

# 2024 ANNUAL REPORT



**IFRIAR**

INTERNATIONAL FORUM OF INDEPENDENT AUDIT REGULATORS

# Contents

04	IFIAR Officers' Message to our Members and Stakeholders
08	Who we are
11	IFIAR in numbers
12	Our leadership
14	2024 in numbers
15	Our Working Groups and Task Forces
18	Delivering IFIAR's Strategy
23	Governance reporting
25	Financial highlights
28	Statement of responsibilities for the annual report and financial statements
30	Independent auditor's report
34	Financial statements
44	IFIAR Members and Observers

Contents	Message	Who We Are	IFIAR in Numbers	Our Leadership	2024 in Numbers	WGs & TFs
Delivering IFIAR's Strategy	Governance Reporting	Financial Highlights	Statement of Responsibilities	Auditor's Report	Financial Statements	2

# 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>

Contents	Message	Who We Are	IFIAR in Numbers	Our Leadership	2024 in Numbers	WGs & TFs
Delivering IFIAR's Strategy	Governance Reporting	Financial Highlights	Statement of Responsibilities	Auditor's Report	Financial Statements	<b>3</b>

# IFIAR Officers’ Message to our Members and stakeholders

Contents	Message	Who We Are	IFIAR in Numbers	Our Leadership	2024 in Numbers	WGs & TFs
Delivering IFIAR’s Strategy	Governance Reporting	Financial Highlights	Statement of Responsibilities	Auditor’s Report	Financial Statements	4

# Welcome to IFIAR's 2024 Annual Report.

Changes and uncertainty over the past few years, including from the pandemic and geopolitical conflicts, persisted in 2024. Even in such environment, or rather exactly because of that, the importance of audit in ensuring trust in capital markets and enhancing market governance remains unchanged. As we completed the fourth year of IFIAR's 2021-2026 Strategic Plan in 2024, we continued to make progress with our mission to serve the public interest, including investors, by enhancing audit oversight globally. This Annual Report presents a high level overview of our aspirations and progress over the past year.

## Building regulatory capacity through knowledge-sharing and collaboration

Building on our Members' expertise and experience in key areas of audit oversight is at the core of IFIAR's values which helps equip its Members with knowledge and skillsets necessary for their regulatory activities, and thus collectively promote globally consistent and high-quality audit. Key to this is proactive engagement by all Members to share with and learn from their peers. While working groups and task forces continued to be the main drivers, we have reinstigated online Member regulatory updates in addition to regular workshops and delivered an increased number of webinars on topical issues of common interest.

To further advance our commitment to inclusiveness, IFIAR's leadership continued to focus on outreach to existing Members at various occasions to listen to their needs.

Member feedback was sought also through the biennial Member Survey. IFIAR also continues to reach out to prospective Members, and in early 2024, we welcomed Abu Dhabi Global Markets as a new Member. IFIAR will continue its efforts to further inclusiveness and Member engagement, and thereby strengthen the collective impact of the audit regulatory community.

## Responding to emerging issues

In the evolving environment, audit regulators need to be aware of emerging developments in the audit market and be prepared to address potential concerns. IFIAR serves as a platform for Members to identify and discuss such issues of common interest. On major topics such as sustainability assurance as well as the use of technology, relevant task forces continued to lead the discussion in the past year. The findings and insights have been shared with the broader Membership including via webinars and other events such as the Inspection Workshop in Dublin and the breakout sessions during the Osaka Plenary meeting.

In addition, the IFIAR Board has now given structure to its forward-looking discussions on emerging developments to shed light on potential risks that may be relevant for audit regulators across the globe. Most recently, the topic of private equity investments in audit firms was taken up by the Board. Members are informed of the essence of the discussion and subsequent workstreams including via newsletters. Members are also invited to share potential new emerging issues at any time for the Board's consideration.

Contents	Message	Who We Are	IFIAR in Numbers	Our Leadership	2024 in Numbers	WGs & TFs
Delivering IFIAR's Strategy	Governance Reporting	Financial Highlights	Statement of Responsibilities	Auditor's Report	Financial Statements	5

## Enhancing influence via engagement with stakeholders

IFIAR continues to enhance its engagement with key stakeholders in the financial reporting ecosystem, to understand, inform and influence our stakeholders’ expectations and perspectives in relation to audit oversight.

Dialogues with the GPPC networks at different levels continued throughout the year, on various themes relevant to global audit quality, including audit firm governance and attractiveness of the audit profession as well as the progress of the ISQM1 implementation. Given the disappointing result of the Inspection Findings Survey, root causes and remedial measures were also discussed frequently. The GPPC networks agreed on IFIAR’s new four-year metric to reduce the findings rate.

IFIAR also engaged with international audit-related standard setters, through regular meetings and issuing comment letters in response to proposals from IAASB and IESBA throughout 2024. Investors and other stakeholders have shared their external insights for IFIAR to reflect on, including at the Plenary meeting. The past year highlighted our increased interaction with other international bodies with a shared interest in high quality audit, such as IOSCO and IAIS, in addition to the World Bank.

While we place special focus on internal communication with Members, it is also crucial to communicate IFIAR’s findings and key takeaways with relevant stakeholders beyond IFIAR Membership. We have geared up our external communication efforts, including by releasing public statements and publishing reports. We hope such publications will give greater visibility to our activities and raise awareness on critical issues, and may prompt a broader-based discussion among the stakeholders to tackle challenges together.



Contents	Message	Who We Are	IFIAR in Numbers	Our Leadership	2024 in Numbers	WGs & TFs
Delivering IFIAR’s Strategy	Governance Reporting	Financial Highlights	Statement of Responsibilities	Auditor’s Report	Financial Statements	<b>6</b>



**Sustainability** continues to be a key consideration in IFIAR’s operations and governance. IFIAR employs a mix of in-person and virtual activities, with the vast majority of activities using virtual formats. In-person events take place when appropriate, remaining cognizant of the carbon emissions caused by international travel and events.

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

Finally, as the term of the Officers will end in April 2025, this will be the last message from the current leadership team. We would like to extend our gratitude to all IFIAR Members for your engagement and support throughout 2024. We would also like to take this opportunity to thank those Members and individuals who contributed to IFIAR’s Working Groups and Task Forces, the IFIAR Board and its Committees; the former Executive Director who has led the Secretariat since its launch in 2017; the Secretariat staff for their continued work in support of IFIAR and Japan (FSA/CFAAOB) for their ongoing hosting of the Secretariat in Tokyo, Japan.

As we enter the final year of IFIAR’s 2021-2026 Strategic Plan, we remain committed to delivering IFIAR’s mission through collaborative inputs from our Members and relevant stakeholders of the financial reporting ecosystem towards a shared goal.



Contents	Message	Who We Are	IFIAR in Numbers	Our Leadership	2024 in Numbers	WGs & TFs
Delivering IFIAR’s Strategy	Governance Reporting	Financial Highlights	Statement of Responsibilities	Auditor’s Report	Financial Statements	<b>7</b>

# Who we are

Contents	Message	Who We Are	IFIAR in Numbers	Our Leadership	2024 in Numbers	WGs & TFs
Delivering IFIAR's Strategy	Governance Reporting	Financial Highlights	Statement of Responsibilities	Auditor's Report	Financial Statements	8



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

**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.



Contents	Message	Who We Are	IFIAR in Numbers	Our Leadership	2024 in Numbers	WGs & TFs
Delivering IFIAR's Strategy	Governance Reporting	Financial Highlights	Statement of Responsibilities	Auditor's Report	Financial Statements	9

**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 (refer to page 19).



**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.



Contents	Message	Who We Are	IFIAR in Numbers	Our Leadership	2024 in Numbers	WGs & TFs
Delivering IFIAR’s Strategy	Governance Reporting	Financial Highlights	Statement of Responsibilities	Auditor’s Report	Financial Statements	<b>10</b>

# IFIAR in numbers

56

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

6

...across six 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 two Officers: Takashi Nagaoka, IFIAR Chair; and Kevin Prendergast, IFIAR Vice Chair

5

IFIAR's Acting Executive Director, Delon Abrams, leads a Secretariat team of five staff with an office in Tokyo, Japan

Contents	Message	Who We Are	IFIAR in Numbers	Our Leadership	2024 in Numbers	WGs & TFs
Delivering IFIAR's Strategy	Governance Reporting	Financial Highlights	Statement of Responsibilities	Auditor's Report	Financial Statements	11

# Our Leadership

Contents	Message	Who We Are	IFIAR in Numbers	<b>Our Leadership</b>	2024 in Numbers	WGs & TFs
Delivering IFIAR's Strategy	Governance Reporting	Financial Highlights	Statement of Responsibilities	Auditor's Report	Financial Statements	<b>12</b>

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

Members elected Takashi Nagaoka of Japan (FSA/CPA/OB) as Chair and Kevin Prendergast of Ireland (IAASA) as Vice Chair of IFIAR in 2023. They each serve a two-year term which ends in April 2025.

Delon Abrams was appointed as Acting Executive Director of the IFIAR Secretariat in September 2024 and is responsible for leading the IFIAR Secretariat based in Tokyo. The (Acting) Executive Director is accountable to the Chair, Vice Chair, and Board. Prior to Mr. Abrams’s appointment, Carl Renner served as Executive Director from 2017 to August 2024.

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, under the leadership of their respective chairs. The Board 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.



Contents	Message	Who We Are	IFIAR in Numbers	Our Leadership	2024 in Numbers	WGs & TFs
Delivering IFIAR’s Strategy	Governance Reporting	Financial Highlights	Statement of Responsibilities	Auditor’s Report	Financial Statements	<b>13</b>

# 2024 in numbers

48

IFIAR Members from 48 jurisdictions met in Osaka for IFIAR's annual Plenary meeting, hosted by Japan (FSA/CPAAOB) in April 2024

18

IFIAR's 18th annual Inspection Workshop was hosted by IAASA in Dublin, Ireland in March 2024, with nearly 150 attendees joining from 46 jurisdictions

7

Throughout 2024, IFIAR issued four comment letters to standard-setting boards; two statements on new audit quality initiatives and private equity investments in audit firms; and one report on inspection findings

16

16 webinars were held by IFIAR's WGs, TFs, and Member organizations to facilitate information sharing among IFIAR Members

59

IFIAR's Board, Committees, WGs and TFs held 59 meetings throughout 2024: 49 of which were virtual; 10 in-person

Contents	Message	Who We Are	IFIAR in Numbers	Our Leadership	2024 in Numbers	WGs & TFs
Delivering IFIAR's Strategy	Governance Reporting	Financial Highlights	Statement of Responsibilities	Auditor's Report	Financial Statements	14

# Our Working Groups and Task Forces

Contents	Message	Who We Are	IFIAR in Numbers	Our Leadership	2024 in Numbers	WGs & TFs
Delivering IFIAR's Strategy	Governance Reporting	Financial Highlights	Statement of Responsibilities	Auditor's Report	Financial Statements	<b>15</b>

# Working Groups

## Investors & other stakeholders

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

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

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

## Standards Coordination

Responsible for providing input and feedback to international 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.

**Chair:** James Ferris, United Kingdom (FRC)  
**Vice Chair:** Stacy Hammett, Canada (CPAB)

**Members:** 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)

## Enforcement

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

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

**Members:** Albania (POB), Australia (ASIC), 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)

## Global Audit Quality

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.

**Chair:** Kara Stein, United States (PCAOB)  
**Vice Chair:** Andrew Meek, United Kingdom (FRC)

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

## Inspection Workshop

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

**Chair:** Askin Akbulut, Germany (AOB)  
**Vice Chair:** Ntlambi Gulwa, South Africa (IRBA)

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

Contents	Message	Who We Are	IFIAR in Numbers	Our Leadership	2024 in Numbers	WGs & TFs
Delivering IFIAR's Strategy	Governance Reporting	Financial Highlights	Statement of Responsibilities	Auditor's Report	Financial Statements	16



## 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.

## Technology

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

**Members:** Canada (CPAB), Ireland (IAASA), Italy (CONSOB), Japan (FSA/CPAAOB), 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.

# Support network

# Task Forces

## Sustainability Assurance

**Lead:** Claire Lindridge, United Kingdom (FRC)

**Members:** Brazil (CVM), Chinese Taipei (FSC), France (H2A), Germany (AOB), Greece (HAASOB), Italy (CONSOB) (from December 2024), Japan (FSA/CPAAOB), Malaysia (AOB) (from December 2024), the Netherlands (AFM), Poland (PANA) (from December 2024), Türkiye (CMB/POA), United Kingdom (FRC), United States (PCAOB)

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

## 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.

Contents	Message	Who We Are	IFIAR in Numbers	Our Leadership	2024 in Numbers	WGs & TFs
Delivering IFIAR's Strategy	Governance Reporting	Financial Highlights	Statement of Responsibilities	Auditor's Report	Financial Statements	17

# Delivering IFIAR's Strategy

Contents	Message	Who We Are	IFIAR in Numbers	Our Leadership	2024 in Numbers	WGs & TFs
Delivering IFIAR's Strategy	Governance Reporting	Financial Highlights	Statement of Responsibilities	Auditor's Report	Financial Statements	<b>18</b>

## 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.

IFIAR's 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

### 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

IFIAR's Core Strategies set out the overarching goals on which IFIAR focuses to further its Strategic Objectives.

The information on the following pages outlines the key actions implemented by IFIAR in 2024 to deliver against each core strategy.

Contents	Message	Who We Are	IFIAR in Numbers	Our Leadership	2024 in Numbers	WGs & TFs
Delivering IFIAR's Strategy	Governance Reporting	Financial Highlights	Statement of Responsibilities	Auditor's Report	Financial Statements	19

IFIAR held various meetings, workshops and webinars throughout 2024, to foster sustained collaboration and knowledge-sharing between Members.

## Core Strategy 1

Reinforce sustained collaboration and knowledge sharing between Members

## Meetings

IFIAR's in-person **Plenary Meeting** was held in Osaka, Japan, in April in which Members, GPPC CEOs and other key stakeholder representatives addressed several key emerging developments and trends, including audit firm **governance**, assurance over the **sustainability** reporting, and the increased use of emerging **technology** by audit firms.

IFIAR's Board continued its discussions on 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.

## Inspection Workshop

IFIAR's 18<sup>th</sup> **Inspection Workshop** was organized by the IWWG and hosted by Ireland (IAASA) in March, further sharing Members' inspection experiences and approaches, and providing valuable technical training to Members' staff.

## Webinars

The **EWG** organized a webinar on **managing challenging individuals and/or non-cooperative tactics**.

The **IWWG** organized two webinars providing valuable training on:

- The results of the **2023 Inspection Findings Survey**; and
- Audits of **Crypto Assets**.

The **SATF** organized two webinars, providing Members with insights on:

- Setting up **sustainability reporting assurance oversight**; and
- Potential advantages and disadvantages of **independent providers of assurance services on sustainability reporting**.

The **TTF** organized two webinars on artificial intelligence (AI):

- An external expert provided an **introduction to AI** in auditing and audit oversight; and
- Deloitte demonstrated its **AI-related tools**.

**Japan** (FSA/CPA/OB) organized a Regulatory Update webinar, providing Members with an update on key regulatory developments in Japan.

Contents	Message	Who We Are	IFIAR in Numbers	Our Leadership	2024 in Numbers	WGs & TFs
Delivering IFIAR's Strategy	Governance Reporting	Financial Highlights	Statement of Responsibilities	Auditor's Report	Financial Statements	20

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

## Core Strategy 2

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

## Public Communication

The **IFSTF** published a report summarizing the **results of the 2023 Survey of Inspection Findings** in March 2024. IFIAR Members reported that 32% of audit engagements inspected had at least one finding, compared to 26% in the 2022 survey. IFIAR expressed its concern and disappointment with the increase in an accompanying stakeholder announcement, which also outlined the outcome of a separate, GAQWG initiative, challenging GPPC networks to reduce findings by at least 25% over a four-year period from 2019 to 2022 – a target which the GPPC networks failed to achieve.

The SCWG published four comment letters on:

- IAASB Exposure Draft (ED) on Proposed ISA 240 (Revised): The Auditor’s Responsibilities Relating to Fraud in an Audit of Financial Statements
- IESBA ED on Using the Work of an External Expert
- IESBA Proposed International Ethics Standards for Sustainability Assurance (including International Independence Standards)
- IAASB Proposed Narrow Scope Amendments to ISQMs ISAs and ISRE 2400 (Revised)

## Contribution to international bodies

The **Officers** and **Secretariat** represented IFIAR at various meetings and events including the Auditing and Accounting Working Group of the **IAIS** and the **World Bank’s** REPARIS/EAASURE event.

IFIAR continued to contribute to the **Monitoring Group** regarding the implementation of its recommendations to strengthen the international audit and ethics standard-setting system

The SCWG met with representatives of the **IAASB**, **IESBA** and **PIOB** to present and discuss regulators’ perspectives and suggestions to enhance audit quality.

## Engagement with GPPC

The **GAQWG** held two in-person meetings with **GPPC** networks in 2024. Discussion topics included: the results of the 2023 Inspection Findings Survey and the persistent, high rate of findings; the factors preventing member firms from making sufficient progress in improving on repeated audit deficiencies and the actions being taken to address this. The GPPC networks also provided updates on the results of their internal quality monitoring; evaluation of their systems of quality management; and significant or emerging risks facing the networks.

## Engagement with external stakeholders

The **IOSWG**, with the support of their **Advisory Group**, discussed stakeholders’ understanding of ‘limited’ versus ‘reasonable’ assurance and perspectives on audit committees’ supervision of corporate reporting and audit.

Contents	Message	Who We Are	IFIAR in Numbers	Our Leadership	2024 in Numbers	WGs & TFs
Delivering IFIAR’s Strategy	Governance Reporting	Financial Highlights	Statement of Responsibilities	Auditor’s Report	Financial Statements	21

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

### For Prospective Members

IFIAR engaged with **remaining non-Member G20 jurisdictions** and other **targeted countries with independent oversight programs** about potential IFIAR membership.

### For Members

We 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.**

Direction and guidance was provided to **audit regulators that have applied or have expressed interest in applying for membership**.

We continued 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. IFIAR's Officers and Secretariat met with several audit regulators based in Africa with a view to increasing IFIAR's geographical diversity in this region.

### New Member in 2024

IFIAR welcomed the **Registration Authority (RA) of Abu Dhabi Global Market (ADGM)** as a new IFIAR Member in January.

Contents	Message	Who We Are	IFIAR in Numbers	Our Leadership	2024 in Numbers	WGs & TFs
Delivering IFIAR's Strategy	Governance Reporting	Financial Highlights	Statement of Responsibilities	Auditor's Report	Financial Statements	22

# Governance reporting

Contents	Message	Who We Are	IFIAR in Numbers	Our Leadership	2024 in Numbers	WGs & TFs
Delivering IFIAR's Strategy	Governance Reporting	Financial Highlights	Statement of Responsibilities	Auditor's Report	Financial Statements	<b>23</b>

## IFIAR Board

**Chair:** Takashi Nagaoka, Japan (JFSA/CPAAOB)

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

Australia (ASIC)  
Brazil (CVM)  
Canada (CPAB)  
Chinese Taipei (FSC)

France (H2A)  
Germany (AOB)  
Greece (HAASOB)  
Ireland (IAASA)

Japan (JFSA/CPAAOB)  
The Netherlands (AFM)  
Singapore (ACRA)  
Switzerland (FAOA)

South Africa (IRBA)  
Türkiye (CMB/POA)  
United Kingdom (FRC)  
United States (PCAOB)

## Audit & Finance Committee

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

Canada (CPAB)  
Chinese Taipei (FSC)  
Greece (HAASOB)  
Ireland (IAASA)  
South Africa (IRBA)

## Human Resources & Governance Committee

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

Brazil (CVM)  
Germany (AOB)  
Japan (JFSA/CPAAOB)  
Singapore (ACRA)  
Switzerland (FAOA)  
Türkiye (CMB/POA)

IFIAR's Board met five times in 2024, including three times in-person (in South Africa, Japan alongside the Plenary meeting, and the Netherlands). Key governance matters discussed and agreed at Board meetings during 2024 included the following:

### Approvals and affirmations

- 2024-2025 Operating Plan
- Reappointment of auditor and audit fee for 2024
- 2025-2026 Board Calendar
- Newly appointed IOSWG Advisory Group member
- TTF Longer-term Technology Workplan

### Support

- 2024 Revised and 2025 Budgets, and 2025 Membership Fees\*
- Membership application of Abu Dhabi Global Market (ADGM)\*

*\*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.
- Principal Risks: IFIAR maintains a comprehensive risk management program overseen by the Audit and Finance Committee and the Board. The risk register is reviewed at least annually to identify, assess and monitor key strategic, operational and reputational risks that could affect IFIAR's ability to achieve its objectives. Through its ongoing assessment process, the Board has determined that all identified risks, after considering established control measures, have low residual impact.

Contents	Message	Who We Are	IFIAR in Numbers	Our Leadership	2024 in Numbers	WGs & TFs
Delivering IFIAR's Strategy	Governance Reporting	Financial Highlights	Statement of Responsibilities	Auditor's Report	Financial Statements	24



# Financial highlights

Contents	Message	Who We Are	IFIAR in Numbers	Our Leadership	2024 in Numbers	WGs & TFs
Delivering IFIAR's Strategy	Governance Reporting	Financial Highlights	Statement of Responsibilities	Auditor's Report	Financial Statements	<b>25</b>

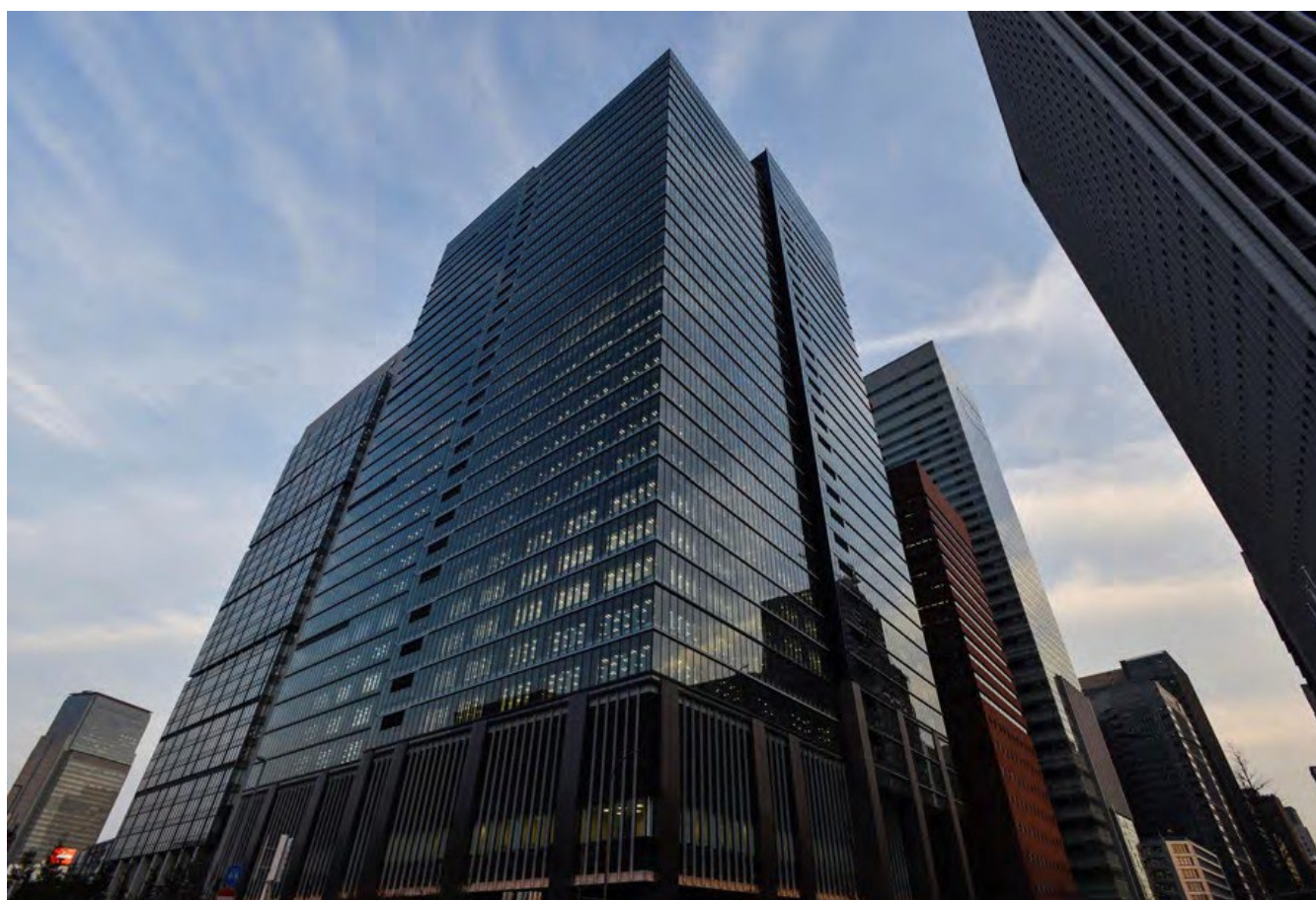
## Financial statement highlights

In 2017, under Japanese law, IFIAR established IFIAR Association, a GIA. IFIAR Association, comprising IFIAR's Members, serves as the legal entity for IFIAR's contracting purposes.

IFIAR Association is not subject to statutory audit; however, the members of IFIAR Association elect to have its financial statements audited. Forvis 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.



Contents	Message	Who We Are	IFIAR in Numbers	Our Leadership	2024 in Numbers	WGs & TFs
Delivering IFIAR's Strategy	Governance Reporting	Financial Highlights	Statement of Responsibilities	Auditor's Report	Financial Statements	26

## 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 2024 included the following:

### Hosting:

- Board meeting in Johannesburg by South Africa (IRBA) (February 2024)
- Inspection Workshop in Dublin by Ireland (IAASA) (March 2024)
- GAQWG meeting in Auckland by New Zealand (FMA) (March 2024)
- SCWG meeting in Toronto by Canada (CPAB) (April 2024)
- 2024 Plenary meeting and April Board meeting in Osaka by Japan (FSA/CPAAOB) (April 2024)
- IOSWG meeting in Vienna by Austria (APAB) (September-October 2024)
- Board and GAQWG meetings in Amsterdam by the Netherlands (AFM) (October 2024)
- EWG meeting in Washington DC by the United States (PCAOB) (October-November 2024)

### Other contributions:

- The Officers' organizational support provided by Japan (FSA/CPAAOB) and Ireland (IAASA)
- Chairing and provision of administrative support of various Working Groups, Task Forces and other workstreams by Austria (APAB), 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/CPAAOB), 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

Contents	Message	Who We Are	IFIAR in Numbers	Our Leadership	2024 in Numbers	WGs & TFs
Delivering IFIAR's Strategy	Governance Reporting	Financial Highlights	Statement of Responsibilities	Auditor's Report	Financial Statements	27

# Statement of responsibilities for the annual report and financial statements

Contents	Message	Who We Are	IFIAR in Numbers	Our Leadership	2024 in Numbers	WGs & TFs
Delivering IFIAR's Strategy	Governance Reporting	Financial Highlights	Statement of Responsibilities	Auditor's Report	Financial Statements	<b>28</b>

## 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 3, 2025

Contents	Message	Who We Are	IFIAR in Numbers	Our Leadership	2024 in Numbers	WGs & TFs
Delivering IFIAR's Strategy	Governance Reporting	Financial Highlights	Statement of Responsibilities	Auditor's Report	Financial Statements	<b>29</b>

# Independent auditor's report

Contents	Message	Who We Are	IFIAR in Numbers	Our Leadership	2024 in Numbers	WGs & TFs
Delivering IFIAR's Strategy	Governance Reporting	Financial Highlights	Statement of Responsibilities	Auditor's Report	Financial Statements	<b>30</b>

# 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, 2024, 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, 2024, 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.

Contents	Message	Who We Are	IFIAR in Numbers	Our Leadership	2024 in Numbers	WGs & TFs
Delivering IFIAR's Strategy	Governance Reporting	Financial Highlights	Statement of Responsibilities	Auditor's Report	Financial Statements	31

## 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 auditors' 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.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Contents	Message	Who We Are	IFIAR in Numbers	Our Leadership	2024 in Numbers	WGs & TFs
Delivering IFIAR's Strategy	Governance Reporting	Financial Highlights	Statement of Responsibilities	Auditor's Report	Financial Statements	32



- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*Forvis Mazars Japan Audit LLC*

**Forvis Mazars Japan Audit LLC**

Akasaka Intercity, 5F  
1-11-44 Akasaka, Minato-ku,  
Tokyo, 107-0052, Japan

March 3, 2025

Contents	Message	Who We Are	IFIAR in Numbers	Our Leadership	2024 in Numbers	WGs & TFs
Delivering IFIAR's Strategy	Governance Reporting	Financial Highlights	Statement of Responsibilities	Auditor's Report	Financial Statements	<b>33</b>

# Financial statements

Contents	Message	Who We Are	IFIAR in Numbers	Our Leadership	2024 in Numbers	WGs & TFs
Delivering IFIAR's Strategy	Governance Reporting	Financial Highlights	Statement of Responsibilities	Auditor's Report	Financial Statements	<b>34</b>

## INTERNATIONAL FORUM OF INDEPENDENT AUDIT REGULATORS ASSOCIATION

## FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

## STATEMENT OF COMPREHENSIVE GAIN / (LOSS) AND RETAINED SURPLUS FOR THE YEAR ENDED DECEMBER 31, 2024

	Note	2024 JPY	2023 JPY
<b>Revenue</b>	3	<b>260,560,876</b>	<b>207,449,250</b>
<b>OPERATIONAL EXPENDITURE</b>			
Salaries and employee benefits	4,5(b)	181,558,154	155,594,941
Recruitment costs		817,905	-
Travel expenses		22,582,894	29,488,714
Plenary host and meeting expenses		4,377,283	5,803,899
Audit expenses		2,115,678	2,220,694
Information technology and communication expenses		6,192,728	6,144,327
Professional fees		8,706,762	7,413,845
Other expenses		3,590,650	2,857,869
Office supplies		1,083,026	632,806
Rental and maintenance expense	5(b)	11,880,361	11,903,239
Depreciation	6	3,367,608	3,450,789
Foreign exchange loss		520,841	224,942
PIOB funding	10	<u>10,000,000</u>	<u>10,000,000</u>
<b>Total operational expenditure</b>		<b>256,793,890</b>	<b>235,736,065</b>
<b>Operating surplus / (deficit) and comprehensive gain/loss</b>		<b><u>3,766,986</u></b>	<b><u>(28,286,815)</u></b>
<b>Retained surplus at start of year</b>		<b>300,238,899</b>	<b>328,525,714</b>
<b>Retained surplus at end of year</b>		<b><u>304,005,885</u></b>	<b><u>300,238,899</u></b>

INTERNATIONAL FORUM OF INDEPENDENT AUDIT REGULATORS ASSOCIATION  
FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2024

	Note	2024 JPY	2023 JPY
<b>ASSETS</b>			
<b>Non-current assets</b>			
Deposits	5(c)	10,929,600	12,619,134
Property, plant and equipment	6	5,342,421	8,710,029
Cash and cash equivalents	7	6,239,311	4,739,790
		22,511,332	26,068,953
<b>Current assets</b>			
Accounts and other receivables		4,836,220	2,089,760
Prepaid expenses		6,416,754	14,381,395
Cash and cash equivalents	7	373,949,539	375,946,199
		385,202,513	392,417,354
<b>Total assets</b>		<b>407,713,845</b>	<b>418,486,307</b>
<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	6,239,311	4,739,790
		22,810,831	21,311,310
<b>Current liabilities</b>			
Accounts and other payables		9,596,338	11,589,557
Accruals		6,343,021	4,833,260
Deferred income	8	35,403,628	34,593,919
Other long-term employee benefit	7	29,554,142	45,919,362
		80,897,129	96,936,098
<b>Total liabilities</b>		<b>103,707,960</b>	<b>118,247,408</b>
<b>EQUITY</b>			
Retained surplus	1	304,005,885	300,238,899
<b>Total liabilities and equity</b>		<b>407,713,845</b>	<b>418,486,307</b>

**INTERNATIONAL FORUM OF INDEPENDENT AUDIT REGULATORS ASSOCIATION  
FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024**

**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2024**

	Note	2024 JPY	2023 JPY
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Total operating surplus / (deficit) for the year		3,766,986	(28,286,815)
Adjustments for:			
Depreciation	6	3,367,608	3,450,789
Loss on disposal		-	48,904
(Increase) in accounts and other receivables		(2,746,460)	(2,089,760)
Decrease / (increase) in prepaid expenses		7,964,641	(3,030,612)
(Decrease) in accounts and other payables		(1,993,219)	(3,028,462)
Increase in accruals		1,509,761	453,288
Increase / (Decrease) in deferred income	8	809,709	(2,055,176)
Decrease in deposits	5(c)	1,689,534	-
(Decrease) / increase in other long-term employee benefit payable	7	(14,865,699)	9,238,868
<b>Net cash (used in) operating activities</b>		<b>(497,139)</b>	<b>(25,298,976)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisition of property, plant and equipment	6	-	(1,681,383)
<b>Net cash (used in) investing activities</b>		<b>-</b>	<b>(1,681,383)</b>
<b>Net (decrease) in cash and cash equivalents</b>		<b>(497,139)</b>	<b>(26,980,359)</b>
Cash and cash equivalents at the beginning of the year		380,685,989	407,666,348
<b>Total cash and cash equivalents at end of the year</b>	7	<b>380,188,850</b>	<b>380,685,989</b>

**INTERNATIONAL FORUM OF INDEPENDENT AUDIT REGULATORS ASSOCIATION**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024**  
**NOTES TO THE FINANCIAL STATEMENTS**

**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 gain / (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.

Contents	Message	Who We Are	IFIAR in Numbers	Our Leadership	2024 in Numbers	WGs & TFs
Delivering IFIAR's Strategy	Governance Reporting	Financial Highlights	Statement of Responsibilities	Auditor's Report	Financial Statements	<b>38</b>

## 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 (CPAAOB), 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/CPAAOB 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.

Contents	Message	Who We Are	IFIAR in Numbers	Our Leadership	2024 in Numbers	WGs & TFs
Delivering IFIAR's Strategy	Governance Reporting	Financial Highlights	Statement of Responsibilities	Auditor's Report	Financial Statements	39

### 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 2024, membership fees were due from 56 (2023: 55) Member jurisdictions. In 2024, no discount (2023: 20%) 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 2023 and 2024 (see note 2.7), and a further subsidy was received in relation to a seconded staff member.

	<b>2024</b>	<b>2023</b>
	<b>JPY</b>	<b>JPY</b>
Membership fees (Gross)	165,005,276	136,234,112
Discount	-	(27,153,849)
<b>Membership fees (Net)</b>	<b>165,005,276</b>	<b>109,080,263</b>
Subsidies / Government grants	95,519,561	98,364,876
Interest income	36,039	4,111
<b>Total revenue</b>	<b>260,560,876</b>	<b>207,449,250</b>

### 4. Salaries and employee benefits

	<b>2024</b>	<b>2023</b>
	<b>JPY</b>	<b>JPY</b>
Gross salaries	101,012,231	106,075,144
Health and pension insurance	6,755,577	7,064,073
Staff welfare	25,518,506	27,520,736
Other employee benefits	5,826,814	5,696,120
Long-term service award expense	42,445,026	9,238,868
<b>Total salaries and employee benefits</b>	<b>181,558,154</b>	<b>155,594,941</b>

Of which:

<b>Compensation paid to Key Management Personnel</b>	<b>71,514,070</b>	<b>47,517,026</b>
--	-------------------	-------------------

The amount represents compensation paid to the Executive Director through October 2024. The position has been vacant since September 2024, with interim arrangements in place for operational continuity.

#### 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.

Contents	Message	Who We Are	IFIAR in Numbers	Our Leadership	2024 in Numbers	WGs & TFs
Delivering IFIAR's Strategy	Governance Reporting	Financial Highlights	Statement of Responsibilities	Auditor's Report	Financial Statements	<b>40</b>



## 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

	2024	2023
	JPY	JPY
Payments within 1 year	18,034,560	17,314,560
Payments later than 1 year but within 5 years	10,834,560	21,669,120
<b>Total lease commitments</b>	<b>28,869,120</b>	<b>38,983,680</b>

### b. Operating lease expenses

Lease payments recognized as an expense during the year amounted to JPY 17,314,560 (2023: JPY 16,714,560), as detailed below.

Statement of Comprehensive Income line item in which lease expenses are included	Leased item	2024	2023
		JPY	JPY
Rental and maintenance expense	Office and photocopier	10,834,560	10,834,560
Salaries and employee benefits	Residential leases	6,480,000	5,880,000
		<b>17,314,560</b>	<b>16,714,560</b>

### c. Security deposits

Security deposits of JPY 10,929,600 (2023: JPY 12,619,134) were paid with regard to the office lease and residential leases for two employees in 2024 (2023: 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 (2023: 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.

Contents	Message	Who We Are	IFIAR in Numbers	Our Leadership	2024 in Numbers	WGs & TFs
Delivering IFIAR's Strategy	Governance Reporting	Financial Highlights	Statement of Responsibilities	Auditor's Report	Financial Statements	<b>41</b>

## 6. Property, plant and equipment

	Leasehold Improvements	Furniture & fixtures	IT and Office Equipment	Total JPY
Cost at January 1, 2024	48,758,382	14,528,144	13,812,020	77,098,546
Additions	-	-	-	-
Disposal	-	-	-	-
Cost at December 31, 2024	48,758,382	14,528,144	13,812,020	77,098,546
Accumulated depreciation at January 1, 2024	(48,757,302)	(9,400,608)	(10,230,607)	(68,388,517)
Disposal	-	-	-	-
Depreciation	(1,080)	(1,452,816)	(1,913,712)	(3,367,608)
Accumulated depreciation at December 31, 2024	(48,758,382)	(10,853,424)	(12,144,319)	(71,756,125)
<b>Net book value at December 31, 2024</b>	<b>-</b>	<b>3,674,720</b>	<b>1,667,701</b>	<b>5,342,421</b>
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>

## 7. Cash and cash equivalents

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

	2024 JPY	2023 JPY
Current	373,949,539	375,946,199
Non-current	6,239,311	4,739,790
<b>Total</b>	<b>380,188,850</b>	<b>380,685,989</b>

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

	2024 JPY	2023 JPY
Current	29,554,142	45,919,362
Non-current	6,239,311	4,739,790
<b>Total</b>	<b>35,793,453</b>	<b>50,659,152</b>

Contents	Message	Who We Are	IFIAR in Numbers	Our Leadership	2024 in Numbers	WGs & TFs
Delivering IFIAR's Strategy	Governance Reporting	Financial Highlights	Statement of Responsibilities	Auditor's Report	Financial Statements	42

## 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 2024, JPY 2,048,548 (2023: JPY 1,872,062) 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. IFIAR continued its contribution of JPY 10,000,000 (2023: JPY 10,000,000).

Contents	Message	Who We Are	IFIAR in Numbers	Our Leadership	2024 in Numbers	WGs & TFs
Delivering IFIAR's Strategy	Governance Reporting	Financial Highlights	Statement of Responsibilities	Auditor's Report	Financial Statements	43

# 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



International Forum of Independent Audit Regulators (IFIAR) | 監査監督機関国際フォーラム  
secretariat@ifiar.org | www.ifiar.org

+81-(0)3-4510-3494 | 18F Otemachi Financial City Grand Cube, 1-9-2 Otemachi, Chiyoda-ku, Tokyo 100-0004  
100-0004 東京都千代田区大手町 1-9-2 大手町フィナンシャルシティグランキューブ 18 階