamaran
- an online CPD-eligible webinar with CPA Canada that addressed the sustainable debt market and results from the State of Play study
- a panel (in collaboration with CPA Canada) on the sustainable debt market at the GLOBE Forum
- a webinar with AFA, Institut Akuntan Publik Indonesia (IAPI), and the Japanese Institute of Certified Accountants (JICPA) on *The State of Play in Sustainability Assurance*
- an Institute of Chartered Accountants of India (ICAI) webinar on sustainable finance
- an International Corporate Governance Network (ICGN) panel on sustainability assurance
- a presentation at the Institute of Chartered Accountants of Pakistan's (ICAP) 2022 *All Pakistan Conference*
- a sustainability webinar for the B20 Task Force on Energy, Sustainability & Climate
- a series of three B20 Integrity & Compliance task force side event webinars held in cooperation with IAI in Indonesia addressing the global approach to sustainability-related reporting and the importance of assurance

Additional engagement events will continue through year-end, including two side events in Mumbai (focusing on African and Asian jurisdiction stakeholders), a sustainability assurance presentation in Mumbai to CAPA members, and two sustainability-related plenary sessions as part of WCOA in Mumbai.

IFAC has completed a new global benchmarking study focusing on corporate disclosure of climate-related emissions targets and the transition plans that companies report for achieving their targets. This research follows IFAC's statement in September 2021 about the importance of climate-related disclosure in financial statements and provides insights into the decision-usefulness of target/plan-related information, as well as compliance with proposals from sustainability standard setters. Publication is targeted before year-end 2022.

IFAC partnered with CPA Canada in its report [*Navigating the Sustainable Debt Market: Enhancing Credibility in an Evolving Market*](#). This report provides an overview of the growing sustainable finance market, including challenges and opportunities for the accountancy profession.



APPENDIX: IFAC 2022 PERFORMANCE HIGHLIGHTS (BY IMPACT)

ACTION: Support accrual accounting and IPSAS adoption and implementation

IFAC launched *Pathways to Accrual*, which was developed with content provided by CIPFA and with feedback from the IPSASB. Leveraging the same platform as the e-International Standards, this new interactive guidance provides an overview of various transition paths to accrual, along with practical case study examples, and links to useful resources. The intention is that over time as more jurisdictions move to accrual, additional examples and resources will be added.

IFAC submitted a letter in support of IPSASB leading the development of sustainability reporting guidance for the public sector: [IFAC Comment Letter on IPSASB Consultation Paper, Advancing Public Sector Sustainability Reporting](#).

Focus Area #2: Business, Professional and Public Sector Integrity

ACTION: Develop and implement a comprehensive action plan for fighting corruption and economic crime

On September 6, IFAC published its *Action Plan for Fighting Corruption and Economic Crime* which sets out 30+ actions (new as well as existing) where IFAC can lead, in partnership with the profession, to support a robust anti-corruption and anti-economic crime ecosystem. The Action Plan is the product of over nine months of extensive engagement across IFAC's network and with external stakeholders, and was published "in cooperation with" the International Bar Association (IBA) and "with the support of" the World Economic Forum's (WEF) Gatekeepers Task Force. Notable engagements in developing the Action



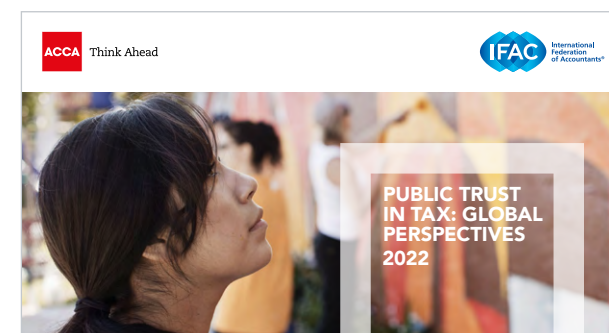
Plan include a discussion session at the PAFA Leadership Forum, and a workshop with international organizations at the Basel Institute of Governance Collective Action Conference.

Together with the Institute of Chartered Accountants in England and Wales (ICAEW), IFAC published installments eight and nine in our *Anti-Money Laundering: The Basics* educational series, concluding the first round of the series. [Installment Eight: Crime Trends](#) examines the way bad actors are using the latest technologies and situations to launder money, and how professional accountants can stop them; and [Installment Nine: Tools for Fighting Back](#) looks at advanced techniques accountants can use to fight money laundering.

IFAC participated in the United Nations Convention Against Corruption (UNCAC) Conference of States Parties (CoSP) in Sharm El-Sheikh, Egypt in December 2021. IFAC delivered [an on-record statement](#) to the UN plenary on the role of the accountancy profession in fighting corruption, and hosted an official side event in partnership with the IBA on the roles of the professions as gatekeepers in the fight against corruption.

IFAC participated in a consultation event on July 12 and 13 hosted by the Financial Action Task Force (FATF) related to jurisdictional implementation of the FATF beneficial ownership transparency requirements.

In October, we will launch the Anti Money Laundering (AML) Education Stock Take discussed in IFAC's Action Plan for Fighting Corruption and Economic Crime. This initiative seeks to understand the extent to which anti-corruption and anti-money laundering topics are included in PAOs' education frameworks, with the goal of starting an evidence-based conversation on any needs for advocacy, sharing of best practices, or other follow-on initiatives.



ACTION: Further the profession's role in enhancing trust in tax

The first major work under the Anti-Corruption Action Plan—*Trust in Tax: Global Perspectives*—was published on September 13. A joint initiative between IFAC and the ACCA, *Global Perspectives* builds on the IFAC-ACCA-CAANZ G20 Trust in Tax work, exploring the general public's attitude towards tax in 14 large, non-G20, regionally representative jurisdictions. Consistent with the findings from the G20 surveys, professional accountants are the single most trusted

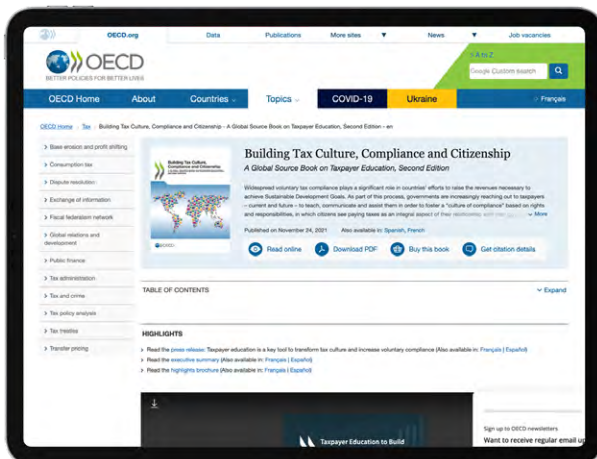
APPENDIX: IFAC 2022 PERFORMANCE HIGHLIGHTS (BY IMPACT)

stakeholder when it comes to tax issues. The [report launch event](#) was co-branded between IFAC, the ACCA, PAFA, the OECD and the World Bank.

In addition to the quantitative survey results, online discussions were held with senior tax stakeholders from across Latin America and Africa, including academics, tax officials and practitioners.

On March 28, *Accounting Today* ran an article we developed entitled [Improving Trust in Tax to Build a Better World](#) which connects healthy tax systems with an ability to make progress on the SDGs and helped set the stage for the new *Trust In Tax: Global Perspectives survey work*.

IFAC co-hosted an event with ACCA and the OECD entitled “Fostering taxpayer education to enhance public trust in tax and help achieve SDGs” on February 8, 2022. The event showcased the OECD’s recent report on taxpayer education, [Building a Tax Culture, Compliance and Citizenship: A Global Source Book on Taxpayer Education \(Second Edition\)](#).



ACTION: Expand IFAC’s global role in financial literacy and tax education

IFAC participated as an official global supporting organization in [IOSCO’s World Investor Week financial literacy campaign](#) in October. In support of the campaign, IFAC produced three short videos explaining, in clear and approachable language, foundational accountancy topics that every investor should understand: [What is a Financial Statement?](#); [What is an Audit?](#); and [What is Professional Accountancy?](#) IFAC also participated in the World Investor Week (WIW) Global Webinar on Sustainable Finance and Investor Education and Protection.

IFAC was accepted as an affiliate member of the [OECD International Network on Financial Education \(OECD/INFE\)](#) The OECD/INFE promotes and facilitates international co-operation between policy makers and other stakeholders on financial education issues worldwide. It has high-level membership from 280 public institutions - including central banks, ministries of finance and ministries of education - in 132 jurisdictions.

Focus Area #3: Multilateral Engagement on Behalf of the Profession

ACTION: Deepen external strategic relationships with global policymakers, regulators, and donors working with IFAC network partners and regional and national bodies as appropriate to ensure that the profession’s expertise and perspective is part of the global policymaking process

Following the announcement of a new memorandum of understanding between the International Financial Reporting Standards (IFRS) Foundation and the Global Reporting Initiative (GRI), IFAC has increased its engagement (i.e. with the new CEO of the GRI) to discuss the strategic direction of GRI, potential areas for collaboration with IFAC, and the role of GRI as a key contributor to the success of the Building Blocks Approach (advocated by IFAC, IOSCO, and the IFRS Foundation), which delivers a “full materiality” reporting system founded on the ISSB’s global baseline of disclosure requirements. IFAC and GRI agree on the importance of assurance over all sustainability information to enhance its integrity. Education and other areas of potential future collaboration are under discussion.

IFAC’s 2022 Chief Executives Forum, under the theme of *Trust & Sustainability in the New Normal*, included a presentation by Martin Moloney, newly appointed Secretary General of IOSCO. Mr. Moloney discussed his views on the MG, IOSCO’s forward agenda, and developments in the sustainability space. The Forum also featured an interactive panel discussion, *Integrity and the Accountancy Profession*, moderated by Zeinab Badawi of the BBC with leaders from the OECD, WEF, FATF and GPPC for a frank and open discussion about the role of accountants in the broader integrity space.

APPENDIX: IFAC 2022 PERFORMANCE HIGHLIGHTS (BY IMPACT)



IFAC achieved Network Partner status and a member role on the Integrity & Compliance Task Force and Finance & Infrastructure Task Force in the Business 20 (B20) Conference under the Indonesian Presidency. In this capacity, IFAC participated in the virtual Inception Event in January 2022, and was involved in a series of official side events in partnership with the IAI.

IFAC submitted a response to the first public consultation of the ongoing review of the OECD Corporate Governance Principles (October 2022). This is the latest step in IFAC's engagement with the review over the course of 2022, which also included IFAC Board Member Jean Bouquot participating in a

Consultation Event in May, and PAIBAG Member Ichiro Waki participating in an Asian Regional Roundtable in October. IESBA Chair Gabriella Diaz also participated in the [OECD-G20 Corporate Governance Forum](#) in Bali, Indonesia in July.

In September, IFAC finalized implementation contracts with Gavi and The Global Fund for implementation of two pilot capacity building projects in Burkina Faso and Ghana. This follows stakeholder engagement site visits to both jurisdictions earlier in the month, and a formal launch event in Accra, Ghana which included over 70 participants including the Controller and Accountant General of the Republic of Ghana.

IFAC will publish its annual G20 Call to Action "*Progress in Times of Uncertainty*" in November, calling on G20 leaders to deliver on—and recognize the interconnection between—sustainability, fighting corruption, and global collaboration.

The MOSAIC Steering Committee (SC) met on June 23, 2022 alongside the 2-day MENA event co-hosted by IFAC, the World Bank MENA Group, and AFAA (see discussion above). The MOSAIC SC first received an overview from IFAC on the capacity building needs for the profession as well as the challenges that are facing MENA's accountancy education framework. Following the IFAC presentation, the World Bank MENA Group provided an overview of their initiatives in the region for input from MOSAIC on opportunities for collaboration. The World Bank MENA Group offered to co-host an Islamic Finance & SDGs roundtable with IFAC in 2023.



IFAC and IBA conducted a pair of high-level information sharing sessions. The first, on February 25, 2022, featured the IBA's Anti-Bribery Working Group presenting on important new provisions in the revised OECD Anti-Bribery Recommendation to leaders from IESBA and IFAC's advisory groups. The second, on May 5, featured IESBA representatives presenting on the non-compliance with laws and regulations (NOCLAR) standard to the leadership of the IBA's Ethics, Anti-Corruption and Tax Committees. The positive reactions and continued conversations from these two sessions demonstrate strong interest and value in the legal and accountancy professions learning from one another.

IFAC developed a new approach to engagement with global organizations outside of the Accountancy profession, the *Strategic Impact Relationship Framework (SIR)*. The SIR framework aims to increase IFAC's impact and influence on priority global organizations. It was presented to the IFAC Board in September.

IFAC does not accept responsibility for loss caused to any person who acts or refrains from acting in reliance on the material in this publication, whether such loss is caused by negligence or otherwise. The IFAC logo, 'International Federation of Accountants', and 'IFAC' are registered trademarks and service marks of IFAC in the US and other countries.

Copyright © 2023 by the International Federation of Accountants (IFAC). All rights reserved. Written permission from IFAC is required to reproduce, store or transmit, or to make other similar uses of, this document, save for where the document is being used for individual, non-commercial use only. Contact permissions@ifac.org.

ISBN: 978-1-60815-496-8

Published by:



529 Fifth Avenue | New York, NY 10017

