

# 2023 ANNUAL REPORT

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# Abbreviations

A list of abbreviations used for our Members' organizations is available at our Member Directory

IFIAR	International Forum of Independent Audit Regulators
AFC	Audit and Finance Committee
HRGC	Human Resources and Governance Committee
WG	Working Group
EWG	Enforcement Working Group
GAQWG	Global Audit Quality Working Group
IOSWG	Investors and Other Stakeholders Working Group
IWWG	Inspections Workshop Working Group
SCWG	Standards Coordination Working Group
TF	Task Force
IFSTF	Inspection Findings Survey Task Force
SATF	Sustainability Assurance Task Force
TTF	Technology Task Force
GIA	General Incorporated Association
IAASB	International Auditing and Assurance Standards Board
IESBA	International Ethics Standards Board for Accountants
PIOB	Public Interest Oversight Board
FSB	Financial Stability Board
IAIS	International Association of Insurance Supervisors
GPPC	Global Public Policy Committee <i>(the six largest audit firm networks, each comprised of a group of legally separate firms operating locally in countries or regions around the world, represented in the GPPC by the following entities: BDO International Limited, Deloitte Touche Tohmatsu Limited, Ernst &amp; Young Global Limited, Grant Thornton International Limited, KPMG International Cooperative, and PricewaterhouseCoopers International Limited)</i>

# Message to our Members and stakeholders

**Welcome to IFIAR's 2023 Annual Report, which provides an overview of IFIAR's activities, operations and financial statements for the year.**

In 2023, IFIAR completed the third year of its five-year Strategic Plan. During this time, IFIAR continued to pursue its strategic objectives, in delivering upon our mission to serve the public interest, including investors, by enhancing audit oversight globally. Consistent effort over several years has led to tangible achievements in 2023, including numerous knowledge sharing opportunities for Members (e.g., Workshops and 10+ Webinars) and proactive communication on emerging issues (e.g., technology and sustainability). Given the current environment, where the significance of the audit in providing trust to the capital markets is ever increasing, IFIAR will continue to assist Members in building their oversight capabilities.

## **Collaboration and Knowledge Sharing for Members**

Since its establishment in 2006, delivering value to Members has been at the core of IFIAR's activities, with knowledge sharing being a key tool. In this context, 2023 was a significant year with expanded opportunities for Members to deepen their understanding regarding the emerging trends that are being seen across the audit industry with the potential to impact both IFIAR Members and external stakeholders. The annual Plenary Meeting paid particular attention to facilitating Member discussion around such trends and a special newsletter for Members summarizing observations on select topics was issued for the first time. This proactive initiative, led by the Board in coordination with relevant Working Groups and Task Forces, will continue in 2024.



**Takashi Nagaoka**  
IFIAR Chair



**Kevin Prendergast**  
IFIAR Vice Chair



**Carl Renner**  
Executive Director



### **2023 Plenary Meeting**

IFIAR's 2023 Plenary Meeting, hosted by the United States PCAOB in Washington DC, was the first opportunity for Members to physically meet at a Plenary Meeting since 2019. (ref p.14)

Throughout 2023, IFIAR organized a rich variety of tailored events for Members with various needs. In addition to the Plenary Meeting, IFIAR held two in-person Workshops and over 10 webinars. These events offered a platform for senior leadership, inspectors, and enforcement staff from IFIAR Member organizations to engage, collaborate, and share valuable knowledge and experiences. Webinars enable effective and timely information-sharing regarding latest developments. Details of each event are outlined on p.14 of this report.

## **Engagement with Stakeholders**

Engagement with all stakeholders in the financial reporting ecosystem, including the global network firms, is crucial to influencing continual improvements in audit quality. During 2023, IFIAR continued its dialogue with the GPPC through various channels, including in-person meetings with the GAQWG and across a series of webinars arranged for the entire Membership on auditing in the current socio-economic environment.

IFIAR also continued and further strengthened its engagement with other international regulatory bodies and international audit-related standard setters.

2023 has also marked notable enhancement in IFIAR's public communications. In addition to regular publications, IFIAR published three documents on enforcement, technology, and sustainability topics, which are designed to be informative and useful for not only IFIAR Members, but also other stakeholders in the ecosystem. In particular, IFIAR's public statement in the area of sustainability included proactive messaging regarding current considerations on the oversight of sustainability assurance. Further details on our engagement with stakeholders and public communication can be found on p.15 of this report.

## **Outreach**

A broad and diverse Membership enriches discussions and empowers our Members' collective impact. Thanks to the tireless outreach efforts of the Secretariat, we are pleased to announce that the National Financial Reporting Authority of India became a Member of IFIAR in November 2023, which expanded the IFIAR Membership to 55 jurisdictions (which subsequently increased to 56 jurisdictions in January 2024 with the admission of Abu Dhabi Global Market Registration Authority as a Member).



**Sustainability** is a key consideration in IFIAR's operations and governance. IFIAR employs a mix of in-person and virtual activities, seeking to use virtual formats wherever possible and appropriate, remaining cognizant of the carbon emissions caused by international travel and events.

## Conclusion

In 2024, we will keep building on our achievements and continue to offer added value to our Members as we pursue our mission. As a Member-led organization, proactive engagement by Members is key to IFIAR's success; we expect and call for our Members' active engagement to continue. We also look to strengthen our role as the international leader on audit matters through strategic thought leadership. We look forward to working with our Members and other key stakeholders to enhance audit oversight, and promote sustainable improvements in audit quality globally.

## Appreciation

As noted above, 2023 was a year of enhanced IFIAR activity - both internally and externally. We would like to take this opportunity to thank all IFIAR Members for their engagement and support in 2023, and in particular those Members and individuals who contributed to IFIAR's Working Groups and Task Forces, the IFIAR Board and Board Committees. We also thank the Secretariat staff for their continued dedication and exemplary service, and Japan (FSA/CPA/OB) for their ongoing hosting of the Secretariat in Tokyo, Japan.



IFIAR is committed to **diversity** in all its forms, including geographic, racial, gender, culture, and experience; and to fostering inclusiveness and fair and equal treatment of all Members and employees.

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# Who we are

**Established in 2006, IFIAR comprises independent audit regulators from 56 jurisdictions representing Africa, North America, South America, Asia, Oceania, and Europe.**

IFIAR's mission is to serve the public interest, including investors, by enhancing audit oversight globally. In fulfilling our mission, we strive to drive improvements to audit quality, both globally and in each of our Member's jurisdictions.

Investors and other stakeholders rely on high quality financial reporting. Along with management, audit committees, and other directors, auditors play a critical role in helping promote high quality financial reporting. By providing investors with independent assurance on the integrity of reported financial results, auditors across the globe contribute to the effective and efficient allocation of capital and to international financial stability and economic growth. Standard setters and regulators also play a critical role in setting the frameworks and rules for accounting and auditing, and ensuring auditors abide by the standards.

IFIAR contributes to high quality auditing through enhancing the independent audit regulatory oversight capabilities of its Members, and by regularly engaging with global network firms to influence their continual improvements to audit quality.

We enhance the capabilities of our Members through consultative assistance, training, and a collaborative knowledge-sharing network. The goal is for this collective wisdom to influence audit oversight worldwide and advance sustainable, high-quality audits. IFIAR's 2021-2026 Strategic Plan outlines the core strategies to realize our three strategic objectives.

IFIAR has two categories of membership, 'Members' and 'Associates'. Members are those audit regulators that meet all of IFIAR's membership criteria as prescribed in IFIAR's Charter. Associates are audit regulators that at minimum meet the IFIAR Charter requirement of independence from the audit profession and have clear responsibility and legal authority in their jurisdiction for audit oversight (as set-out in the IFIAR Charter), but have not yet developed and/or implemented (all) their regulatory activities. The time-limited Associate category enables independent regulators with appropriate audit oversight authority to benefit from IFIAR membership, prior to meeting all of IFIAR's membership criteria, to support their development to fully operational audit oversight bodies. Currently there are no Associates.

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# IFIAR in numbers

**56**

**IFIAR is comprised of independent audit regulators from 56 jurisdictions...**

**6**

**...across 6 continents: Africa, Asia, Europe, North America, Oceania & South America**

**16**

**IFIAR is governed by a Board consisting of 16 Member organizations...**

**2**

**...and led by 2 Officers:  
Takashi Nagaoka, IFIAR Chair; and  
Kevin Prendergast, IFIAR Vice Chair**

**6**

**IFIAR's Executive Director, Carl Renner,  
leads a Secretariat team of 6 staff with an  
office in Tokyo, Japan**



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# Our leadership

**IFIAR is governed by a Board consisting of up to 16 Member organizations.**

Members elected Takashi Nagaoka of Japan (FSA/CPAAOB) as Chair and Kevin Prendergast of Ireland (IAASA) as Vice Chair of IFIAR in 2023. They each serve a 2-year term which ends in April 2025. Carl Renner was appointed as Executive Director in 2017 and is responsible for leading the IFIAR Secretariat based in Tokyo. The Executive Director is accountable to the Chair, Vice Chair, and Board.

The IFIAR Board is responsible for developing IFIAR's strategy and determining annual operating priorities, amongst other Board authorities prescribed in the IFIAR Charter. The IFIAR Board is supported by its two Committees, the AFC and the HRGC and oversees the implementation of the organization's Strategic Plan and the work of the Officers, the Executive Director and the Secretariat, Working Groups and Task Forces.

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# 2023 in numbers

**1**

**IFIAR's annual Plenary meeting was hosted in 2023 by the United States PCAOB**

**2**

**2 Workshops were held in 2023, the annual Inspection Workshop and biennial Enforcement Workshop**

**3**

**3 reports were published by IFIAR in 2023, on technology, enforcement and inspection findings**

**5**

**5 comment letters were prepared by IFIAR's SCWG and submitted to the standard setting boards in 2023**

**64**

**Other than the Plenary and Workshops, 64 meetings were held by IFIAR's Board, Committees, WGs & TFs: 55 of which were virtual; 9 in-person**

# Our Working Groups



## Investors & other stakeholders

**Chair:** Peter Hofbauer, Austria (APAB)  
**Vice Chair:** Anthony C Thompson, United States (PCAOB)

**Members:** Austria (APAB), Canada (CPAB), France (H2A), *Italy (CONSOB) (until April 2023)*, Japan (FSA/CPAAOB), Korea (FSC/FSS), Malaysia (AOB), Poland (PANA) (from June 2023), *The Netherlands (AFM) (until February 2023)*, Saudi Arabia (CMA) (from June 2023), South Africa (IRBA), United Kingdom (FRC), United States (PCAOB)

Responsible for maintaining dialogue with investors, audit committees and other stakeholders on matters relevant to audit quality and initiatives to improve audit quality.

## Standards Coordination

**Chair:** James Ferris, United Kingdom (FRC) (from March 2023), *Martijn Duffels, The Netherlands (AFM) (until February 2023)*

**Vice Chair:** Stacy Hammett, Canada (CPAB) (from March 2023)

**Members:** *Australia (ASIC) (until July 2023)*, Brazil (CVM), Canada (CPAB), France (H2A), Germany (AOB), Italy (CONSOB), Japan (FSA/CPAAOB), The Netherlands (AFM), South Africa (IRBA), Spain (ICAC), United Kingdom (FRC), United States (PCAOB)

Responsible for providing input and feedback to standard setters on various pronouncements from an audit quality perspective, and providing a forum for IFIAR Members to discuss and share views about such pronouncements.

## Enforcement

**Chair:** Elizabeth Barrett, United Kingdom (FRC)  
**Vice Chair:** Jennifer Cooper, Canada (CPAB)

**Members:** *Australia (ASIC) (until July 2023)*, Canada (CPAB), Chinese Taipei (FSC), France (H2A), Germany (AOB), Ireland (IAASA), Japan (FSA/CPAAOB), South Africa (IRBA), Switzerland (FAOA), United Kingdom (FRC), United States (PCAOB)

Forum for IFIAR Members' enforcement officials to exchange views and information on enforcement systems for investigating and adjudicating alleged auditor misconduct.

## Global Audit Quality

**Chair:** Kara Stein, United States (PCAOB) (from October 2023), *William Di Cicco, France (H2A) (until October 2023)*  
**Vice Chair:** Andrew Meek, United Kingdom (FRC) (from November 2023), *Kara Stein, United States (PCAOB) (until October 2023)*

**Members:** *Australia (ASIC) (until July 2023)*, Canada (CPAB), France (H2A), Germany (AOB), Japan (FSA/CPAAOB), The Netherlands (AFM), Singapore (ACRA), Switzerland (FAOA), United Kingdom (FRC), United States (PCAOB)

Responsible for IFIAR's ongoing dialogue with the GPPC member firms, which comprise the six largest international audit networks, to promote continuous improvement in audit quality.

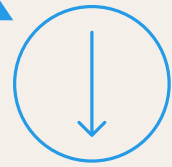
## Inspection Workshop

**Chair:** Askin Akbulut, Germany (AOB)

**Members:** Abu Dhabi (ADAA), France (H2A), Germany (AOB), Indonesia (PPPK) (from June 2023), Ireland (IAASA), Japan (FSA/CPAAOB), Luxembourg (CSSF), South Africa (IRBA), United Kingdom (FRC), United States (PCAOB)

Responsible for developing an annual forum for Members to share inspection practices to promote more effective inspection programs.

# Our Task Forces



## Inspection Findings Survey

**Lead:** Juli Ravas, United States (PCAOB)

**Members:** Australia (ASIC), Canada (CPAB), France (H2A), Germany (AOB), Japan (FSA/CPAAOB), The Netherlands (AFM), United Kingdom (FRC), United States (PCAOB)

Responsible for conducting and reporting the outcomes of IFIAR's annual Inspection Findings Survey, which collects data on key results from IFIAR Members' inspections of audit firms' systems of quality control and audits of listed PIEs.

## Sustainability Assurance

**Co-Leads:** Claire Lindridge, United Kingdom (FRC); Joao Pedro Nascimento, Brazil (CVM)

**Members:** Australia (ASIC) (until July 2023), Brazil (CVM), Chinese Taipei (FSC), France (H2A) (from October 2023), Germany (AOB), Greece (HAASOB), Japan (FSA/CPAAOB), the Netherlands (AFM), Türkiye (CMB/POA), United Kingdom (FRC), United States (PCAOB)

Initiative to explore potential IFIAR workstreams relating to assurance over the reporting of sustainability information.

## Technology

**Lead:** Jeremy Justin, Canada (CPAB)

**Members:** Canada (CPAB), Ireland (IAASA), Italy (CONSOB), Japan (FSA/CPAAOB) (from October 2023), The Netherlands (AFM), Singapore (ACRA), South Africa (IRBA), Switzerland (FAOA), United Kingdom (FRC), United States (PCAOB)

Initiative to explore the audit quality impact of technology audit tools used widely around the world by the six largest audit firm networks.

# Our support network



## Emerging Regulators Group

**Lead:** Jacco Moison, New Zealand (FMA)

**Members:** Cyprus (CyPAOB), Georgia (SARAS), Mauritius (FRC), New Zealand (FMA), Philippines (SEC), Slovenia (APOA)

Support network to assist smaller and emerging audit regulators to address the unique challenges they face, and to provide a forum for smaller Members to identify ways IFIAR may be able to further support their needs.

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# Delivering IFIAR's strategy

## **IFIAR's 2021-2026 Strategic Plan was adopted by Members at the 2021 IFIAR Plenary Meeting.**

The Strategic Plan sets forth the strategic direction IFIAR will pursue in the coming years to fulfill its mission of serving the public interest, including investors, by enhancing audit oversight globally.

The following Strategic Objectives are the overarching principles that guide IFIAR in advancing its mission and in delivering value to its Members. These Strategic Objectives (and related Core Strategies) reflect IFIAR's continued focus on building the capabilities of its Members and on being recognized as the leading international organization on independent audit oversight:

### Strategic Objectives

1. Build Member capabilities
2. Promote sustainable improvement in audit quality
3. Enhance the collective impact of the audit regulatory community

The following Core Strategies set out the overarching goals on which IFIAR focuses to further its Strategic Objectives:

### Core Strategies

1. Reinforce sustained collaboration and knowledge sharing between Members
2. Further foster effective engagement with relevant stakeholders in the financial reporting ecosystem
3. Maintain outreach to Members as a priority, and secondly, to prospective Members

The information on the following pages outlines the key actions implemented by IFIAR in 2023 to deliver against each core strategy.

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**IFIAR released internal reports and held various meetings, workshops and webinars throughout 2023, to foster sustained collaboration and knowledge-sharing between Members.**

## Core Strategy 1



*Reinforce sustained collaboration and knowledge sharing between Members*

### Meetings

- **In-Person Plenary Meeting** held in April in which Members, GPPC CEOs and other key stakeholder representatives addressed several key emerging developments and trends, including progression of audit quality, emerging requirements over sustainability reporting and assurance, and the attractiveness of the profession.
- **IFIAR's Board discussed various emerging developments, risks and issues in view of their potential impact on audit quality or audit oversight** from a broad perspective and determined additional activities or initiatives for IFIAR to undertake in response. A summary of five emerging topics was shared with Members via a special newsletter, with some featured sessions at the 2023 Plenary Meeting.

### Workshops

- The **EWG** organized its sixth **Enforcement Workshop**, hosted by the United Kingdom (FRC) in September, to **share Members' knowledge, experiences and training in various enforcement-related topics**.
- IFIAR's 17th **Inspection Workshop** was organized by the **IWWG** and hosted by Indonesia (PPPK) in March, to **share Members' inspection experiences and approaches, and provide training to Members' staff**.

### Webinars

- The **GAQWG** organized six webinars with representatives from each of the GPPC network firms to **offer perspectives on 'auditing in the current socio-economic environment'**.
- IFIAR's **leadership** organized a webinar with PwC to discuss the recent issue with their member firm in Australia, the independent review recommendations, and PwC's related actions and responses
- The **IWWG** organized three webinars providing valuable training on:
  - ISA 315 (Revised 2019)
  - Identifying and Assessing the Risks of Material Misstatement
  - the role of the audit profession with respect to non-compliance with laws and regulations.
- The **SATF** organized a webinar with the IAASB on the **development of its sustainability related standards**.

### Internal Reports

- The **SATF** released a Member-only report summarizing the results of a survey of **the assurance requirements and oversight responsibilities over sustainability reporting in Member jurisdictions**.
- **Members** and the **Secretariat** regularly posted papers, news items and updates on IFIAR's Members-only blog.

## IFIAR continued to engage directly with stakeholders, through in-person meetings, virtual events, and published reports.

### Public Communication

- The **IFSTF** published a report summarizing the **results of the 2022 Survey of Inspection Findings** in March, 2023. IFIAR Members reported that 26% of audit engagements inspected had at least one finding, down from 30% in the 2021 survey, and 47% in the first survey conducted in 2014.
- The **TTF** published a report on the '**Use of technology in audits – observations, risks and further evolution**' in November.
- The **SATF** prepared IFIAR's **public statement on sustainability assurance**.
- The **EWG** released a report in June, based on its **survey of audit regulators' enforcement regimes** and detailing Members' investigative and disciplinary powers during the years 2018-2022.
- The **SCWG** published five **comment letters** on:
  - the IAASB Proposed Strategy and Work Plan for 2024-2027
  - the IAASB Proposed revisions to ISA 500 (Revised), Audit Evidence
  - the IESBA Proposed Strategy and Work Plan for 2024-2027
  - the IAASB Proposed revisions to ISA 570, Going Concern
  - the IAASB Proposed ISSA 5000, General Requirements for Sustainability Assurance Engagements

### Engagement with GPPC

- The **GAQWG** held two in-person meetings with **GPPC network firms** in 2023.
  - *Discussion topics included: developments in quality management systems as a result of ISQM implementation, and other changes to firm-wide quality management; internal audit quality monitoring results; and focused discussions on risks impacting audit quality, audit strategies and credibility.*
- The **TTF** engaged with the **GPPC network firms** on the adaptation, methodology-related aspects and implementation of automated tools and techniques, summarizing its insights to Members and subsequently in the public report.

### Contribution to international bodies

- The **Officers** and **Executive Director** represented IFIAR at various meetings and events including the **Financial Stability Board's** Roundtable on External Audit, and the Accounting Auditing Working Group of the **IAIS**.
- IFIAR continued to contribute to the **Monitoring Group** regarding the implementation of its recommendations to strengthen the international audit and ethics standard-setting system. IFIAR's financial contribution to the **PIOB** increased to JPY 10m from 2023 to help increase the level of funding independent from the profession. Active participation in the Monitoring Group Nominating Committee, appointing PIOB members to oversee the **IAASB** and **IESBA**.
- **SCWG** met with representatives of the **IAASB, IESBA and PIOB** to present and discuss regulators' perspectives and suggestions to enhance audit quality.

### Engagement with external stakeholders

- The **IOSWG**, with the support of their **Advisory Group**, solicited feedback from external stakeholders on their assumptions for the reasons behind audit failures, with feedback summarized in a Member-only report.

## Core Strategy 2



*Further foster effective engagement with relevant stakeholders in the financial reporting ecosystem*

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**IFIAR maintained engagement with existing Members, continuing targeted outreach to prospective Members, and welcomed a new Member, all with the aim of enhancing the collective impact of audit regulators globally.**

### Core Strategy 3



*Maintain outreach to Members as a priority, and secondly, to prospective Members*

#### **New Member in 2023**

- **The National Financial Reporting Authority of India** officially became a Member of IFIAR in November.

#### **For Members**

- Provided **regular updates** to Members from the IFIAR Officers, Board, Working Groups, Task Forces and Secretariat via **Member Newsletters**, and the **Plenary meeting**.
- **IFIAR's Officers and Secretariat held ad hoc meetings with individual Members.**

#### **For Prospective Members**

- Engaged with **remaining non-Member G20 jurisdictions** and other **targeted countries with independent oversight programs** about potential IFIAR membership.
- Provided direction and guidance to **audit regulators that have applied or have expressed interest in applying for membership.**
- Continue to engage with **potential Associate members** with the goal of enabling independent audit regulators with clear authority for independent oversight that are still in the early stages of developing their audit oversight programs, to benefit from IFIAR activities.



# Governance reporting

## IFIAR Board

**Chair:** Takashi Nagaoka, Japan (FSA/CPAEOB)

**Vice Chair:** Kevin Prendergast, Ireland (IAASA)

Australia (ASIC)	France (H2A)	Japan (FSA/CPAEOB)	South Africa (IRBA)
Brazil (CVM)	Germany (AOB)	The Netherlands (AFM)	Türkiye (CMB/POA)
Canada (CPAB)	Greece (HAASOB)	Singapore (ACRA)	United Kingdom (FRC)
Chinese Taipei (FSC)	Ireland (IAASA)	Switzerland (FAOA)	United States (PCAOB)

## Audit & Finance Committee

**Chair:** Imre Nagy, South Africa (IRBA)

Australia (ASIC) (until July 2023)  
Canada (CPAB) (from May 2023)  
Chinese Taipei (FSC)  
Greece (HAASOB)  
Ireland (IAASA)  
South Africa (IRBA)

## Human Resources & Governance Committee

**Chair:** Kuldip Gill, Singapore (ACRA)

Brazil (CVM)  
Germany (AOB)  
Japan (FSA/CPAEOB)  
Singapore (ACRA)  
Switzerland (FAOA)  
Türkiye (CMB/POA)

## Elections & Appointments

The 2023 Plenary Meeting marked the end of the two-year terms for IFIAR's Officers: Duane DesParte, United States (PCAOB) as IFIAR Chair and Takashi Nagaoka, Japan (FSA/CPAEOB) as Vice Chair. IFIAR extends its gratitude and appreciation to Duane DesParte for his service and contribution to IFIAR in his role as Chair.

Elections were subsequently held for these Officer positions, with Members electing Takashi Nagaoka, Japan (FSA/CPAEOB) to the position of Chair and Kevin Prendergast, Ireland (IAASA) to the position of Vice Chair.

The 2023 Plenary Meeting also marked the end of the four-year terms of four elected Board members who served from 2019-2023: Brazil (CVM), Chinese Taipei (FSC), Greece (HAASOB), and Türkiye (CMB/POA). All four Board members were re-elected by the Members to serve another four-year term, ending in 2027.

Appointments to the leadership of the IFIAR Board Committees were also made in 2023. Imre Nagy, South Africa (IRBA) and Kuldip Gill, Singapore (ACRA) were reappointed to continue in their roles as AFC Chair and HRGC Chair respectively.

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## Governance

IFIAR's Secretariat, together with the Chair and Vice Chair, reviewed improvements to IFIAR's information technology security systems to ensure the continued security and protection of personal data.

IFIAR's Board met five times in 2023, including three times in-person (in Japan, United States and Switzerland).

Key governance matters discussed and agreed at Board meetings during 2023 included the following:

### Approvals and affirmations

- 2023-2024 Operating Plan
- Member-only TTF Report: Use of technology in audits – observations, risks and further evolution (and support for subsequent public version, approved by Members)
- Newly established SATF's 2023-2024 operating plan activities
- AFC and HRGC memberships and Chair appointments
- Newly appointed Working Group Chairs, Task Force Leads, WG/TF and IOSWG Advisory Group members
- Reappointment of auditor and audit fee for 2023
- 2024-2025 Board Calendar
- Updates to the Secretariat Staff Code of Conduct

### Support

- 2023 Revised and 2024 Budgets, and 2024 Membership Fees, subsequently approved by Members
- Revisions to Working Group Terms of References, subsequently approved by Members
- Membership application of India NFRA, subsequently approved by Members

### Other

- Continued consideration of the impact of the Russian war in Ukraine on IFIAR's operations, Members, and audit risk. Representatives from IFIAR's Russian Member organizations have not attended IFIAR meetings or events since hostilities began.
- Discussion of emerging issues in audit and audit oversight, approval of related IFIAR actions, and approval of a newsletter updating Members.

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# Financial highlights

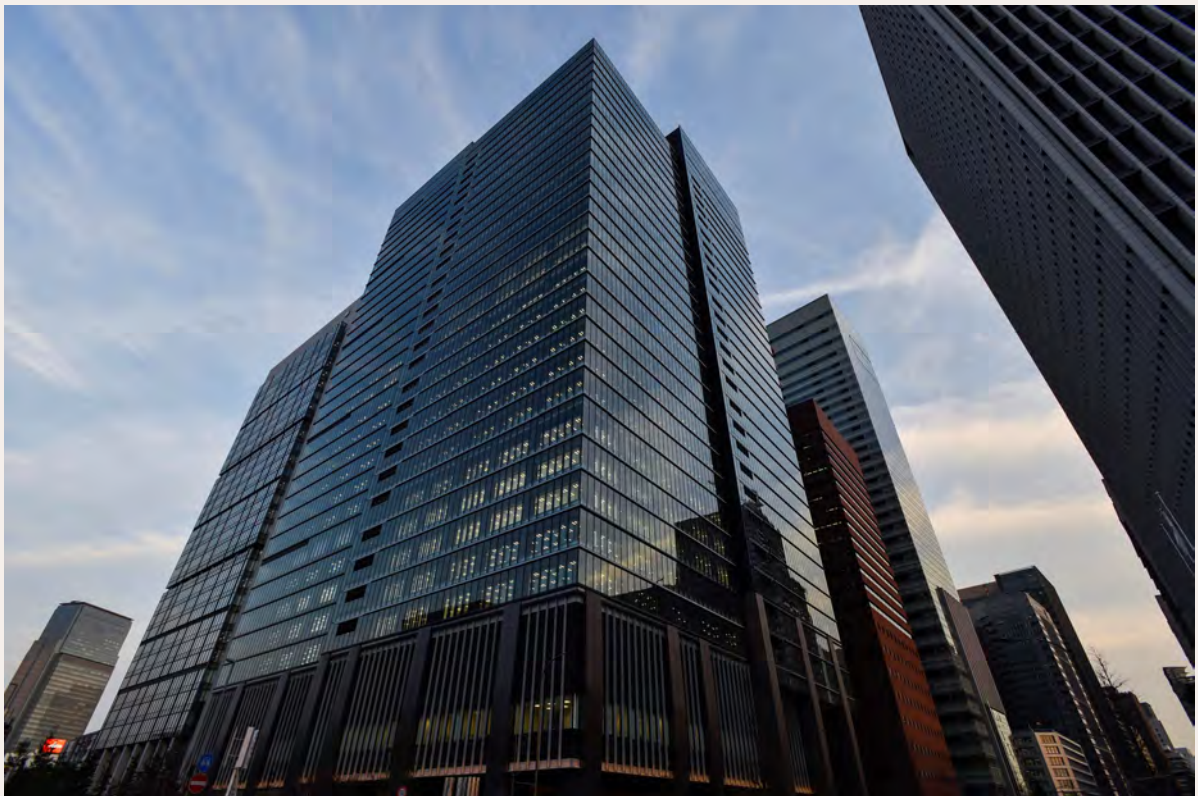
## Financial statements highlights

IFIAR established, under Japanese law on January 4, 2017, IFIAR Association, a GIA. IFIAR Association, in which IFIAR's Members are members, serves as the legal entity IFIAR uses for contracting purposes.

IFIAR Association is not subject to statutory audit; however, the members of IFIAR Association elect to have its financial statements audited. Mazars Audit LLC serves as IFIAR Association's auditor.

The income of IFIAR Association is primarily Membership fees and subsidies from IFIAR Members and the expenses are the operating costs of running the Secretariat such as office, staff and administrative costs together with travel costs.

IFIAR continues to prioritize sustainable fiscal management, including the management of sustainable cost budgets in the face of inflationary pressures.



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## Member support

IFIAR, whose operations are distinct from IFIAR Association, relies on Members' voluntary contributions for a variety of IFIAR activities including Board and Board Committee meeting preparation and attendance, Working Group and Task Force participation, meeting and workshop hosting and participation, and outreach.

These activities are directly funded by the Members providing the resources (generally a combination of staff time and payment of expenses, for example, travel costs or event hosting costs).

Member support during 2023 included the following:

### Hosting:

- Board meeting in Tokyo by Japan (FSA/CPAIOB) (February 2023)
- 2023 Inspection Workshop in Indonesia by Indonesia (PPPK) (March 2023)
- GAQWG meeting in Singapore by Singapore (ACRA) (March 2023)
- EWG meeting in Berlin by Germany (AOB) (March 2023)
- SCWG meeting in Madrid by Spain (ICAC) (March 2023)
- 2023 Plenary meeting and April Board meeting in Washington DC by the United States (PCAOB) (April 2023)
- 2023 Enforcement Workshop in London by United Kingdom (FRC) (September 2023)
- 
- Board and GAQWG meeting in Zurich by Switzerland (FAOA) (October 2023)

### Other contributions:

- The Officers' organizational support provided by the United States (PCAOB) (until April 2023), Japan (FSA/CPAIOB), and Ireland (IAASA) (from April 2023)
- Chairing and provision of administrative support of various Working Groups, Task Forces and other workstreams by Austria (APAB), Brazil (CVM), Canada (CPAB), France (H2A), Germany (AOB), the Netherlands (AFM), New Zealand (FMA), United Kingdom (FRC) and United States (PCAOB)
- Participation on the Board by Australia (ASIC), Brazil (CVM), Canada (CPAB), Chinese Taipei (FSC), France (H2A), Germany (AOB), Greece (HAASOB), Ireland (IAASA), Japan (FSA/CPAIOB), the Netherlands (AFM), Singapore (ACRA), Switzerland (FAOA), South Africa (IRBA), Türkiye (POA/CMB), United Kingdom (FRC), and United States (PCAOB)
- Participation of Members in Working Groups, Task Forces and other IFIAR activities

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# Statement of responsibilities for the annual report & financial statements

## Responsibilities under the IFIAR Charter

The IFIAR Officers are responsible for preparing the Annual Report, including the financial statements, for approval by the IFIAR Board, including determination of its distribution, in accordance with the IFIAR Charter.

## Responsibilities under relevant laws and regulations

The Directors of the International Forum of Independent Audit Regulators Association (IFIAR Association) are responsible for preparing a Business Report and Financial Statements, in accordance with IFIAR Association Articles of Association and applicable laws and regulations, to be presented to IFIAR Association Members. The Members are required to approve the Financial Statements at the Association's Annual General Assembly Meeting. The IFIAR Annual Report includes the required content for Business Reports.

The Act on General Incorporated Associations and General Incorporated Foundations requires the Directors to prepare financial statements for each financial year in accordance with relevant Generally Accepted Accounting Principles. In preparing the financial statements, the Directors have elected to apply the International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs).

## Preparation of the financial statements

In preparing the financial statements, the Directors of IFIAR Association are required to:

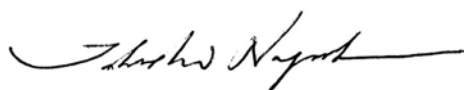
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state that the financial statements comply with IFRS for SMEs subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that IFIAR Association will continue in business, in which case there should be supporting assumptions or qualifications as necessary.

## IFIAR Association Director Confirmations

Each of the Directors of IFIAR Association, whose names are listed in Note 1 to the financial statements confirms that:

- IFIAR Association is financially sound and has adequate resources to continue operating for the foreseeable future; and
- to the best of his or her knowledge, the financial statements, which have been prepared in accordance with IFRS for SMEs, give a true and fair view of the financial position and financial performance of IFIAR Association.

Signed on behalf of the Directors of IFIAR Association:



**Takashi Nagaoka**  
Chair of IFIAR Board and  
Representative Director of IFIAR Association  
March 1, 2024

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# Independent auditors report

To the Directors of **International Forum of Independent Audit Regulators Association**

## **Opinion**

We have audited the financial statements of the International Forum of Independent Audit Regulators Association (IFIAR Association), which comprise the statement of financial position as at December 31, 2023, and the statement of comprehensive income and retained surplus and statement of cash flows for the period then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects the financial position of IFIAR Association as at December 31, 2023, and its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standard for SMEs (IFRS for SMEs).

## **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of IFIAR Association in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Other information**

The other information comprises the annual report and its supplementary schedules. Management is responsible for the preparation and presentation of the other information. The Corporate Auditor is responsible for overseeing the execution of duties by the directors in reporting process design and operation of the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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## Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS for SMEs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

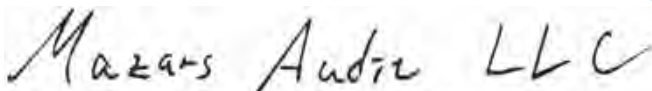
In preparing the financial statements, management is responsible for assessing IFIAR Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate IFIAR Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing IFIAR Association's financial reporting process.

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



**Mazars Audit LLC**  
Akasaka Intercity, 5F  
1-11-44 Akasaka, Minato-ku, Tokyo, 107-0052, Japan  
March 1, 2024

# Financial statements

## INTERNATIONAL FORUM OF INDEPENDENT AUDIT REGULATORS ASSOCIATION FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

### STATEMENT OF COMPREHENSIVE LOSS AND RETAINED SURPLUS FOR THE YEAR ENDED DECEMBER 31, 2023

	Note	2023 JPY	2022 JPY
<b>Revenue</b>	3	<b>207,449,250</b>	<b>197,538,600</b>
<b>OPERATIONAL EXPENDITURE</b>			
Salaries and employee benefits	4,5(b)	155,594,941	148,170,269
Travel expenses		29,488,714	10,830,471
Plenary host and meeting expenses		5,803,899	1,008,511
Audit expenses		2,220,694	2,014,629
Information technology and communication expenses		6,144,327	6,273,970
Professional fees		7,413,845	11,241,220
Other expenses		2,857,869	2,786,944
Office supplies		632,806	297,043
Rental and maintenance expense	5(b)	11,903,239	11,889,521
Depreciation	6	3,450,789	5,014,929
Foreign exchange loss		224,942	263,397
PIOB funding	10	10,000,000	6,150,000
<b>Total operational expenditure</b>		<b>235,736,065</b>	<b>205,940,904</b>
<b>Operating deficit and comprehensive loss</b>		<b>(28,286,815)</b>	<b>(8,402,304)</b>
<b>Retained surplus at start of year</b>		<b>328,525,714</b>	<b>336,928,018</b>
<b>Retained surplus at end of year</b>		<b>300,238,899</b>	<b>328,525,714</b>



INTERNATIONAL FORUM OF INDEPENDENT AUDIT REGULATORS ASSOCIATION  
 FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2023

	Note	2023 JPY	2022 JPY
<b>ASSETS</b>			
<b>Non-current assets</b>			
Deposits	5(c)	12,619,134	12,619,134
Property, plant and equipment	6	8,710,029	10,528,339
Cash and cash equivalents	7	4,739,790	3,470,738
		<u>26,068,953</u>	<u>26,618,211</u>
<b>Current assets</b>			
Accounts and other receivables		2,089,760	-
Prepaid expenses		14,381,395	11,350,783
Cash and cash equivalents	7	375,946,199	404,195,610
		<u>392,417,354</u>	<u>415,546,393</u>
<b>Total assets</b>		<u><b>418,486,307</b></u>	<u><b>442,164,604</b></u>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Asset retirement obligation	5(d)	16,571,520	16,571,520
Other long-term employee benefit	7	4,739,790	3,470,738
		<u>21,311,310</u>	<u>20,042,258</u>
<b>Current liabilities</b>			
Accounts and other payables		11,589,557	14,618,019
Accruals		4,833,260	4,379,972
Deferred income	8	34,593,919	36,649,095
Other long-term employee benefit	7	45,919,362	37,949,546
		<u>96,936,098</u>	<u>93,596,632</u>
<b>Total liabilities</b>		<u><b>118,247,408</b></u>	<u><b>113,638,890</b></u>
<b>EQUITY</b>			
Retained surplus	1	300,238,899	328,525,714
<b>Total liabilities and equity</b>		<u><b>418,486,307</b></u>	<u><b>442,164,604</b></u>

INTERNATIONAL FORUM OF INDEPENDENT AUDIT REGULATORS ASSOCIATION  
FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2023

	Note	2023 JPY	2022 JPY
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Total operating (deficit) for the year		(28,286,815)	(8,402,304)
Adjustments for:			
Depreciation	6	3,450,789	5,014,929
Loss on disposal		48,904	-
(Increase) in accounts and other receivables		(2,089,760)	-
(Increase) in prepaid expenses		(3,030,612)	(4,563,816)
(Decrease) / increase in accounts and other payables		(3,028,462)	10,004,017
Increase / (decrease) in accruals		453,288	(4,699,127)
(Decrease) / increase in deferred income	8	(2,055,176)	6,806,856
Increase in other long-term employee benefit payable	7	9,238,868	8,778,295
<b>Net cash (used in) / from operating activities</b>		<b>(25,298,976)</b>	<b>12,938,850</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisition of property, plant and equipment	6	(1,681,383)	(4,403,346)
<b>Net cash used in investing activities</b>		<b>(1,681,383)</b>	<b>(4,403,346)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>(26,980,359)</b>	<b>8,535,504</b>
Cash and cash equivalents at the beginning of the year		407,666,348	399,130,844
<b>Total cash and cash equivalents at end of the year</b>	<b>7</b>	<b>380,685,989</b>	<b>407,666,348</b>

**NOTES TO THE FINANCIAL STATEMENTS**

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**1. General information and purpose of the organization**

The International Forum of Independent Audit Regulators Association (IFIAR Association) was established on January 4, 2017, in Tokyo, Japan and serves as the legal entity the International Forum of Independent Audit Regulators (IFIAR) uses for collecting and recognizing membership fees and for contracting purposes to engage in financial transactions such as employing individuals for the Secretariat, and paying suppliers in relation to Secretariat infrastructure and costs. IFIAR Association's financial statements relate to only part of the resources needed for IFIAR activities, being those contracted through IFIAR Association.

Activities performed by, and resources provided by, IFIAR Members (e.g., Board participation, Working Group participation, etc.) are deemed as being contributed to IFIAR and are not recorded in IFIAR Association's financial statements unless a contract is entered into with IFIAR Association with quantifiable amounts.

The Directors of IFIAR Association are Takashi Nagaoka, Kevin Prendergast and Imre Nagy. Takashi Nagaoka and Imre Nagy were re-appointed as representative director and non-representative director respectively, and Kevin Prendergast was appointed as representative director as of April 25, 2023, at IFIAR Association 2023 Annual General Assembly Meeting.

IFIAR Association satisfies the requirements to be treated as a non-profit General Incorporated Association under the Japanese Corporation Tax Legislation. Therefore, IFIAR Association is taxed to the extent that it carries out a profit-making business. IFIAR Association does not engage in any profit-making business. IFIAR Association is prohibited from the distribution of reserves, including in the event of dissolution, under Japanese law.

**2. Summary of significant accounting policies**

The principal accounting policies applied in the preparation of these financial statements are set out below.

**2.1 Basis of presentation**

The financial statements of IFIAR Association have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs) issued by the International Accounting Standards Board and are consistent with the previous period. The financial statements, except for Statement of Cash Flows, have been prepared on an accrual basis with all assets, liabilities, equity, revenue and expenses recognized when they satisfy the definitions and recognition criteria for those items.

**2.2 Cash and cash equivalents**

The measurement basis for cash and cash equivalents is the balance recorded in IFIAR Association's bank account. These balances are denominated in Japanese Yen (JPY).

**2.3 Receivables**

Receivables are initially measured at the transaction price. At the end of each reporting period, the carrying amounts of receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognized immediately in the statement of comprehensive loss and retained surplus.

**2.4 Revenue recognition**

All revenues are measured at the fair value of the consideration received or receivable. Membership fees are recognized on a straight-line basis over the membership period. Host subsidies are recognized when there is reasonable assurance that the grant will be received. Secondment subsidies are recognized on a straight-line basis over the secondment period. Interest income is recognized when earned.

## 2.5 Foreign currency translation

The functional and presentation currency for IFIAR Association is the JPY. Foreign currency transactions are initially recorded by applying the average exchange rate for the month in which the transaction occurred. Monetary assets and liabilities denominated in a foreign currency are translated into JPY using the exchange rate at the reporting date.

## 2.6 Property, plant and equipment

### Definition

Property, plant and equipment are non-current assets that are held for use for IFIAR Association's administrative purposes and are expected to be used for more than one year.

### Recognition and initial measurement

IFIAR Association recognizes the cost of property, plant and equipment as an asset when it is probable that future economic benefits associated with the item purchased will flow to the entity and the cost of the item can be measured reliably. Property, plant and equipment are initially measured at cost.

### Subsequent measurement

IFIAR Association measures property, plant and equipment after initial recognition at cost less any accumulated depreciation and any accumulated impairment losses. Property, plant and equipment are generally depreciated on a straight-line basis over their expected useful lives. Leasehold improvements are depreciated over the shorter of the expected useful lives and the lease terms. The straight-line method reflects the pattern in which IFIAR Association expects to consume the asset's future economic benefits. The useful lives of items of property, plant and equipment have been assessed as follows:

Category:	Useful life
Leasehold improvements	5 years
Furniture and fixtures	10 years
Information Technology (IT) and Office equipment	3-5 years

If there is an indication that there has been a significant change in the useful life of an asset, the depreciation of that asset is revised prospectively to reflect the new estimate.

## 2.7 Government assistance

Grants from the Government of Japan, which are paid to IFIAR Association by the Japan Financial Services Agency (JFSA)/ the Certified Public Accountants & Auditing Oversight Board (CPA/OB), are recognized as revenue when there is reasonable certainty that the grant will be received. The Government of Japan has not imposed any future performance conditions on IFIAR Association to receive these grants.

The amount is fixed for five-year periods with a review undertaken prior to the end of each five-year period to agree the level of subsidy for the following five-year period. The subsidy was fixed for five years at JPY 86,810,000 per annum for the period 2022 to 2026. JFSA/CPA/OB will continue to provide annual contributions as long as the Secretariat is based in Japan.

## 2.8 Operating leases

IFIAR Association classifies a lease as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership and recognizes lease payments under operating leases (excluding costs for services such as insurance and maintenance) as an expense over the lease term on a straight-line basis.

## 2.9 Other long-term employee benefit

Other long-term employee benefit relates to a long-term service award. Benefits are payable to eligible employees when their employment ends if they have completed five years or more of continuous service. The cost is recognized when the service is rendered, and the benefit accrues from the commencement of employment for each employee.

### 3. Revenue

Revenue comprises membership fees, subsidies from the Government of Japan and interest income.

Membership fees include those invoiced for the financial year, including Members that joined IFIAR during the year for whom the fees are pro-rated for the period of membership. In 2023, membership fees were due from 55 (2022: 54) Member jurisdictions. In 2023, a discount of 20% (2022: 25%) was applied to membership fees of all Members, excluding those that became Members during the year and had their fee pro-rated.

Subsidies include an annual contribution of JPY 86,810,000 in 2022 and 2023 (see note 2.7), and a further subsidy was received in relation to a seconded staff member.

	<b>2023</b>	<b>2022</b>
	<b>JPY</b>	<b>JPY</b>
Membership fees (Gross)	136,234,112	130,779,299
Discount	(27,153,849)	(32,694,828)
<b>Membership fees (Net)</b>	<b>109,080,263</b>	<b>98,084,471</b>
Subsidies / Government grants	98,364,876	99,450,000
Interest income	4,111	4,129
<b>Total revenue</b>	<b>207,449,250</b>	<b>197,538,600</b>

### 4. Salaries and employee benefits

	<b>2023</b>	<b>2022</b>
	<b>JPY</b>	<b>JPY</b>
Gross salaries	106,075,144	102,583,613
Health and pension insurance	7,064,073	6,880,299
Staff welfare	27,520,736	25,193,928
Other employee benefits	5,696,120	4,734,133
Long-term service award expense	9,238,868	8,778,296
<b>Total salaries and employee benefits</b>	<b>155,594,941</b>	<b>148,170,269</b>

Of which:

<b>Compensation paid to Key Management Personnel</b>	<b>47,517,026</b>	<b>44,065,884</b>
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### Contingent relocation cost liability

Employees recruited from outside Japan and relocated into Japan are eligible under their employment contracts at the end of their employment to have their relocation costs to their home countries reimbursed by IFIAR Association if they elect to relocate at that time. It is not determinable whether it is more likely than not that economic benefits will be required to be transferred, and the amount of the obligation cannot be estimated reliably. Further, although the timing and amount of the cost is not known, the potential maximum amounts are not considered material in the context of the financial statements. Accordingly, no liability is recorded.

## 5. Lease related disclosures

### a. Operating lease commitments

At year-end, total outstanding commitments for IFIAR Association under non-cancellable operating leases were as follows:

#### Properties

	2023	2022
	JPY	JPY
Payments within 1 year	17,314,560	16,714,560
Payments later than 1 year but within 5 years	21,669,120	32,503,680
<b>Total lease commitments</b>	<b>38,983,680</b>	<b>49,218,240</b>

### b. Operating lease expenses

Lease payments recognized as an expense during the year amounted to JPY 16,714,560 (2022: JPY 16,752,792), as detailed below.

Statement of Comprehensive Income line item in which lease expenses are included	Leased item	2023	2022
		JPY	JPY
Rental and maintenance expense	Office and photocopier	10,834,560	10,872,792
Salaries and employee benefits	Residential leases	5,880,000	5,880,000
		<b>16,714,560</b>	<b>16,752,792</b>

### c. Security deposits

Security deposits of JPY 12,619,134 (2022: JPY 12,619,134) were paid with regard to the office lease and residential leases for three employees.

### d. Asset retirement obligation

The office lease includes provisions requiring IFIAR Association to return the premises to the condition they were at the time of entering the lease. Therefore, an asset retirement obligation and related leasehold improvement of JPY 16,571,520 (2022: JPY 16,571,520) were recognized in the Statement of Financial Position upon entering into the lease. The obligation crystallizes when IFIAR Association exits the premises, the timing of which is uncertain.

## 6. Property, plant and equipment

	Leasehold Improvements	Furniture & fixtures	IT and Office Equipment	Total JPY
Cost at January 1, 2023	48,758,382	14,528,144	13,541,138	76,827,664
Additions	-	-	1,681,383	1,681,383
Disposal	-	-	(1,410,501)	(1,410,501)
Cost at December 31, 2023	48,758,382	14,528,144	13,812,020	77,098,546
Accumulated depreciation at January 1, 2023	(48,754,062)	(7,947,792)	(9,597,471)	(66,299,325)
Disposal	-	-	1,361,597	1,361,597
Depreciation	(3,240)	(1,452,816)	(1,994,733)	(3,450,789)
Accumulated depreciation at December 31, 2023	(48,757,302)	(9,400,608)	(10,230,607)	(68,388,517)
<b>Net book value at December 31, 2023</b>	<b>1,080</b>	<b>5,127,536</b>	<b>3,581,413</b>	<b>8,710,029</b>
Cost at January 1, 2022	48,758,382	14,528,144	14,287,400	77,573,926
Additions	-	-	4,403,346	4,403,346
Disposal	-	-	(5,149,608)	(5,149,608)
Cost at December 31, 2022	48,758,382	14,528,144	13,541,138	76,827,664
Accumulated depreciation at January 1, 2022	(46,313,730)	(6,494,976)	(13,625,298)	(66,434,004)
Disposal	-	-	5,149,608	5,149,608
Depreciation	(2,440,332)	(1,452,816)	(1,121,781)	(5,014,929)
Accumulated depreciation at December 31, 2022	(48,754,062)	(7,947,792)	(9,597,471)	(66,299,325)
<b>Net book value at December 31, 2022</b>	<b>4,320</b>	<b>6,580,352</b>	<b>3,943,667</b>	<b>10,528,339</b>

## 7. Cash and cash equivalents

Cash is held in a current bank account denominated in JPY.

	2023 JPY	2022 JPY
Current	375,946,199	404,195,610
Non-current	4,739,790	3,470,738
<b>Total</b>	<b>380,685,989</b>	<b>407,666,348</b>

Of which the following amounts are ringfenced for payment of long-term service benefits and are therefore not available for general use:

	2023 JPY	2022 JPY
Current	45,919,362	37,949,546
Non-current	4,739,790	3,470,738
<b>Total</b>	<b>50,659,152</b>	<b>41,420,284</b>

## **8. Deferred income**

Deferred income relates to membership fees received in advance from Members.

## **9. Related party transactions**

IFIAR Association conducts transactions with the Members of IFIAR Association (who are also Members of IFIAR). All revenues (including the subsidies but excluding interest income) are received from Members (ref. note 3). Accounts and other receivables balances in each year relate to amounts due from related parties which were settled subsequent to each year-end. Compensation paid to Key Management Personnel is disclosed in note 4. In 2023, JPY 1,872,062 (2022: JPY 1,551,766) of the operating expenses were paid to the organizations of the Chair and Vice-Chair of IFIAR as a contribution towards travel costs in relation to IFIAR activities.

## **10. PIOB Funding**

The Public Interest Oversight Board (PIOB) was formally established in February 2005 as part of the International Federation of Accountants (IFAC) Reform Proposals with the objective to increase investor and other stakeholder confidence that IFAC's public interest activities, including standard setting by IFAC's independent boards, are properly responsive to the public interest.

IFIAR Association decided in April 2020 to provide the PIOB with an annual direct financial contribution to support the PIOB's operating budget, starting in 2020. From 2023 IFIAR increased its contribution to JPY 10,000,000 (2022: JPY 6,150,000).



# IFIAR Members & Observers

## **IFIAR Member Directory**

A directory of IFIAR Members is available on our website at:  
<https://www.ifiar.org/members/member-directory>

## **IFIAR Publications**

A list of IFIAR publications is available on our website at:  
<https://www.ifiar.org/about/publications>

## **Observers**

The following organizations are observers of IFIAR meetings:

Basel Committee on Banking Supervision (BCBS)  
European Commission  
Financial Stability Board (FSB)  
International Association of Insurance Supervisors (IAIS)  
International Organization of Securities Commissions (IOSCO)  
Public Interest Oversight Board (PIOB)  
World Bank



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