

**INTERNATIONAL
FEDERATION
OF ACCOUNTANTS**



**PROMOTING TRANSPARENCY AND THE PUBLIC INTEREST
2002 ANNUAL REPORT**

International Federation of Accountants 2002 Annual Report

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Message from the IFAC President



Tsuguoki (Aki) Fujinuma
President, 2000 – 2002

Events that took the world stage in 2002 had far-reaching effects on the accountancy profession, on investors, on capital markets, and on the International Federation of Accountants (IFAC). As corporate and accounting failures seized headlines, IFAC redoubled its efforts to ensure the quality of accountancy practices, especially in those areas impacting the public interest. We did so by focusing on:

- Establishing a more transparent and relevant standard-setting process;
- Enhancing accountability through quality control initiatives; and
- Developing resources and guidance to prepare accountants for new roles and marketplace changes.

IFAC was able to make progress in each of these areas thanks to the dedication of its Board, diligence of its committees, support of its 155 member bodies, and the hard work of IFAC staff. In fact, during my two and one-half years as IFAC President, I have been impressed by the unwavering commitment of so many accountants and leaders of the profession worldwide to not only contribute to the development of their profession, but to look for more ways to ensure that all professional accountants do their jobs well and with the utmost integrity. I will comment briefly on a few areas where progress has been made. More details are provided throughout this report.

With respect to standard setting, we have strengthened the processes for the development of standards, sought greater input from outside stakeholders and, where appropriate, collaborated with member bodies. In March 2002, the IFAC Board officially established the International Auditing and Assurance Standards Board (IAASB), replacing the International Auditing Practices Committee.

In addition to strengthening standard setting, IFAC considered how it could more directly influence the quality of services provided by firms and undertook several “quality” initiatives. IFAC is developing new Statements of Membership Obligations, which cover areas such as audit, ethics, education, and quality assurance programs. Additionally, the IAASB is developing new quality control standards to be applied at the firm and engagement level.

IFAC also focused on how best to serve two growing constituencies: accountants in business and in small and medium practices. Task forces were formed and research was conducted to determine areas where IFAC can support and complement the efforts of member bodies. The recommendations of each task force will be considered by the IFAC Board in 2003.

Achieving another benchmark, the Forum of Firms (Forum) was formally constituted in 2002 and a separate legal entity was established.

Finally, IFAC made progress over the past year on increasing dialogue with regulators, financial institutions, investors and others interested in the work of professional accountants and the credibility of financial information. These groups are represented on the IFAC Task Force on Rebuilding Public Confidence in Financial Reporting, established in 2002.

I am proud to be associated with these endeavors and am confident that IFAC, under the leadership of the new IFAC President, René Ricol and the Chief Executive, Ian Ball, will carry them out effectively.

A handwritten signature in black ink, appearing to read 'T. Fujinuma'. The signature is written in a cursive, flowing style.

Message from the IFAC Chief Executive



Ian Ball
Chief Executive

The past year has been one of substantial change for the profession — change that will help the profession to enhance the value it delivers. IFAC, as the global representative of the accounting profession, has a key role in the development of meaningful reforms that will enable the profession to operate more effectively, to contribute better to the worldwide economy and, ultimately, to enhance society's well-being.

At the end of my first year as IFAC Chief Executive, I am able to reflect on both the past contributions that IFAC has made and how we can build on these. In the past, the accounting profession has been the driving force in the

IFAC will be looking for ways to give external parties greater voice in our processes, working with them to ensure our standards are developed in a fully transparent way and contribute to the public interest.

development of international accounting and auditing standards. It initiated the development of standards and pressed for international convergence. When globalization brought focus to the need for standards that apply internationally, much of the groundwork had already been done, on a voluntary basis, by the accounting profession. These are significant achievements and ones of which we should be proud.

Looking forward, IFAC will work to ensure that the standards we set — in auditing and assurance, in ethics, in public sector financial reporting and in accounting education — reflect

the emerging needs of the global economy; whether those needs relate to information for capital markets, accountability of public sector entities to electors, or consistent knowledge on the part of accountants worldwide. We will need to ensure that our standards are responsive to the many publics we serve. IFAC will be looking for ways to give external parties greater voice in our processes, working with them to ensure our standards are developed in a fully transparent way and contribute to the public interest.

We also will address the needs that exist in relation to the accounting profession in emerging economies, as well as in small- and medium-sized practices, enterprises, and in business in general.

Reading the newspaper or watching the news, it might seem like 2002 was spent enmeshed in accounting scandals.... Yet, for most of the 2.4 million accountants represented by IFAC, that was not the case. Around the globe, the vast majority of accountants continued to do their jobs well and to contribute effectively to their organizations, and to the public interest.

At IFAC, we remained dedicated to strengthening the organization and the profession we serve. To ensure IFAC is well positioned to address the challenges of the coming years, we have strengthened the organization in a number of ways, a process that will continue in 2003. We have:

- Reorganized IFAC's operations area and appointed a new Director of Operations;
- Enhanced the quality of IFAC's financial reporting, and improved internal financial operations;
- Expanded professional staff support for the International Auditing and Assurance Standards Board;
- Increased communications with member bodies to keep them current on international

initiatives and to obtain their input on IFAC strategy;

- Modified the IFAC Medium-Term Strategy and Action Plan to address some of the immediate issues facing the international accounting profession;
- Increased contact with the media, giving them an international perspective on the profession and its wide-ranging roles; and
- Facilitated communications within the IFAC leadership by updating and streamlining the Leadership Intranet used by IFAC's Board and committees.

The developments of 2002 were not achieved without a great deal of effort by the IFAC staff — I want to acknowledge that and to thank them. In 2003, there will be yet more to be done, and the commitment of all staff will be crucial to our success.

IFAC has, in 2002, increased its commitment to transparency in three ways: emphasizing the importance of transparency in the work of auditors, in the development of IFAC standards

that are designed to protect the public interest, and in communicating financial and other aspects of IFAC's own operations.

Looking ahead, transparency will remain a priority for IFAC. In addition, we will strive for increased efficiency and greater collaboration with member bodies and other organizations, always with a focus on providing high quality guidance in those areas where we can offer the greatest value and best serve the public interest.

There are many challenges in the future. But there is also a solid foundation on which to move forward and grow. I look forward to working closely with IFAC's Board, committees, and member bodies and to strengthening our partnerships with those who share IFAC's commitment to the development of a worldwide accountancy profession that effectively addresses the needs of the global economy.



IFAC Management Team

Left to right: Russell A. Guthrie, Director, Transnational Auditors Committee; Ian Ball, Chief Executive; Stephen Walker, Director of Operations; James M. Sylph, Technical Director, IAASB. Photo inset: Paul Sutcliffe, Technical Director, Public Sector Committee.

2002 Highlights of IFAC Initiatives

Promoting Transparency and the Public Interest

2002

was a year of unprecedented change and challenge for the worldwide accountancy profession. It was a year in which accountants' responsibility for protecting the public interest took center stage. It was a year in which IFAC's mission — to support the development of the accountancy profession with harmonized standards so accountants can provide consistently high quality services in the public interest — was more critical than ever before.



IFAC's 2003 Board plans future directions. From left to right: Ignatius Seboole, N.D. Gupta, André Bindenga, Angelo Casò, Graham Ward, Juan José Fermín del Valle, Ndung'u Gathinji, Guylaine Saucier, René Ricol (President), Charles Horstmann (Deputy President), Ian Ball (Chief Executive), Shozo Yamazaki, Peter Wong, Wolfgang Fliess, Kesree Narongdej, Guy Almeida Andrade, Patrick Barrett, and Jean-François Cats.

This report highlights key activities undertaken by IFAC in 2002 to support the development of the international accountancy profession and, in particular, its role in serving the public interest. The key activities fall into four categories:

- Developing high quality standards and guidance;
- Increasing transparency;
- Achieving greater accountability; and
- Increasing dialogue and spokespersonship.

Developing High Quality Standards and Guidance

IFAC issued 15 final standards and publications and 13 exposure drafts (EDs) in 2002, providing guidance on a wide range of auditing, assurance, education, ethics, financial and management accounting, and public sector financial reporting issues. IFAC's pronouncements are being adopted increasingly by member bodies and other entities as the basis for their own pronouncements.

One of the most significant changes in 2002 was the establishment of the International Auditing and Assurance Standards Board (IAASB), replacing the International Auditing Practices Committee. The IAASB was created to accelerate and improve transparency of international auditing and assurance standard-setting activities. In addition to auditors in public practice, the new IAASB also includes public members — the first time public members have been included on any IFAC committee or board.

The mandate of the Consultative Advisory Group to the IAASB, which is comprised of organizations with an interest in the development of international auditing standards, was expanded to provide more input into the standard-setting process. IFAC also strengthened the IAASB by appointing a full-time technical director and augmenting the staff, including two new senior technical managers. Together with volunteer support and public input, the IAASB staff is working to implement an aggressive work program that will help the world's auditors meet some of their most pressing challenges and provide a sound basis for the anticipated European Union adoption of International Standards on Auditing (ISAs) for 2005 audits.

A standard-setting benchmark was reached in 2002 when IFAC's Public Sector Committee (PSC) substantially completed the first stage of its program to develop a comprehensive body on international accounting standards for governments and their agencies around the world. During 2002, it issued the last of 20 core International Public Sector Accounting Standards (IPSASs). The PSC also approved the Cash Basis IPSAS, *Financial Reporting under the Cash Basis of Accounting*, for issue in early 2003.

Progress on these standards was assisted through funding provided by the World Bank, International Monetary Fund, and the Asian Development Bank.

IAASB Mission

The mission of the IAASB is to establish high quality auditing, assurance, quality control and related services standards and to improve the uniformity of practice by professional accountants throughout the world, thereby strengthening public confidence in the global auditing profession and serving the public interest.

Adoption of PSC Standards

The North Atlantic Treaty Organization (NATO) announced in August 2002 that it would adopt accrual International Public Sector Accounting Standards for its financial statements starting January 2006 or earlier, if possible.

In December 2002, the European Commission joined NATO and the Organization for Economic Cooperation and Development in announcing its intention to prepare its financial report in accordance with IPSASs.

In 2002, the PSC also formed steering committees to assist in the development of two key projects: Non-Exchange Revenue and Social Policy Obligations. The steering committees, which include non-PSC members, help to broaden the PSC's experience and expertise and involve key constituents at an earlier stage of the IPSAS development process.

Education must provide an adequate foundation as the global profession moves steadily towards a common base of standards in accounting, auditing, ethics, and public sector accounting. A common base of education for professional accountants throughout the world allows the profession to achieve a higher application of technical and practice standards. For this reason, the Education Committee's main focus in 2002 was the development of the first set of International Education Standards for professional accountants. Seven proposed standards were released in July 2002 for a six-month comment period. The standards address the key aspects of an education and training program leading to qualification as a professional accountant, and contain guidance on how to maintain competence once qualified. Final education standards will be released in 2003.

In addition to developing standards in the areas of ethics, auditing, education, and public sector accounting, IFAC makes best practice guidance available to accountants employed in business and industry. IFAC's Financial and Management Accounting Committee (FMAC) does so in two ways: through the development of original research and by collaborating with member bodies, firms, and others. During 2002, FMAC published documents on the changing role of the chief financial officer, competency requirements for management accounting practitioners and risk management, and produced an annual compendium of worldwide articles on financial and management topics.

Increasing Transparency

IFAC recognizes that global investor confidence can arise only from a standard-setting process that is genuinely global, participative and transparent. Several initiatives were undertaken in 2002 to increase the transparency of IFAC's standard-setting activities and to increase the participation of those both within and outside the profession. First, both the IAASB and PSC opened their meetings to the public. Secondly, both of these groups have given the public greater access to their materials by making meeting agendas and background papers available through IFAC's website.

All IFAC standard-setting committees — IAASB, Education, Ethics, and the PSC — follow a rigorous due process to ensure that they consider the views of those affected by their standards and guidance before pronouncements are issued. Draft pronouncements are exposed for public review and, in the case of IAASB, all comments received are posted on the IFAC website. In addition, translation efforts are underway for both IAASB and PSC standards.

Achieving Greater Accountability

IFAC is dedicated to achieving lasting reforms that increase confidence in accountants and in the credibility of financial information. Lasting reforms are possible only if the profession can demonstrate its accountability. IFAC encourages accountability in several ways: through its Code of Ethics, Compliance Program, and the Transnational Auditors Committee.

IFAC's Code of Ethics for Professional Accountants serves as the foundation for codes of ethics developed and enforced by member bodies. The Code is applicable to all professional accountants, including those in commerce, industry and the public sector, as well as those in public practice. A key concept embraced by the Code is "integrity," that is, putting professional responsibilities ahead of business or client interests.

A new Independence section of the Code of Ethics was published in 2002 to be applied no later than December 31, 2004. It sets out a conceptual framework that focuses on the factors that pose a threat to independence for all assurance engagements and the safeguards that auditors should put in place to preserve their independence. The Ethics Committee is currently revising the remainder of the Code to adopt this principles-based approach to other aspects of the Code.

During 2002, IFAC made considerable headway on developing the scope and methodology of a membership compliance process, including drafting Statements of Membership Obligations (SMOs) that would support this process. SMOs state membership obligations in the particular area of application. Most do so by reference to existing IFAC standards, such as ISAs and the IFAC Code of Ethics. Six draft SMOs were prepared covering the following areas: audit; education; ethics; investigation and discipline; public sector accounting; and International Financial Reporting Standards (IFRS) developed by the International

IFAC's Code of Ethics for Professional Accountants serves as the foundation for codes of ethics developed and enforced by member bodies.



Increasing dialogue with regulators, investors and other stakeholders, as well as the profession's leadership, is enabling IFAC to make progress on important goals.



Accounting Standards Board (IASB). The IFAC staff, in collaboration with the Transnational Auditors Committee (TAC), IAASB and the Compliance Committee, is developing another SMO in the key area of quality assurance. It is expected that all seven SMOs will be issued for comment in 2003.

Significant developments in the profession during 2002, especially in the areas of quality assurance and regulation of the profession, have prompted the TAC to explore and develop new quality initiatives to promote high quality financial reporting and audit practices worldwide. TAC is the executive arm of the Forum and a committee of IFAC. The Forum is an organization of international firms that perform audits of financial statements across national borders.

TAC initiatives in 2002 include the development of guidance for Forum's members in two areas: globally directed internal inspection processes and processes used by firms to support consistent application of IFRSs throughout their networks. These projects will be further developed during 2003.

TAC has also completed drafting proposals for the International Quality Assurance Review for its members. Commencement of review activity will be considered after further input is obtained from regulators and other external parties.

Increasing Dialogue and Spokesmanship

Increasing dialogue with regulators, investors and other stakeholders, as well as the profession's leadership, is enabling IFAC to make progress on important goals, including convergence of standards. Convergence of international standards, particularly auditing, education, ethics and financial reporting standards for both the public and private sectors, will contribute to the development of strong financial systems and facilitate cross-border transactions. The IAASB, Education, Ethics, and Public Sector Committees conducted seminars and roundtable discussions in the countries in which they were meeting to relay this message, to report and obtain input on current projects, and to educate people about how international standards are developed.

The IAASB works closely with national standard setters to develop high quality auditing and assurance standards and guidance and to promote international convergence of these standards. Through this national standard-setting network, participation of

the Consultative Advisory Group, and ongoing dialogue with regulators, the IAASB is gaining increased acceptance of its standards. The vast majority of IFAC member bodies have either adopted ISAs as their own or use them as the basis for the development of their own standards. Independent national standard setters in many countries are also using ISAs as the basis of development of their standards. The IAASB anticipates European Union adoption of ISAs for 2005 audits.

To achieve reform in the area of government accounting, the PSC works with international financial institutions and agencies, the International Organization of Supreme Audit Institutions and others.

During 2002, IFAC's FMAC increased its activities. It held meetings with CEOs and senior executives of IFAC member bodies to identify the needs and expectations of accountants in business. In addition, recognizing this growing constituency and the need for more quality initiatives worldwide, IFAC's Board appointed an Accountants in Business Task Force to determine how IFAC could best deliver value to this constituency without duplicating efforts of member bodies.

As part of this effort, a survey of 35 member bodies active in this area was conducted. It focused on identifying current technical and/or professional priorities of member bodies with respect to accountants in businesses, global issues facing this constituency, and areas in which FMAC and member bodies could best collaborate. Looking forward, FMAC will be focused on improving collaboration among member bodies.

Finally, to be an effective spokesperson for the international accountancy profession, IFAC is committed to staying current on regulatory issues and public interest concerns in both developed and developing countries. The Board has participated actively in this effort.

Ongoing dialogue and cooperation with member bodies and with external groups are important steps towards implementing programs and communications that can build trust in the accounting profession. IFAC, the organizations it represents, and their members have a long-standing history of serving the public interest. IFAC will continue to build on this foundation through its leadership in the development of international standards and guidance for all accountants worldwide.

To be an effective spokesperson for the international accountancy profession, IFAC is committed to staying current on regulatory issues and public interest concerns in both developed and developing countries.

2002 IFAC Board, Committee and Task Force Members

IFAC Board Members — November 2001 to November 2002

Tsuguoki Fujinuma, *President, Japan*
René Ricol, *Deputy President, France*
Guy Almeida Andrade, *Brazil*
André Bindenga, *Netherlands*
David Boymal, *Australia*
Angelo Casò, *Italy*
Wolfgang Fliess, *Germany*
Rached Fourati, *Tunisia*
(resigned September 2002)

Ndung'u Gathinji, *Kenya*
N.D. Gupta, *India*
Charles Horstmann, *United States*
Tom Myhre, *Nordic Federation*
Guylaine Saucier, *Canada*
Ignatius Sehoole, *South Africa*
Graham Ward, *United Kingdom*
Peter Wong, *Hong Kong*
Shozo Yamazaki, *Japan*

IFAC Committee Members

Compliance Committee

Wim de Bruijn, *Chair, Netherlands*
Mohammad Bin Abdullah, *Malaysia*
Lino De Vecchi, *Italy*
Juan José Fermín del Valle, *Argentina*
Claire Patricia Hayle, *Jamaica*
Norio Igarashi, *Japan*
Peter Langard, *United Kingdom*
Vinicio Martins Presti, *Brazil*
Robert Mednick, *United States*
Yves Nicolas, *France*
Mustafa Ozyurek, *Turkey*
Mahesh Shah, *India*
Alvin Tak Wai Wong, *Hong Kong*

Education Committee

Warren Allen, *Chair, New Zealand*
Alain Burlaud, *France*
Yoram Eden, *Israel*
Gary Holstrum, *United States*
David Hunt, *United Kingdom*
Bohumil Král, *Czech Republic*
Steve McGregor, *South Africa*
Dato' Ab. Halim bin Mohyiddin,
Malaysia
Hector Ostengo, *Argentina*
Usana Patramontree, *Thailand*
Shirley Reilly, *Canada*
József Roóz, *Hungary*
Li Shuang, *China*
Masum Türker, *Turkey*
S. M. Zafarullah, *Pakistan*

Ethics Committee

Marilyn Pendergast, *Chair, United States*
Christine Catasta, *Austria*
Jean-François Cats, *Belgium*
Michael Foulds, *United Kingdom*
Akira Hattori, *Japan*
Thierry Karcher, *France*
Pierce Kent, *Ireland*
Pekka Luoma, *Finland*
Francisco Papellás Filho, *Brazil*
Francesco Serao, *Italy*
Graf Von Treuberg, *Germany*
Donald Wray, *Canada*

Financial and Management Accounting Committee

Bill Connell, *Chair, United Kingdom*
Zein El Abdin El Boraie Ahmed, *Sudan*
Muhammad Aslam, *Pakistan*
William Brower, *United States*
Raymond Darke, *Canada*
Rodolfo Di Dato, *Italy*
Abolghasem Fakharian, *Iran*
David Jeffries, *Australia*
Santiago Lazzati, *Argentina*
Yeo Tek Ling, *Malaysia*
Recep Pekdemir, *Turkey*
Gerhard Prachner, *Austria*
Srinivason Ramanathan, *India*
Patrick Rochet, *France*
Peter Sampers, *Netherlands*

International Auditing and Assurance Standards Board (established March 2002)

Dietz Mertin, *Chair, Germany*
Denise Esdon, *Vice-Chair, Canada*
Philip Ashton, *United Kingdom*
John Archambault, *United States*
Roger Dassen, *Netherlands*
Ana Maria Elorrieta, *Brazil*
Jan Bo Hansen, *Denmark*
Gen Ikegami, *Japan*
Suresh Kana, *South Africa*
John Kellas, *United Kingdom*
Edmund Noonan, *United States*
Ian Plaistowe, *United Kingdom*
Roberto Tizzano, *Italy*
Gérard Trémolière, *France*
Yang Zhiguo, *China*

Public Members

Denis Desautels, *Canada*
Ian McPhee, *Australia*
Roger Simnett, *Australia*

Nominating Committee

Tsuguoki Fujinuma, *President, Japan*
Ian Ball, *New Zealand*
(resigned March 2002)
Ron Cohen, *United States*
Wolfgang Fliess, *Germany*
René Ricol, *Deputy President, France*
Ignatius Sehoole, *South Africa*
(resigned March 2002)

IFAC Committee Members (continued)

Public Sector Committee

Ian Mackintosh, *Chair, Australia*
Philippe Adhémar, *France*
Peter Bartholomeus, *Netherlands*
Carmen Giachino Palladino, *Argentina*
Mike Hathorn, *United Kingdom*
Terence Nombembe, *South Africa*
Javier Perez Saavedra, *Mexico*
Ronald Points, *United States*
Muhammad Rafi, *Pakistan*
David Rattray, *Canada*
Kevin Simpkins, *New Zealand*
Norbert Vogelpoth, *Germany*

Transnational Auditors Committee*

Robert Garland, *Chair,*
Deloitte Touche Tōhmatsu
John Archambault,
Grant Thornton International
Jelil Bouraoui,
Jelil Bouraoui & Co.
Peter Chidgey,
BDO International B.V.
Mike Conway,
KPMG International Limited
Jean Pierre Crouzet,
RSM International Limited
Randy Fletchall,
Ernst & Young International
Paul Ginman,
Baker Tilly International

Julian Jacoby,
Horwath International
Jean Louis Lebrun,
Mazars
David Main,
Moores Rowland International
Andrew Nicholl,
Moore Stephens International Limited
David Scott,
PricewaterhouseCoopers
Jean François Serval,
Constantin Associes

*The TAC operated on a provisional basis until November 2002

IFAC Task Force Members

Accountants in Business Task Force

Bill Connell, *Chair, United Kingdom*
Roger Adams, *United Kingdom*
Edward Chow, *Hong Kong*
Bob Dye, *Canada*
Gert Koolman, *Netherlands*
Greg Larsen, *Australia*
Dave Schweitz, *United States*
Charles Tilley, *United Kingdom*

Small and Medium Practices Task Force

Angelo Casò, *Chair, Italy*
Paul Chan, *Hong Kong*
Ashok Chandak, *India*
Mohamed Ali Elaouani Cherif,
Tunisia
Lyle Handfield, *Canada*
Alex Hilman, *Israel*
Robin Jarvis, *United Kingdom*
Dawn McGeachy, *Canada*
Harold Monk, *United States*
Bernard Scicluna, *Malta*

Task Force on Rebuilding Public Confidence in Financial Reporting

John Crow, *Chair, Canada*
Christian Aubin, *France*
Olivia Kirtley, *United States*
Kosuke Nakahira, *Japan*
Ian Ramsay, *Australia*
Guylaine Saucier, *Canada*
Graham Ward, *United Kingdom*

2002 IFAC Service Delivery

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he inclusion of information describing IFAC's Service Delivery is a new element of IFAC's annual report. This information is intended to provide an understanding of the level of service delivered to IFAC stakeholders for the period January 1, 2002 to December 31, 2002.

Standards and Statements

IFAC develops and maintains high quality international standards for application by a wide range of users. The standards cover the areas of auditing and assurance, educational and ethical requirements for professional accountants, and governmental (public sector) accounting and financial reporting.

Service Delivered

1. Auditing and Assurance Pronouncements

1.1. Pronouncements issued by the International Auditing and Assurance Standards Board (IAASB):

- International Standard on Auditing (ISA) 545, *Auditing Fair Value Measurements and Disclosures*, July;
- International Auditing Practice Statement (IAPS) 1013, *Electronic Commerce: Effect on the Audit of Financial Statements*, March.

1.2. Exposure drafts of auditing pronouncements issued by the IAASB:

- Proposed Explanatory Memorandum, summarizing the structure and significant aspects of the proposed audit risk standards, October;
- Proposed ISA XX, *Audit Evidence*, October;
- Proposed ISA XX, *Understanding the Entity and Its Environment and Assessing the Risk of Material Misstatements*, October;
- Proposed ISA XX, *The Auditor's Procedures in Response to Assessed Risks*, October;
- Amendments to ISA 200, *Objectives and General Principles Governing an Audit of Financial Statements*, October;
- Proposed IAPS, *Compliance with International Financial Reporting Standards (IFRS)*, October;
- *IAASB Terms of Reference, Preface and Operations Policy No. 1 – Bold Type Lettering*, November.

1.3. Progress has been made on the following auditing and assurance projects:

- Audit of Accounting Estimates Involving Measurement Uncertainty;
- Assurance Engagements;
- Audit Materiality;
- Fraud;
- Considering the Work of Other Auditors and Group Audits;
- Quality Control;
- Review of Interim Financial Information;
- The Auditor's Report on Financial Statements;
- Update of IAPS 1005, *The Special Considerations in the Audit of Small Entities*.

1.4. The IAASB due process includes:

- IAASB meetings open to the public, with related agenda materials publicly available;
- Draft standards and statements exposed for public review and comment;
- Consideration of comments received prior to finalization of the document;
- Task force appointments include individuals who are not members of the IAASB;
- Inclusion of three "public members" on the IAASB.

2. Education Pronouncements

2.1. The Education Committee's focus has been on the development of the first set of International Education Standards (IESs) for Professional Accountants. The following exposure drafts of IESs were released in July:

- *Entry Requirements*;
- *Content of Professional Education Programs*;
- *Professional Skills and General Education*;
- *Professional Values and Ethics*;
- *Experience Requirements*;
- *Assessment of Professional Competence*;
- *Continuing Professional Education and Development*.

2.2. The Education Committee due process includes:

- Draft standards and statements exposed for public review and comment;
- Consideration of comments received prior to finalization of the document.

3. Ethical Pronouncements

3.1. Progress has been made on the following projects by the Ethics Committee:

- Code of Ethics Part A, *Applicable to All Professional Accountants*;
- Code of Ethics Part B, *Applicable to Professional Accountants in Public Practice* (except for Section 8, Independence for Assurance Engagements);
- Code of Ethics Part C, *Applicable to Employed Professional Accountants*.

3.2. The Ethics Committee due process includes:

- Draft standards and statements exposed for public review and comment;
- Consideration of comments received prior to finalization of the document.

4. Public Sector Pronouncements

4.1. Pronouncements issued by the Public Sector Committee (PSC):

- International Public Sector Accounting Standard (IPSAS) 18, *Segment Reporting*, June;
- IPSAS 19, *Provisions, Contingent Liabilities and Contingent Assets*, October;
- IPSAS 20, *Related Party Disclosures*, October.

4.2. Progress has been made on the following public sector accounting projects:

- Cash Basis IPSAS;
- Impairment of Assets;
- Budget Reporting;
- Accounting for Development Assistance;
- Non-Exchange Revenue;
- Social Policy Obligations;
- Government Finance Statistics and IPSAS Harmonization.

4.3. The PSC due process includes:

- PSC meetings open to the public, with related agenda materials publicly available;
- Draft standards and statements exposed for public review and comment;
- Consideration of comments received prior to finalization of the document;
- Steering committee appointments include individuals who are not members of the PSC;
- Inclusion of observers from external organizations on the PSC.

Guidance and Publications

IFAC develops and produces various forms of guidance materials intended either to support IFAC pronouncements or to serve as stand-alone guidance. The level of authority associated with these materials is intended to be less than that associated with IFAC pronouncements, although these materials may provide illustrations of best or good practices. The topics covered by these guidance materials may include auditing and assurance, education, ethics, financial and management accounting, public sector accounting, and small and medium practices.

Service Delivered

1. Guidance

1.1. Auditing and assurance guidance issued:

- Study 1, *The Determination and Communication of Levels of Assurance Other Than High*, June.

1.2. Education guidance issued:

- Guideline on *Continuing Professional Education and Development*, July;
- Paper on *Recognition of Pre-Certification Education Providers by IFAC Member Bodies*, December;
- Examples of four review processes followed by IFAC member bodies, entitled, *Recognition of Pre-Certification Education Providers by IFAC Member Bodies: Illustrative Appendices*, December.

1.3. Public sector accounting guidance issued:

- Study 14, *Transition to the Accrual Basis of Accounting*, April;
- Occasional Paper 5, *Resource Accounting: Framework of Accounting Standard Setting in the United Kingdom Central Government Sector*, May.

1.4. Guidance issued by the Financial and Management Accounting Committee (FMAC):

- Study 12, *Competency Profiles for Management Accounting Practice and Practitioners*, January;
- Theme Booklet, *The Role of the Chief Financial Officer in 2010*, January;
- *Articles of Merit — 2002 Competition*, October. The winning article was *Calculating the Economic Value of Customers to an Organization* submitted by Paul Andon, Jane Baxter and Graham Bradley, (originally published by CPA Australia in the *Australian Accounting Review*);
- Theme Booklet, *Managing Risk to Enhance Shareholder Value*, November.

2. Publication of Pronouncements and Guidance

2.1. The following publication's program in relation to IFAC pronouncements and guidance was completed during the period:

- Individual final pronouncements and guidance issued during the period were published in hard copy as individual booklets;
- Individual final pronouncements, exposure drafts and guidance issued during the period were made available in electronic form on the IFAC website.



Facilitation and Networking

For topical areas that IFAC considers to have high importance for the global accountancy profession and where national input is especially critical, IFAC will actively facilitate the development of these topics with interested member bodies and/or other groups, enter into collaborative arrangements, and/or develop information sharing networks.

Service Delivered

1. National Standard Setters Network

1.1. The IAASB maintains a network of the ten most active national auditing standard setters to discuss current and future agendas for standard setting. The objective of this network is to achieve closer cooperation with an aim to share resources, minimize duplication and reach consensus and convergence of standards at an early stage in their development. At its meeting in Berlin, Germany, January, every member of the network agreed to take the lead in a project, to be a member of a joint Task Force or to send experts, members of their own committees or technical staff to support IAASB activities.

2. Member Body/Standard-Setter Collaboration

2.1. In the development of auditing pronouncements, the IAASB has undertaken several important collaborative efforts and joint projects, including the joint task force with the United States Auditing Standards Board on the audit risk project and two new projects with the United Kingdom Auditing Practices Board on materiality and audit of estimates involving measurement uncertainty.

2.2. In June and September, various senior executives of member bodies attended two meetings, with the objectives of identifying the needs and expectations of accountants in business (professional accountants in commerce, industry and the public sector) in relation to IFAC and potential activities that would add value to membership. These resulted in recommendations being made to the IFAC Board, with the resulting projects being facilitated by the FMAC in association with certain member bodies.

2.3. In developing a better understanding of the needs of professional accountants in small and medium practices (SMPs), IFAC hosted two meetings, in Mumbai, India, May, and in Stockholm, Sweden, September, principally for senior members of member bodies to raise issues of concern to SMPs for IFAC to consider further. In total, some 33 representatives from member bodies and regional organizations covering 27 countries attended the meetings.

Assurance Activities

To ensure that IFAC member bodies comply with IFAC membership obligations, IFAC is developing a compliance regime. IFAC is also working to improve the quality of audits, specifically those undertaken by members of the Forum of Firms.

Service Delivered

1. Compliance Regime

1.1. During 2002, while IFAC did not provide any specific compliance service to member bodies, IFAC was developing proposals for the scope and methodology of a compliance regime and the necessary standards and other documents, including Statements of Membership Obligations (SMOs), self-assessment questionnaires and procedural guidance. The draft SMOs being developed will set out requirements in relation to IFAC and IASB developed standards, quality assurance, and investigation and disciplinary processes for member bodies. It is anticipated that these drafts will be issued for comment by the IFAC Board during 2003.

2. Firms' Quality Control

2.1. As part of the formation of the Forum of Firms, a process for global quality assurance review has been developed in order to monitor compliance with Forum of Firms' membership obligations. The process is designed to cover the audit, ethics, education, and quality control areas. This process was further developed and documented during 2002. As part of this development, the document titled, *Guidelines for Performing and Reporting on International Quality Assurance Reviews*, will be made available in early 2003. Full implementation of the global quality assurance process has been deferred until further regulatory input can be obtained.

Representation of the Accountancy Profession in the Public Interest

IFAC represents the public interest in the following circumstances: when commenting on material published by other international or regional organizations that directly relates to accounting or auditing; when developing and maintaining relationships with other international or regional organizations as appropriate; when participating in global, regional or national forums; and when developing reports that address the role of IFAC and the accountancy profession.

Service Delivered

1. Task Force on Rebuilding Public Confidence in Financial Reporting

1.1. During 2002, IFAC commissioned a task force (the “Credibility Task Force”) to develop recommendations on rebuilding public confidence in financial reporting. The work performed to date represents the development phase of the project with the ultimate output being a final report by the Credibility Task Force, due in 2003.

2. Officer and Chief Executive Representational Activities

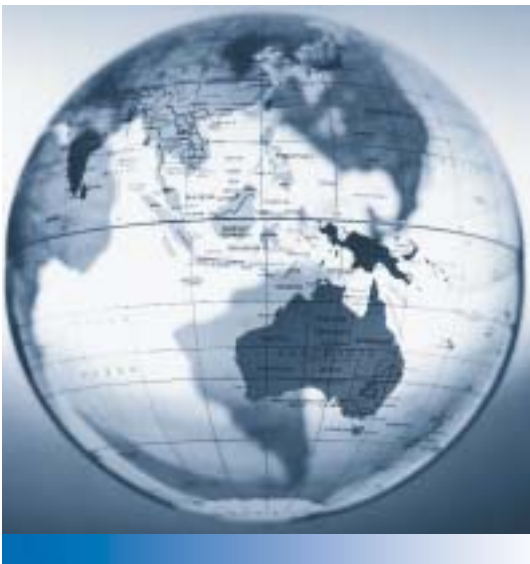
2.1. The IFAC President, Deputy President and Chief Executive engaged in representational activities with the following organizations:

- Financial Stability Forum, Basel, Switzerland, October;
- International Organization of Securities Commissions (IOSCO) Standing Committee #1, Hong Kong, November;
- The European Commission Verstehen Workshop 2002, Brussels, Belgium, November.

2.2. The IFAC President delivered nearly 30 presentations before members of IFAC member bodies, including presentations at the World Congress of Accountants, and the International Association for Accounting Education and Research (IAAER). In addition, the president delivered speeches before the Global Reporting Initiative and other similar groups.

3. Submissions to External Organizations

3.1. The IFAC PSC developed a submission to the IASB’s *Improvements to Existing International Financial Reporting Standards* ED, September.



Communications and Promotion

IFAC's communications activities are designed to support IFAC's overall strategy, including communicating IFAC's and the international profession's role in serving the public interest. They are targeted to IFAC member bodies and various external groups, including the media, regulators, standard setters, international financial institutions, and other stakeholders.

Service Delivered

1. IFAC Communications

1.1. IFAC communications encompass print and electronic communications, media relations, and spokesperson support. The following initiatives were undertaken:

- President's Update memorandum to member bodies on global issues. Three updates issued;
- Position statements/editorials on issues impacting the profession, sent to member bodies, the media, regulators, and standard setters as appropriate. Two statements issued;
- IFAC President met with more than a dozen members of key media worldwide;
- Issued approximately 25 press releases;
- Streamlined IFAC's website, enhancing the Leadership Intranet to facilitate communications among committees and other users. Close to 400 individuals now use the Intranet;
- Expanded content of IFAC website to provide easier access to IFAC guidance and pronouncements. Approximately 290,000 visitors viewed 1.5 million pages of the site. Individuals downloaded approximately 93,700 publications from IFAC's site and ordered 850 print publications;
- Issued nine electronic news summaries (eNews) to 10,000 subscribers;
- Issued three IFAC newsletters (IFAC News);
- Issued three PSC Updates;
- Issued special publication on IAASB audit risk project.

2. Promotion and Spokesmanship Activities

2.1. In November 2002, IFAC cosponsored the World Congress of Accountants with the Hong Kong Society of Accountants. The event involved various plenary and workshop sessions as well as other activities, including an exhibition hall, Congress dinner and welcoming reception, and a range of other social activities. During the Congress, several IFAC representatives had the opportunity to present to either plenary or workshop sessions, including the newly appointed IFAC President, the former IFAC President, IFAC committee chairs, and various other IFAC committee members and senior staff. The following presentations were made during World Congress sessions:

- Opening and Closing Ceremonies;
- Plenary Session 1: *What are the opportunities and challenges presented by the knowledge-based economy?*
- Plenary Session 2: *Surviving and thriving in a knowledge-based economy: How will IFAC's new initiatives help position the accounting profession to succeed in the knowledge-based economy?*
- Eight Workshop Sessions on various topics.

2.2. IFAC Chief Executive and senior staff engaged in the following promotion and spokesperson activities:

- South-Eastern European Partnership on Accountancy Development — First General Assembly, Sinaia, Romania, June;
- International Council of Certified Accountants and Auditors Conference, Tashkent, Uzbekistan, June;
- ACCA International Assembly, London, United Kingdom, September;
- Howarth International's Opening Business Session, Chicago, United States, October;
- Neil Walker Memorial Lecture, Melbourne, Australia, October.

Communications and Promotion (continued)

2.3. IFAC committees engaged in the following promotion and spokespersonship activities:

Education Committee

- Education Committee members made presentations to the following groups:
 - International Association for Accounting Education and Research World Congress of Accounting Educators, Hong Kong, China, November;
 - Chinese Institute of Certified Public Accountants Seminar, Beijing, China, November.

Ethics Committee

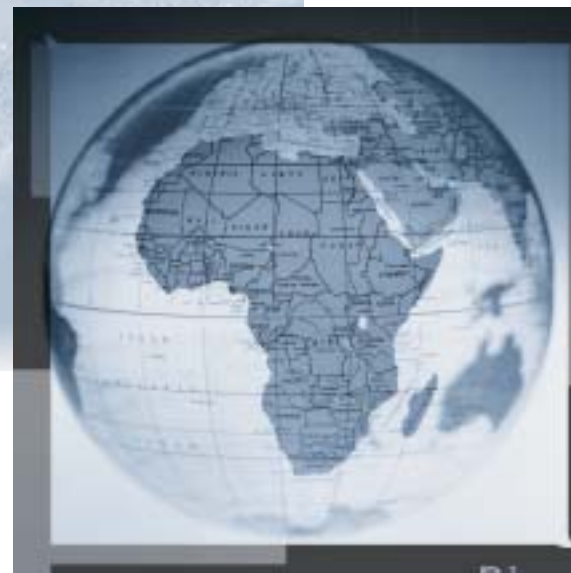
- The Ethics Committee Chair made presentations to the following groups:
 - New York State Senate Hearing on Enron, New York and Albany, United States, February;
 - European Commission Committee on Auditing, Brussels, Belgium, November;
 - New York State Society Auditing Conference, New York, United States, December.

Financial and Management Accounting Committee

- FMAC members made presentations to the following groups:
 - CPA Australia and the Institute of Chartered Accountants of Australia, Sydney, Australia, March;
 - The Controller Instituut, Amsterdam, the Netherlands, September.

International Auditing and Assurance Standards Board

- The IAASB Chair, IAASB members and Technical Director made presentations to and liaised with the following groups:
 - American Accounting Association — Auditing Section, Florida, United States, January;
 - University of Champaign-Urbana, Illinois, United States, April;
 - Eurasia Foundation Annual Meeting, Baku, Azerbaijan, May;
 - Indian Institute of Chartered Accountants, Mumbai, India, May;
 - South African Institute of Chartered Accountants, Johannesburg, South Africa, July and September;
 - Corporate Governance and Compliance Conference, London, United Kingdom, September;
 - Basel Committee Accounting Task Force, Basel, Switzerland, October;
 - Institute of Chartered Accountants of England and Wales “Single Capital Market in Europe,” Brussels, Belgium, October;
 - The European Commission’s Committee on Auditing, various;
 - IOSCO Audit Working Party, various;
 - Representatives of the International Organization of Supreme Audit Institutions, various.



Public Sector Committee

- The PSC Chair, PSC members and their technical advisers, PSC observers and PSC staff undertook promotional activities, including seminars and roundtables in conjunction with each PSC meeting and attendance at international and national forums. Presentations to and liaison with the following groups occurred:
 - Indonesian CPA Conference, Jakarta, Indonesia, February;
 - International Monetary Fund Mission on Government Finance Statistics, Australia, February;
 - Chinese Ministry of Finance and Chinese Institute of CPAs, Beijing, China, March;
 - Royal NIVRA Seminar, Amsterdam, Netherlands, April;
 - ICGFM Conference, Miami, United States, April;
 - CNC Conference, Paris, France, April;
 - Mongolian Ministry of Finance, Ulaanbaatar, Mongolia, May;
 - AICPA's Government Conference, Washington DC, United States, June and September;
 - Government Finance Officers Association Conference, Washington DC, United States, June;
 - Institute of Internal Auditors World Conference, Washington DC, United States, June;
 - OECD – DAC Conference, Paris, France, June;
 - United Nations, New York, United States, June;
 - World Bank, Washington DC, United States, June;
 - ACCA Conference, London, United Kingdom, July;
 - East & Southern African Association of Accountants General and Eastern, Central and Southern African Federation of Accountants, Mauritius, July;
 - Conference on German Public Sector Accounting Experts, Speyer, Germany, September;
 - US Treasury International Colloquium, Washington DC, United States, September;
 - Indonesian Ministry of Finance, Jakarta, Indonesia, October;
 - Mongolian Ministry of Finance, Ulaanbaatar, Mongolia, October;
 - Institute of Chartered Accountants of India and AUSAID, Delhi, India, October.
- The PSC also published articles in the *Public Fund Digest* and *Public Money and Management* publications.
- The PSC Chair is a member of the IASB's Standards Advisory Council and attended one of its meetings, London, United Kingdom, June.



2002 IFAC Financial Statements

Statement of Financial Performance

For the year ended December 31, 2002

Amounts in US Dollars

	Note	2002	2001
Operating Revenue			
Membership dues		\$4,927,225	\$4,042,720
Forum of Firms – IFAC Activities	19	1,211,931	724,028
Forum of Firms – Transnational Auditors Committee	19	798,409	887,032
Public Sector Committee Standards Program		250,000	290,000
World Congress of Accountants	2, 7	157,855	–
Publications		77,214	163,988
Interest income		41,459	86,216
Other operating revenue		83,987	74,362
Total Operating Revenue		\$7,548,080	\$6,268,346
Operating Expenses			
Employee costs	3, 13	\$3,620,606	\$3,250,911
Travel and meeting costs		1,547,777	1,227,439
Communications and publicity		299,120	186,072
Occupancy		275,535	280,585
Printing and distribution		262,492	324,499
Depreciation		79,947	49,716
Contribution to the IASC	14	–	32,290
Auditor remuneration			
Auditing financial statements		31,078	5,804
Other services		5,746	3,376
Impairment of property, plant and equipment	8	73,367	2,390
Other operating expenses		1,005,185	943,718
Total Operating Expenses		\$7,200,853	\$6,306,800
Surplus/(Deficit) for the Year		\$347,227	\$(38,454)

The Statement of Accounting Policies and the accompanying notes form part of the financial statements.

Statement of Changes in Equity

For the year ended December 31, 2002

Amounts in US Dollars

	Note	2002	2001
Equity at Start of Year		\$1,261,178	\$1,406,243
Cumulative effect of change in accounting policy	13	–	(106,611)
Surplus/(deficit) for the year		347,227	(38,454)
Net Recognized Revenue and Expenses for the Year		\$347,227	\$(145,065)
Equity at End of Year		\$1,608,405	\$1,261,178

The Statement of Accounting Policies and the accompanying notes form part of the financial statements.

Statement of Financial Position


As at December 31, 2002

Amounts in US Dollars

	Note	2002	2001
Current Assets			
Cash and short-term deposits	4	\$1,545,579	\$2,434,075
Dues receivable	5	171,408	52,365
Receivable from the Forum of Firms	6	162,977	–
Other receivables	7	341,043	52,215
Other current assets		65,566	14,357
Total Current Assets		\$2,286,573	\$2,553,012
Non-Current Assets			
Property, plant and equipment	8	\$171,547	\$166,018
Non-current receivables		199,660	154,288
Total Non-Current Assets		\$371,207	\$320,306
Total Assets		\$2,657,780	\$2,873,318
Current Liabilities			
Accounts payable and accrued expenses		\$687,017	\$699,162
Payable to the Forum of Firms	6	–	596,293
Employee entitlements	9	143,139	82,517
Revenue received in advance	10	124,019	115,101
Total Current Liabilities		\$954,175	\$1,493,073
Non-Current Liabilities			
Accrued pension costs	13, 3	95,200	119,067
Total Non-Current Liabilities		\$95,200	\$119,067
Total Liabilities		\$1,049,375	\$1,612,140
Equity			
IFAC members		\$951,327	\$445,870
IFAC PSC Standards Program	12	657,078	815,308
Total Equity		\$1,608,405	\$1,261,178
Total Liabilities and Equity		\$2,657,780	\$2,873,318



Tsuguoki Fujinuma – President



Ian Ball – Chief Executive

The Statement of Accounting Policies and the accompanying notes form part of the financial statements.

Statement of Cash Flows

For the year ended December 31, 2002

Amounts in US Dollars

	Note	2002	2001
Cash Flows from Operating Activities			
<i>Cash was provided from:</i>			
Membership dues		\$4,817,100	\$4,242,488
Forum of Firms		1,251,070	2,207,353
Public Sector Committee Standards Program		250,000	290,000
Publications		77,214	163,988
Interest received		41,459	86,216
Other receipts		241,842	222,677
		\$6,678,685	\$7,212,722
<i>Cash was disbursed to:</i>			
Employee costs		\$(3,607,718)	\$(3,215,623)
Other payments		(3,835,765)	(2,693,399)
		\$(7,443,483)	\$(5,909,022)
Net Cash Inflow/(Outflow) from Operating Activities	16	\$(764,798)	\$1,303,700
Cash Flows from Investing Activities			
<i>Cash was provided from:</i>			
		–	–
<i>Cash was applied to:</i>			
Purchase of property, plant and equipment		\$(126,420)	\$(55,325)
Net Cash (Outflow) from Investing Activities		\$(126,420)	\$(55,325)
Cash Flows from Financing Activities			
		–	–
Net Increase/(Decrease) in Cash Held		\$(891,218)	\$1,248,375
Add cash and deposits at beginning of year		\$2,434,075	\$1,185,700
Add effect of exchange rate change on Foreign Currency Balance		2,722	–
Balance of Cash and Deposits at End of Year	4	\$1,545,579	\$2,434,075

The Statement of Accounting Policies and the accompanying notes form part of the financial statements.

Statement of Accounting Policies

For the year ended December 31, 2002

Basis of Preparation

The International Federation of Accountants' (IFAC) financial statements have been prepared in accordance with International Public Sector Accounting Standards. Where an International Public Sector Accounting Standard does not address a particular issue, the appropriate International Financial Reporting Standard/International Accounting Standard has been applied.

The preparation of financial statements in conformity with generally accepted accounting practices requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results ultimately may differ from those estimates.

The financial statements are prepared in United States dollars.

Measurement Base

The accounting principles recognized as appropriate for the measurement and reporting of the financial performance, cash flows, and financial position on an accrual basis using historical cost are followed in the preparation of the financial statements.

Change of Standards Applied

In previous years, IFAC has prepared its financial statements solely in accordance with International Accounting Standards. It has been determined that preparation in accordance with International Public Sector Accounting Standards is more appropriate for IFAC due to the nature of the organization.

There has been no substantive difference in the recognition and measurement of amounts included in IFAC's financial statements resulting from the change of standards applied. However, as a result of some changes on the face of the financial statements, comparative figures have been adjusted to ensure they conform to the disclosure changes made.

Accounting Policies

The following specific accounting policies that materially affect the measurement of financial performance and the financial position are applied:

(i) Revenue Recognition

Membership Dues Revenue

IFAC recognizes membership dues on a calendar basis. Dues are payable on receipt of invoice in January for each respective year. Only those dues that are attributable to the current financial year are recognized as revenue.

Uncollectible dues are recognized in the form of a provision for uncollectible dues, which is determined based on management estimates of such amounts. This provision is netted against the associated receivables disclosed in the Statement of Financial Position.

Forum of Firms Revenue and Reimbursement

Revenue from the Forum of Firms associated with International Auditing and Assurance Standards Board activity and general IFAC operations is recognized as revenue when it is receivable.

Revenue from the Forum of Firms associated with Transnational Auditors Committee activity is recognized when payment is received or receivable.

Public Sector Committee Standards Program Revenue

Revenue from grants is recognized as revenue when received or is receivable.

Publications Revenue

Revenue from sales of electronic subscriptions is recognized at the commencement of the subscription period. Revenue for printed publications is recognized when the publications are shipped.

Donated Services

The work of IFAC is dependent on the voluntary services of many individuals. Donated services are not recognized in these financial statements.

(ii) Accounts Receivable

Accounts receivable are recorded at their estimated realizable value after providing for doubtful and uncollectible debts.

(iii) Employee Entitlements

Employee entitlements to salaries, wages, annual leave, pension costs, and other benefits are recognized when they are accrued to employees. Annual leave has been calculated on an actual entitlement basis at current rates of pay.

The liability in respect of the defined benefit pension plan is the present value of the defined benefit obligation at the balance date minus the fair value of plan assets, together with adjustments for actuarial gains/losses and past service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by the estimated future cash outflows using interest rates of government securities which have terms to maturity approximating the terms of the related liabilities.

Actuarial gains and losses from experience adjustments, changes in actuarial assumptions and amendments to pension plans are recognized in the Statement of Financial Performance over the average remaining service lives of the related employees.

(iv) Inventories

Inventory held for sale is measured at the lower of cost, determined on a first-in, first-out basis, and net realizable value.

(v) Property, Plant and Equipment

Property, Plant and Equipment

Property, plant and equipment are recorded at cost and depreciated, as outlined below, at rates estimated to recognize the consumption of economic benefits of the property, plant and equipment over their useful lives.

Where the carrying amount of an asset is greater than its estimated recoverable amount it is written down to its recoverable amount. An impairment loss is recognized for the amount by which the carrying amount of the asset exceeds its recoverable amount which is the higher of an asset's net selling price and its value in use. Gains and losses on disposal are determined by comparing proceeds with carrying amounts and are included in operating surplus. Repairs and maintenance are charged to the Statement of Financial Performance during the financial period in which they are incurred.

Depreciation

Depreciation is calculated on a straight-line basis to recognize the consumption of economic benefits of an asset over its useful life.

The estimated useful lives of property, plant and equipment are as follows:

Office equipment	3 to 5 years
Furniture & fittings	10 years
Leasehold alterations	5 to 13 years

(vi) Financial Instruments

IFAC uses only non-derivative financial instruments as part of its normal operations. These financial instruments include bank accounts, certificates of deposit and debtors.

All financial instruments are recognized in the Statement of Financial Position at their fair values.

(vii) Statement of Cash Flows

The following are definitions of the terms used in the Statement of Cash Flows:

- (a) Cash and short-term deposits comprise cash on hand, current bank balances and short-term deposits that can be converted to cash within two working days.
- (b) Operating activities include all transactions and other events that are not investing or financing activities.
- (c) Investing activities are those activities relating to the acquisition, holding, and disposal of fixed assets and investments. Investments can include securities not falling within the definition of cash.
- (d) Financing activities are those activities that result in changes to the size and composition of IFAC's capital structure. This includes both equity and debt not falling within the definition of cash.

(viii) Operating Lease Assets

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are recognized in the Statement of Financial Performance on a straight line basis over the period of the lease.

(ix) Taxation

The United States Internal Revenue Service has determined that IFAC is exempt from United States federal income tax under Section 501(c) (6) of the Internal Revenue code. IFAC is exempt from Swiss income taxes.

(x) Foreign Currencies

Transactions in foreign currencies are translated to United States currency at the approximate rates of exchange prevailing at the date of the transactions. Assets and liabilities at the balance date, denominated in foreign currencies, are translated at the rates of exchange prevailing at that date. The resulting gains or losses are recognized in the Statement of Financial Performance.

(xi) Changes in Accounting Policies

There have been no changes in accounting policies in the current year.



Notes to the Financial Statements

For the year ended, December 31, 2002
Amounts in US Dollars

1. International Federation of Accountants

The mission of IFAC is the worldwide development and enhancement of an accountancy profession with harmonized standards, able to provide services of consistently high quality in the public interest. IFAC is registered in Geneva, Switzerland under Articles 60 through 79 of the Swiss Civil Code. IFAC's primary base of operation is New York, United States.

2. World Congress of Accountants

IFAC was co-organizer with the Hong Kong Society of Accountants of the XVth World Congress of Accountants in Hong Kong November 2002. This event occurs every four to five years. The revenue recognized in the Statement of Financial Performance of \$157,855 represents IFAC's share of the revenues received by the Congress.

3. Employee Costs

	2002	2001
Employee costs	\$3,644,473	\$3,238,455
Pension costs (refer to Note 13)	(23,867)	12,456
Total Employee Costs	\$3,620,606	\$3,250,911

4. Cash and Short-Term Deposits

	2002	2001
Cash on hand and at bank	\$750,338	\$899,235
Short-term deposits	795,241	1,534,840
Total Cash and Short-Term Deposits	\$1,545,579	\$2,434,075

Of the cash and short-term deposits, there are restrictions on the use of \$763,990 (\$882,091, 2001). These restrictions relate to two separate cash reserves. The first cash reserve of \$740,559 (\$859,893, 2001) is for the specific use of the IFAC Public Sector Committee Standards Program in accordance with the funding agreements associated with the Standards Program. The second cash reserve of \$23,431 (\$22,198, 2001) is for specific use in relation to the Sempier Award, which is awarded in association with the World Congress of Accountants.

5. Dues Receivable

	2002	2001
Dues receivable	\$333,742	\$52,365
Provision for uncollectible dues	(162,334)	—
Total Dues Receivable	\$171,408	\$52,365

6. Receivable from/payable to the Forum of Firms

As at December 31, 2002, \$162,977 represents the remaining amount to be received from the Forum for costs invoiced during 2002. At December 31, 2001, there was an amount payable to the Forum of \$596,293 which represented amounts collected by IFAC from Forum members on behalf of the Forum net of the amount due to IFAC for costs payable for 2001.

7. Other Receivables

	2002	2001
Sundry receivables	\$334,932	\$37,500
Other	6,111	14,715
Total Other Receivables	\$341,043	\$52,215

As at December 31, 2002, the majority of the sundry receivables balance consists of two items. The first item is the \$157,855 (\$nil, 2001) of revenue to be received from the World Congress of Accountants held in November 2002 (refer to Note 2 above). The second item is for amounts totaling \$160,000 (\$nil, 2001) that are receivable in relation to the Credibility Task Force activities.

8. Property, Plant and Equipment

	Office Equipment		Furniture & Fittings		Leasehold Alterations		Total	
	2002	2001	2002	2001	2002	2001	2002	2001
Opening Net Book Amount	\$62,661	\$45,108	\$69,187	\$69,151	\$34,170	\$39,398	\$166,018	\$153,657
Additions	148,284	48,700	5,540	15,767	5,019	–	158,843	64,467
Disposals	–	–	–	–	–	–	–	–
Impairment Losses	15,481	2,390	26,281	–	31,605	–	73,367	2,390
Depreciation	57,369	28,757	16,890	15,731	5,688	5,228	79,947	49,716
Closing Net Book Amount	\$138,095	\$62,661	\$31,556	\$69,187	\$1,896	\$34,170	\$171,547	\$166,018
Cost	\$255,917	\$153,833	\$45,890	\$127,000	\$1,896	\$52,287	\$303,703	\$333,120
Accumulated Depreciation	117,822	91,172	14,334	57,813	–	18,117	132,156	167,102
Net Book Amount	\$138,095	\$62,661	\$31,556	\$69,187	\$1,896	\$34,170	\$171,547	\$166,018

As at December 31, 2002, IFAC had entered into a new office lease (refer to Note 11). Due to the pending office move, a significant portion of furniture and fittings used in IFAC's present office space will not be required in the new office space. In addition, the leasehold alterations in the current office are not moveable. This has resulted in the present net book value for both the furniture and fittings, and leasehold alterations being in excess of the recoverable amount for these asset classes, and so an impairment loss has been recognized as at December 31, 2002. The recoverable amount has been based on the expected sales price of the furniture and fittings less any disposal costs. Any gain or loss on disposal of the impaired furniture and fittings will be recognized in the year ending December 31, 2003.

9. Employee Entitlements

	2002	2001
Payroll accrual	\$22,365	–
Annual leave provision	120,774	\$82,517
Total Employee Entitlements	\$143,139	\$82,517

10. Revenue Received in Advance

Revenue received in advance at December 31, 2002 of \$124,019 (\$115,101, 2001) represents membership dues paid in advance.

11. Operating Lease Obligations

IFAC leased office space at 535 Fifth Avenue, New York, under a 10 year operating lease which expires in 2008, with future operating lease payments of \$1,350,968 at December 31, 2002 (\$1,600,523, 2001). This lease has been surrendered with agreement of the landlord. At the date of surrender, there will be no outstanding obligations with regard to this operating lease. IFAC has entered a new 10 year operating lease for office space at 545 Fifth Avenue, New York. It is anticipated that IFAC will move office space in April 2003. IFAC's security deposit for its lease for office space at 535 Fifth Avenue is in the form of outstanding letters of credit. As at December 31, 2002, the total outstanding letters of credit were \$97,631 (\$97,631, 2001).

As at December 31, 2002, IFAC has an operating lease outstanding for a copier machine. IFAC upgraded its leased copier machine and leased an additional copier machine as of February 2003. There are five years outstanding on these two operating leases.

Operating lease payments for the year ended December 31, 2002 were \$253,770 (\$258,734, 2001). Future operating lease payments of \$5,206,146 at December 31, 2002 are payable (\$1,600,523, 2001), reflecting the estimated surrender date of the existing office lease and commencement of the new office lease, as follows:

Obligations payable after balance date on non-cancelable operating leases are as follows:

	2002	2001
Not later than one year	\$270,991	\$249,555
Later than one year and not later than five years	1,920,241	1,040,100
Later than five years	3,014,914	310,868
Total Operating Lease Obligations	\$5,206,146	\$1,600,523

12. Public Sector Committee Standards Program

The Public Sector Committee (PSC) Standards Program commenced in 1996. During 2002, the PSC substantially completed the initial Standards Program with the Cash Basis International Public Sector Accounting Standard (IPSAS) *Financial Reporting under the Cash Basis of Accounting* outstanding and to be published in January 2003. Multi-lateral development banks and international agencies have provided substantially all the funding for this program, with the funding provided to achieve specified objectives. The PSC has started to receive funding for the next phase of the Standards Program, which includes development of IPSASs not addressed by International Accounting Standards/International Financial Reporting Standards developed by the International Accounting Standards Board. The agreements with the funding agencies require that unused funds at the completion of the program be returned to the granting agencies. Current estimates indicate that all funds will be used.

For the year ended December 31, 2002, the PSC Standards Program had received revenues and incurred expenses as follows, which are included in IFAC's financial statements:

	2002	2001
PSC Standards Program External Funding	\$250,000	\$290,000
Other operating revenue	18,932	41,284
Total Operating Revenue	\$268,932	\$331,284
Employee costs	\$236,873	\$188,197
Travel and meeting costs	88,936	56,179
Printing and distribution	73,948	68,294
Other operating expenses	27,405	38,659
Total Operating Expenses	\$427,162	\$351,329
Surplus/(Deficit) for the Year	\$(158,230)	\$(20,045)

As at December 31, 2002, the PSC Standards Program had the following equity balance:

	2002	2001
Equity at Start of Year	\$815,308	\$835,353
Surplus/(deficit) for the year	(158,230)	(20,045)
Net Recognized Revenue and Expenses for the Year	\$(158,230)	\$(20,045)
Equity at End of Year	\$657,078	\$815,308

13. Pension Plan

IFAC participates in the staff pension plan (the plan) of the American Institute of Certified Public Accountants (the AICPA). All employees of IFAC are eligible to participate at age 21. Contributions to the plan are made by IFAC. Pension benefits earned are generally based on years of service and compensation during active employment. Beginning in 2001, separate accounting has been maintained by the AICPA on behalf of IFAC. As such, the plan is considered a multiple employer plan. All administrative costs are incurred by the AICPA.

The amounts recognized in the Statement of Financial Position are determined as follows:

	2002	2001
Benefit obligation at July 31, 2002	\$1,030,154	\$1,076,144
Fair values of plan assets at July 31, 2002	1,146,879	1,238,205
Funded Status	116,725	162,061
Unrecognized net (gain) or loss	(223,497)	(292,501)
Unrecognized prior service cost	20,300	26,132
Unrecognized transition obligation/(asset)	(8,728)	(14,759)
Accrued Pension Costs	\$95,200	\$119,067

The amounts recognized in the Statement of Financial Performance are as follows:

	2002	2001
Service cost – Benefits earned during the period	\$37,536	\$62,348
Interest cost	75,268	79,408
Expected return on plan assets	(115,260)	(113,376)
Amortization of initial unrecognized net obligation of (net asset) as of May 1, 1985	(6,031)	(6,031)
Amortization of prior service costs	5,832	5,832
Amortization of (gain)/or loss	(21,212)	(15,725)
Net Periodic Pension Expense (Gain)	\$(23,867)	\$12,456

The principal actuarial assumptions used were as follows:

	2002	2001
Discount rate	7.00%	7.25%
Expected long-term rate of return on plan assets	8.50%	9.00%
Weighted average rate of future compensation increases	4.00%	4.65%

In relation to IFAC participation in the AICPA pension scheme, prior to the 2001 financial year, a separate accounting of funded status for IFAC was not maintained. Accordingly, no pension expense and accrued pension cost were recognized as of and for the six months ended December 31, 2000. As a result of the availability of a separate accounting during 2001, a cumulative effect of a change in accounting policy of \$106,611 was recognized to reflect accrued pension costs prior to the 2001 financial year.

14. International Accounting Standards Committee (IASC)

IFAC and the IASC had an agreement under which IFAC contributed a specified proportion of the annual budget of IASC to defray the costs of participation in steering committees by member bodies not represented on the Board of IASC. IFAC agreed to fund the annual cost of one Board seat until June 30, 2001.

15. Employee Disclosure

As at December 31, 2002, IFAC had 28 full-time employees (22 full-time employees, 2001) and 1 part-time employee (1 part-time employee, 2001). In addition to these employees, IFAC has 4 contracted personnel (5 contracted personnel, 2001) and 1 secondee (2 secondees, 2001).

16. Reconciliation of Net Surplus/(Deficit) with Net Cash Inflow/(Outflow) from Operating Activities

	2002	2001
Net Surplus/(Deficit) for the Period	\$347,227	\$(38,454)
<i>Add/(Less) Non-Cash Items:</i>		
Cumulative effect of change in accounting policy	–	(106,611)
Depreciation	79,947	49,716
Property, plant and equipment write-offs	73,367	2,390
Net gain on foreign currency balance	(2,722)	–
<i>Add/(Less) Movements in Working Capital:</i>		
Dues receivable	(119,043)	94,695
Receivable from Forum of Firms	(162,977)	–
Other receivables	(288,828)	172,311
Other current assets	(51,213)	7,665
Non-current receivables	(45,372)	(34,050)
Accounts payable and accrued expenses	(44,564)	325,229
Payable to Forum of Firms	(596,293)	596,293
Employee entitlements	60,622	10,376
Deferred revenue	8,918	105,073
Accrued pension costs	(23,867)	119,067
Net Cash Inflow/(Outflow) from Operating Activities	\$(764,798)	\$1,303,700

17. Financial Instruments

All financial instruments to which IFAC is a party are recognized in the financial statements.

Credit Risk

In the normal course of business, IFAC incurs credit risk from trade debtors and transactions with banking institutions. IFAC manages its exposure to credit risk by:

- holding bank balances and short-term deposits with United States-registered banking institutions; and
- maintaining credit control procedures over trade debtors.

As at December 31, 2002, a total of \$1,471,007 was held with JP Morgan Chase Bank. This represented 95 percent of the total amount of bank balances, short-term deposits and receivables. The maximum exposure as at December 31, 2002 is equal to the total amount of bank balances, short-term deposits, and receivables disclosed in the Statement of Financial Position. Receivables considered uncollectible have been adequately provided for.

IFAC does not require any collateral or security to support financial instruments and other debts it holds due to the low risk associated with the realization of these instruments.

Currency Risk

IFAC operates separate bank accounts in Australian currency. IFAC incurs currency risk as a result of the conversion of foreign currency balances held in these bank accounts to United States dollars at balance date. The currency risk associated with this balance is considered minimal and, therefore, IFAC does not hedge its foreign currency exposure.

Foreign currency transactions are translated to United States currency at exchange rates ruling at the date of the transactions.

Interest Rate Risk

The interest rate risk on funds held is managed through the use of short-term investments held until maturity. The interest rate risk associated with short-term deposits is considered minimal.

Fair Values

As at December 31, 2002, the fair values are the same as the carrying amounts for all financial instruments held by IFAC (2001 fair values were the same as the carrying amounts).

18. Related Parties

Board

Positions on the Board are voluntary and there is no honorarium paid for any position held. The following persons were members of the Board during the year:

Tsuguoki Fujinuma*	President, Japan
René Ricol*	Deputy President/President, France
Charles Horstmann*	Deputy President, United States
Guy Almeida Andrade	Brazil
Patrick Barrett††	Australia
André Bindenga	Netherlands
David Boymal**	Australia
Angelo Casò	Italy
Jean-François Cats ††	Belgium
Juan José Fermín del Valle††	Argentina
Wolfgang Fliess	Germany
Rached Fourati†	Tunisia
Ndung'u Gathinji	Kenya
N.D. Gupta	India
Tom Myhre**	Norway
Kesree Narongdej††	Thailand
Guyllaine Saucier	Canada
Ignatius Sehoole	South Africa
Graham Ward	United Kingdom
Peter Wong	Hong Kong
Shozo Yamazaki	Japan

* Upon completion of his term (IFAC Council meeting on November 17–18, 2002), Tsuguoki Fujinuma was succeeded as President by René Ricol. At that time, Charles Horstmann was elected Deputy President.

** Completed their terms at the conclusion of the IFAC Council meeting, November 2002.

† Resigned from the Board during 2002.

†† Commenced their terms at the conclusion of the IFAC Council meeting, November 2002.

IFAC Representatives

On occasion, IFAC Officers, Board members and other volunteers will be required to represent IFAC in a variety of capacities. When this is the case, IFAC reimburses these individuals for travel and other incidental expenses on an actual basis as per IFAC policies. These payments were not remuneration payments and occurred in the normal course of business.

IFAC Member Organizations

The transactions between IFAC and its member organizations occurred in the normal course of business. Member organizations provide annual financial contributions (dues) to IFAC as determined by the basis of assessment approved by the IFAC Council.

IFAC Staff

As part of staff relocation packages included in individual employment contracts, IFAC offers to provide staff relocating from outside the United States a guarantee or deposit to secure rented residence in New York. As at December 31, 2002, the balance outstanding of staff receivables relating to residential security deposits was \$38,351 (\$21,015, 2001).

19. Forum of Firms

The Forum of Firms (the Forum) initiative was launched in January 2001 by a group of accounting firms in association with IFAC. The objective of the Forum and its relationship with IFAC are established by the Forum's Constitution, which was approved by the Forum in June 2002 and the IFAC Board on July 11, 2002. Upon approval by the IFAC Board, the Swiss legal entity came into existence and the Forum of Firms was legally formed. Prior to this date, the Forum operated on a provisional basis. During the period of provisional status, the Forum operated under the provisions of the draft Constitution, including assessing membership dues to member firms for costs incurred by the Transnational Auditors Committee (TAC) and certain costs agreed to be used by IFAC towards the costs of the International Auditing and Assurance Standards Board and other IFAC operating costs.

The executive committee of the Forum is the TAC, which, by way of the Constitution, is also a committee of IFAC. The TAC is effectively the operational body of the Forum as it has executive authority and is currently staffed by three full-time employees. The members of the TAC are selected by the Forum and are approved by the IFAC Nominating Committee and the IFAC Board.

For 2002, the financial statements of IFAC reflect revenues from the Forum for amounts invoiced to the Forum for the agreed IFAC contributions and the related expenses, and full contribution for TAC related expenses. The primary change from 2001 is that the Forum's activities have been separately disclosed in IFAC's Statement of Financial Position, as either a payable to or receivable from the Forum. As a consequence of this separate disclosure in the 2002 Statement of Financial Position, it has been necessary to revise the comparative presentation relating to 2001. Specifically, the receivables and payables associated with the Forum have been netted in these financial statements, whereas they were disclosed in IFAC's 2001 financial statements on a gross basis.

20. Capital Expenditure Commitments

IFAC has two capital expenditure commitments contracted for as at December 31, 2002 that are not recognized in the Statement of Financial Position. These commitments both relate to the leasehold alterations associated with the new office space being leased at 545 Fifth Avenue in 2003 (refer to Note 11). The first commitment is for IFAC's share of the actual alteration costs as determined under the executed lease estimated to be \$132,000 (\$nil, 2001). The second commitment is an outstanding contract for provision of architect and engineering fees for \$45,700 (\$nil, 2001) that will be capitalized as part of the total cost of the leasehold alteration.

21. Contingencies

IFAC has no contingencies outstanding as at December 31, 2002 (\$nil, 2001).

Auditor's Report

Audit report to the Members of the
International Federation of Accountants

We have audited the accompanying statement of financial position of the International Federation of Accountants (IFAC) as at December 31, 2002 and 2001, and the related statements of financial performance, changes in equity and cash flows for the years ended December 31, 2002 and 2001. The financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with International Standards on Auditing. Those standards require that we plan and perform our audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements present fairly, in all material respects, the financial position of IFAC as of December 31, 2002 and 2001, and its financial performance, changes in equity and its cash flows for the years then ended in accordance with International Public Sector Accounting Standards.

Larson, Allen, Weishair & Co., LLP

LARSON, ALLEN, WEISHAIR & CO., LLP

Minneapolis, Minnesota
United States
March 17, 2003

2002 IFAC Member Bodies



IFAC Membership highlighted in blue

Full Members

Argentina

Federación Argentina de Consejos Profesionales de Ciencias Económicas

Australia

CPA Australia
Institute of Chartered Accountants in Australia

Austria

Institut Österreichischer Wirtschaftsprüfer
Kammer der Wirtschaftstreuhand

Bahamas

Bahamas Institute of Chartered Accountants

Bahrain

Bahrain Accountants Association

Bangladesh

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

Barbados

Institute of Chartered Accountants of Barbados

Belgium

Institut des Experts Comptables
Institut des Réviseurs d'Entreprises

Bolivia

Colegio de Auditores de Bolivia

Botswana

Botswana Institute of Accountants

Brazil

Conselho Federal de Contabilidade
Instituto Brasileiro de Contadores

Bulgaria

Institute of Certified Public Accountants in Bulgaria

Cameroon

Institute of Chartered Accountants of Cameroon

Canada

Canadian Institute of Chartered Accountants
Certified General Accountants Association of Canada
CMA Canada

Chile

Colegio de Contadores de Chile

China

Chinese Institute of Certified Public Accountants

Chinese Taiwan

Federation of CPA Associations of Chinese Taiwan

Colombia

Instituto Nacional de Contadores Públicos de Colombia

Costa Rica

Colegio de Contadores Públicos de Costa Rica

Croatia

Croatian Association of Accountants and Financial Experts

Cyprus

Institute of Certified Public Accountants of Cyprus

Czech Republic

Chamber of Auditors of the Czech Republic
Union of Accountants of the Czech Republic

Denmark

Foreningen Registrerede Revisorer
Foreningen af Statsautoriserede Revisorer

Dominican Republic

Instituto de Contadores Públicos Autorizados de la República Dominicana

Egypt

Egyptian Society of Accountants and Auditors

El Salvador

Corporación de Contadores de El Salvador

Instituto Salvadoreño de Contadores Públicos

Fiji

Fiji Institute of Accountants

Finland

HTM-tilintarkastajat – GRM – revisorer ry

KHT-yhdistys-Föreningen CGR ry

France

Compagnie Nationale des Commissaires aux Comptes

Ordre des Experts Comptables

Georgia

Georgian Federation of Professional Accountants and Auditors

Germany

Institut der Wirtschaftsprüfer in Deutschland e.V.

Wirtschaftsprüferkammer

Ghana

Institute of Chartered Accountants (Ghana)

Greece

Association of Certified Accountants and Auditors of Greece

Institute of Certified Public Accountants of Greece

Guatemala

Instituto Guatemalteco de Contadores Públicos y Auditores

Guyana

Institute of Chartered Accountants of Guyana

Haiti

Ordre des Comptables Professionels Agrées d'Haiti

Honduras

Colegio de Peritos Mercantiles y Contadores Públicos

Hong Kong

Hong Kong Society of Accountants

Hungary

Chamber of Hungarian Auditors

Iceland

Félag Löggiltra Endurskodenda

India

Institute of Chartered Accountants of India

Institute of Cost and Works Accountants of India

Indonesia

Indonesian Institute of Accountants

Iran

Iranian Institute of Certified Accountants

Iraq

Association of Public Accountants and Auditors (Iraq)

Ireland

Institute of Certified Public Accountants in Ireland

Institute of Chartered Accountants in Ireland

Israel

Institute of Certified Public Accountants in Israel

Italy

Consiglio Nazionale dei Dottori Commercialisti

Consiglio Nazionale dei Ragionieri e Periti Commerciali

Ivory Coast

Ordre des Experts Comptables et Comptables Agrées de Côte d'Ivoire

Jamaica

Institute of Chartered Accountants of Jamaica

Japan

Japanese Institute of Certified Public Accountants

Jordan

Arab Society of Certified Accountants

Jordanian Association of Certified Public Accountants

Kazakhstan

Chamber of Auditors of the Republic of Kazakhstan

Kenya

Institute of Certified Public Accountants of Kenya

Korea

Korean Institute of Certified Public Accountants

Kuwait

Kuwait Association of Accountants and Auditors

Lebanon

Lebanese Association of Certified Public Accountants

Middle East Society of Associated Accountants

Lesotho

Lesotho Institute of Accountants

Liberia

Liberian Institute of Certified Public Accountants

Libya

Libyan Certified and Public Accountants Union

Luxembourg

Institut des Réviseurs d'Entreprises

Madagascar

Ordre des Experts Comptables et Financiers de Madagascar

Malawi

Society of Accountants in Malawi

Malaysia

Malaysian Institute of Accountants

Malaysian Institute of Certified Public Accountants

Malta

Malta Institute of Accountants

Mexico

Instituto Mexicano de Contadores Públicos, A.C.

Namibia

Institute of Chartered Accountants of Namibia

IFAC Member Bodies (continued)

Netherlands

Koninklijk Nederlands Instituut van Registeraccountants

New Zealand

Institute of Chartered Accountants of New Zealand

Nicaragua

Colegio de Contadores Públicos de Nicaragua

Nigeria

Institute of Chartered Accountants of Nigeria

Norway

Den norske Revisorforening

Pakistan

Institute of Chartered Accountants of Pakistan

Institute of Cost and Management Accountants of Pakistan

Panama

Asociación de Mujeres Contadoras de Panamá

Colegio de Contadores Públicos Autorizados de Panamá

Paraguay

Colegio de Contadores del Paraguay

Peru

Federación de Colegios de Contadores Públicos del Perú

Philippines

Philippine Institute of Certified Public Accountants

Poland

National Board of Chartered Accountants of Accountants Association in Poland

National Chamber of Statutory Auditors

Portugal

Ordem dos Revisores Oficiais de Contas

Romania

Corpul Expertilor Contabili si Contabililor Autorizati din Romania

Russia

Institute of Professional Accountants of Russia

Saudi Arabia

Saudi Organization for Certified Public Accountants

Serbia

Serbian Association of Accountants and Auditors

Sierra Leone

Institute of Chartered Accountants of Sierra Leone

Singapore

Institute of Certified Public Accountants of Singapore

Slovakia

Slovenska Komora Auditorov

Slovenia

Slovenian Institute of Auditors

South Africa

Institute of Commercial and Financial Accountants of Southern Africa

South African Institute of Chartered Accountants

Spain

Instituto de Auditores-Censores Jurados de Cuentas de España

Sri Lanka

Institute of Chartered Accountants of Sri Lanka

Sudan

Sudan Council of Certified Accountants

Swaziland

Swaziland Institute of Accountants

Sweden

Föreningen Auktoriserade Revisorer Svenska Revisorsamfundet SRS

Switzerland

Treuhand-Kammer

Syria

Association of Syrian Certified Accountants

Tanzania

National Board of Accountants and Auditors Tanzania

Tanzania Association of Accountants

Thailand

Institute of Certified Accountants and Auditors of Thailand

Trinidad and Tobago

Institute of Chartered Accountants of Trinidad & Tobago

Tunisia

Ordre des Experts Comptables de Tunisie

Turkey

Expert Accountants' Association of Turkey

Union of Chambers of Certified Public Accountants of Turkey

Uganda

Institute of Certified Public Accountants of Uganda

United Kingdom

Association of Chartered Certified Accountants

Chartered Institute of Management Accountants

Chartered Institute of Public Finance and Accountancy

Institute of Chartered Accountants in England and Wales

Institute of Chartered Accountants of Scotland

United States

American Institute of Certified Public Accountants

Institute of Management Accountants

National Association of State Boards of Accountancy

Uruguay

Colegio de Contadores y Economistas del Uruguay

Venezuela

Federación de Colegios de Contadores Públicos de Venezuela

Vietnam

Vietnam Accounting Association

Zambia

Zambia Institute of Chartered Accountants

Zimbabwe

Institute of Chartered Accountants of Zimbabwe

Associate Members**Albania**

Albanian Institute of Authorized Chartered Accountants

Ireland

Institute of Accounting Technicians in Ireland

Kyrgyzstan

Union of Accountants and Auditors of Kyrgyzstan

Macedonia

Association of Accountants, Financial Experts and Auditors of the Republic of Macedonia

Moldova

Association of Professional Accountants and Auditors of the Republic of Moldova

Pakistan

Pakistan Institute of Public Finance Accountants

Russia

Russian Collegium of Auditors

Sri Lanka

Association of Accounting Technicians of Sri Lanka

Ukraine

Ukrainian Federation of Professional Accountants and Auditors

United Kingdom

Association of Accounting Technicians

Uzbekistan

National Association of Professional Accountants and Auditors of Uzbekistan

Affiliate Members**Bahrain**

Accounting and Auditing Organization for Islamic Financial Institutions

France

Fédération Internationale des Experts Comptables Francophones

United States

Information Systems Audit and Control Association

Institute of Internal Auditors





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