



Shaping the future of audit regulation:  
Building capability, collaboration and influence  
across the audit regulatory landscape

# ANNUAL REPORT 2017

# TABLE OF CONTENTS

Who we are _____	3
Our Leadership _____	4
A Message from the Officers _____	6
A proactive approach _____	6
The future of audit regulation _____	7
Appreciation _____	7
Executive Director's Report _____	8
2018-20 Strategic Plan: Key Objectives _____	8
Influence significantly improved audit quality globally _____	9
Enhance capabilities for independent audit oversight _____	9
Grow the Membership _____	9
2018 Core Strategies _____	9
Looking ahead _____	10
Appreciation _____	10
Governance Report _____	11
Board Report _____	11
Attendance _____	12
Human Resources and Governance Committee Report _____	13
Audit and Finance Committee Report _____	15
2017 Key Milestones _____	17
Working Groups and Task Forces _____	19
Enforcement Working Group (EWG) _____	19
Global Audit Quality Working Group (GAQWG) _____	20
International Cooperation Working Group (ICWG) _____	21
Inspection Workshop Working Group (IWWG) _____	22
Investor and Other Stakeholders Working Group (IOSWG) _____	23
Standards Coordination Working Group (SCWG) _____	24
Inspection Findings Survey Task Force (IFSTF) _____	25
Smaller Regulators Task Force (SRTF) _____	26
IFIAR Financial Highlights _____	27
Statement of Responsibilities for the Annual Report and Financial Statements _____	29
Independent Auditors Report _____	31
Financial Statements _____	33
IFIAR Member Directory _____	42

# WHO WE ARE

Established in 2006, the International Forum of Independent Audit Regulators (IFIAR) comprises independent audit regulators from 52 jurisdictions representing Africa, North America, South America, Asia, Oceania, and Europe.

Audit quality is primarily the responsibility of auditors and provides a cornerstone of international financial stability and economic growth. Investors and the capital markets rely on auditors to assure the integrity of financial statements and to create the necessary confidence for making important financial decisions. In our interconnected world, audit quality issues are not unique to any jurisdiction - it is a global issue which requires a global response.

The objective to improve audit quality lies at the core of IFIAR's mission. It fulfils this role by focusing the attention of the leadership of the largest global network firms on inspection outcomes and on the overall audit quality imperative.

Another key focus of IFIAR is to enhance global independent audit oversight capabilities for current and prospective members. It does this through sharing approaches, extending consultative assistance, offering access to training programs, and providing a collaboration and knowledge network. The ultimate goal is for this collective wisdom to influence audit oversight worldwide and advance sustainable, high quality audits.

To achieve IFIAR's strategic objectives, its core strategies include to:

- Facilitate collaboration and knowledge sharing between Members
- Develop strategic relationships with investors and other key stakeholders, including standard setters, and maintain effective communications with global network firms
- Implement sustained targeted outreach to Members and prospective Members
- Establish an effective and efficient Board, Working Group, Task Force and Secretariat structure which enables coordinated high impact initiatives to achieve the strategic objectives

The newly formed board developed its strategy against a backdrop of the current and future landscape for the auditing profession and oversight, and further details are provided in the Report of the Executive Director. IFIAR is at the start of an exciting journey and is pleased to present its Annual Report for 2017 which forms part of its ongoing stakeholder engagement.

# OUR LEADERSHIP

Brian Hunt, formerly CEO, Canadian Public Accountability Board (CPAB) was appointed as Chair and Frank Schneider, CEO, Swiss Federal Audit Oversight Authority (FAOA) as Vice Chair of the newly formed IFIAR Board. They serve a 2-year term which ends in April 2019.



*Brian Hunt, IFIAR Chair and Frank Schneider, IFIAR Vice-Chair*

The first Board of IFIAR was established in the current year and at the same time two Board Committees, the Audit and Finance Committee (AFC) and the Human Resources and Governance Committee (HRGC), were established to support the delivery of the Board's objectives. The IFIAR Board and its Committees oversee the organization's strategic plan and the work of the Officers and the Secretariat. The Board is currently comprised of the members listed below, which includes an indication of the Committees on which they serve:

Member	Board Committee
Abu Dhabi - Abu Dhabi Accountability Authority (ADAA)	AFC
Australia - Australian Securities & Investments Commission (ASIC)	AFC
Canada - Canadian Public Accountability Board (CPAB)	AFC
France - Haut Conseil du commissariat aux comptes (H3C)	HRGC
Germany - Auditor Oversight Body (AOB)	HRGC
Japan - Certified Public Accountants & Auditing Oversight Board/Financial Services Agency (CPAAOB/FSA)	HRGC
Korea - Financial Services Commission (FSC)/Financial Supervisory Service (FSS)	HRGC
Netherlands - Autoriteit Financiële Markten (AFM)	-
Norway - Financial Supervisory Authority of Norway (FSAN)	AFC
Singapore - Accounting and Corporate Regulatory Authority (ACRA)	HRGC
South Africa - Independent Regulatory Board for Auditors (IRBA)	AFC
Switzerland - Swiss Federal Audit Oversight Authority (FAOA)	HRGC
Turkey - Capital Markets Board of Turkey (CMB) / Public Oversight, Accounting and Auditing Standards Authority (POA)	HRGC
United Kingdom (UK) - Financial Reporting Council (FRC)	HRGC
United States (US) - Public Company Accounting Oversight Board (PCAOB)	-



*IFIAR Board, April 2017, Tokyo*

In addition to the Officers, Board and Committees, IFIAR has a Secretariat composed of a team of highly skilled public policy and administrative professionals led by the Executive Director, Carl Renner. Six Member-led Working Groups are focused on improving audit quality through proactive dialogue with the six largest global audit networks, sharing insights on inspections practices, discussing approaches to enforcement programs, enhancing international cooperation, structured dialogue with investors and other stakeholders, and sharing views and concerns on standards and standard setting. IFIAR is also supported by an Inspection Findings Survey Task Force and Smaller Regulators Task Force.



*IFIAR Secretariat Team*

# A MESSAGE FROM THE OFFICERS

We are pleased to present IFIAR's 2017 Annual Report. The past year has been marked by some major changes for the organization, together with the achievement of some significant milestones.

*Taro Aso, Deputy Prime Minister and Minister of State for Financial Services speaking at the opening of IFIAR's office in Tokyo, Japan*



April 2017 marked a significant turning point in IFIAR's next growth horizon with the successful establishment of a permanent Secretariat in Tokyo, Japan, recruitment and onboarding of a team of talented professionals led by IFIAR's first Executive Director, the establishment of a Board, and the formation of the Audit and Finance and Human Resources and Governance Committees. These milestones were followed by the development of our first strategic plan (and supporting operating plan) for 2018-2020 which was approved by the Members at the April 2018 Plenary in Ottawa, Canada.

There is no doubt that IFIAR, due in large part to a more robust governance structure and strategic approach to building independent audit oversight capabilities worldwide, is now even better positioned organizationally to influence global audit quality in an environment of constant change and opportunity.

## A proactive approach

Against the backdrop of a dynamic landscape, not only in audit but also in the socio-economic and political environments in several jurisdictions, it had become critical for IFIAR to remain abreast of developments and adapt its own strategy and approach to remain relevant. IFIAR, and members in their respective jurisdictions, will implement a number of initiatives to respond to the changes so that we can continue to strengthen the protection of investors and the public, and maintain the confidence in our financial markets.

Our starting point is the overall level of global audit quality. IFIAR's Annual Inspection Findings Survey provides the best insights available today. While the survey is not necessarily representative of the state of the profession at any point in time, the level of findings have declined in the past few years from 47 per cent of inspected audits having significant deficiencies when this number was first collected to 40 per cent in the 2017 survey - but this progress by the audit firms is not as significant as we expect.

In 2015, IFIAR challenged the Big Six audit firm networks (BDO, Deloitte, EY, Grant Thornton, KPMG and PwC) to reduce significant deficiencies in their audit files by 25 percent over four years (2015-2019). Progress has been made to date, but we need to keep in mind that even with this reduction, one in every three audits inspected would still have significant findings. Clearly more needs to be done to enhance audit quality.

In a global environment facing growing disruption on just about every front, and not getting any simpler any time soon, there remains much that must be done by the firms and audit regulators. Based on some recent business failures globally, there has also been increased attention on audit committees and those

charged with governance, and the role they must play in strengthening audit quality and the integrity of financial information in the overall financial reporting chain.

A rigorous root cause analysis of external and internal review findings is a key element in improving audit quality. This includes identifying themes, effective interviews of engagement team members, and identifying the real underlying causes. An effective root cause analysis leads to firm action plan initiatives. Responsibility and timing for these initiatives needs to be specific. Monitoring of progress is essential and a feedback loop. Firm monitoring of progress might include using appropriate specific audit quality indicators. In parts of the world, Audit Quality Indicators (AQIs) are evolving as a useful tool for audit committees to broaden and deepen the dialogue around consistent, high quality execution.

## The future of audit regulation

The audit profession and those of us who oversee audit execution are facing an unprecedented advance of what we refer to as “disruptive enablers”. Artificial intelligence, robotics, block chain, data analytics, etc. are no longer emerging technologies - they are here and transforming lives and businesses, now. How audits are conducted, who conducts them and when, are all being reshaped by these innovations. Independent audit regulators will need to keep pace with developments in the profession, which in turn must keep pace with the increasingly complex environment in which they conduct audits.

2018 will be an important year in IFIAR’s evolution as a more proactive voice for audit oversight globally. In year one of our first strategic plan, we will aim to increase our impact on the international dialogue on audit quality matters, enhance the capabilities of our Members, and drive the coordination of strategic initiatives by our Members and key stakeholders, including standard setters, audit committees and investors. As independent audit regulators with significant global impact, we will need to work together on addressing the issues that will ensure we, both individually and collectively, stay ahead of the curve.

## Appreciation

We would like to thank IFIAR’s Board and Committees, Secretariat staff, Working Groups, other special teams and Task Forces, and our Members for their contributions in 2017 - your dedication and insight has, and continues to position IFIAR as the leading international organization on audit quality matters. In particular, we would like to thank Janine van Diggelen, formerly Head, International Auditing and Accounting, Policies and Standard Setting of the AFM, for her leadership and commitment as Chair from 2015 to 2017 and for the work conducted by the AFM in setting the foundations for the success of IFIAR. We would also like to thank the CPAA/OB/FSA for their contributions towards establishing the Secretariat and we are grateful for their ongoing support.

We look forward to working with all our Members and external stakeholders to continue to improve audit quality around the world.



**Brian Hunt**  
IFIAR Chair




**Frank Schneider**  
IFIAR Vice Chair



# EXECUTIVE DIRECTOR'S REPORT

2017 was full of tremendous change and opportunities to support IFIAR in its role as the international leader on audit oversight matters, and the journey has been exciting.

Along with setting up an operational Secretariat in Tokyo, our team of public policy and administrative professionals continued to drive our four key objectives:

1. Improve audit quality globally;
2. Strengthen IFIAR's role as the international leader on audit matters through strategic thought leadership;
3. Advance IFIAR's governance structure and operations; and
4. Facilitate learning and cooperation among IFIAR Members.

The spirit of these objectives was captured in our 2018-20 Strategic and Operating Plans which can be found at [www.ifiar.org](http://www.ifiar.org) with further detail on what we accomplished in these areas in *2017 Key Milestones* in this Annual Report.

## 2018-20 Strategic Plan: Key Objectives

Of particular significance last year was agreement by the Membership that IFIAR adopt a more proactive approach, effecting a greater degree of influence on the evolution of audit oversight globally. Our 2018-2020 strategic plan presents a clear roadmap to enable this shift.

In planning our work for the next strategic cycle, a number of factors informed our future direction, including but not limited to:

- Interconnectedness and volatility of the global economy
- Challenges to the relevance of the audit
- Changes in demographics and qualifications within the audit profession
- Emergence of new and potentially disruptive technologies
- Continual changes to audit/accounting standards and the broader financial regulatory system

Based on a comprehensive environmental scan and SWOT analysis, our new strategy is focused on three objectives, which are to:

1. Influence significantly improved audit quality globally;
2. Enhance capabilities for independent oversight; and
3. Grow the Membership.

## Influence significantly improved audit quality globally

The Global Audit Quality Working Group (GAQWG) has set a target to achieve a 25 per cent reduction in the rate of files inspected with at least one finding by the global network firms by 2019 (see the GAQWG section of this report for more information about the GAQWG, including a list of its members). This objective lies at the core of IFIAR's mission.

Whilst this is principally the domain of the firms, IFIAR has a significant role to play in highlighting inspection results to the leadership of network firms and emphasizing the importance of overall audit quality.

## Enhance capabilities for independent audit oversight

IFIAR membership offers value in many ways, particularly through its focus as a forum for sharing approaches, offering assistance and training to our members, and providing access to a collaborative, knowledge sharing network. This contributes to the impact of IFIAR's Members and prospective Members on audit oversight in each of their jurisdictions.

## Grow the Membership

Our Members are the lifeblood of IFIAR. The organization has grown to 52 Members since its founding.

There is considerable potential to include further jurisdictions with an independent oversight authority. Achieving this objective will require marshalling the resources of the Secretariat and Board to employ concerted efforts to attract new members, while consistently demonstrating the merits of IFIAR's value proposition.

To that end, I would like to thank the H3C (France) for their role in leading IFIAR's outreach throughout 2017, with the support of the AOB (Germany) which previously led outreach efforts. A number of discussions have led to Membership applications which are currently under assessment.

Whilst we will continue dialogue with non-member G20 countries, achieving the objective will also require IFIAR to extend consultative assistance to prospective Members who may not readily meet the acceptance criteria. IFIAR serves as a facilitator for non-Members who wish to enhance their national regulatory practices and oversight systems and explore possibilities to adhere to international practices.

## 2018 Core Strategies

Looking ahead to 2018, IFIAR's work will be guided by the following four core strategies:

- 1. Facilitate collaboration and knowledge sharing between Members**

The Secretariat intends to, among other things, encourage Member engagement and enhance collaboration and synergy, and build a repository of Member technical training programs and thought leader papers for access by the Membership at large.

- 2. Further strategic relationships with investors and maintain effective communications with global network firms and other key stakeholders including the IFIAR Observer organizations**

Key components of this strategy will include launching a comprehensive stakeholder communication and advocacy plan, and actively influencing audit practices, and standard setting.

### 3. Implement sustained targeted outreach to current and prospective Members

A consistent, focused approach to Member outreach is key to attraction and retention. Over the next strategic planning cycle, we will actively pursue the regions of Central and South America, Africa, and Asia, implement environmental scanning and a contact management database, and increase our participation in other stakeholder events where appropriate.

### 4. Establish an effective and efficient Board, Working Group Task Force and Secretariat structure which enables coordinated high impact initiatives to achieve the strategic objectives

An effective and performing Secretariat and Board are central to IFIAR's ability to achieve its strategic objectives and implement the foregoing strategies. Continually scanning the operating environment, being highly responsive to Member needs, bringing a more coordinated approach to Working Groups and Task Forces, and prioritizing and coordinating resource allocation across work streams will be key areas of focus.

Combined, these core strategies will enable IFIAR to effect value-added skills and knowledge transfer for our Members and shape the future of audit oversight and audit practices externally.

## Looking ahead

What will success look like in 2018? Our strategic plan has a longer-term horizon but over the next year we expect to grow and increase the engagement of our Membership, expand our influence across the audit regulatory landscape and contribute to global financial stability and economic growth. Ultimately, we will have made a meaningful contribution to serving the public interest by enhancing audit oversight globally.

I am encouraged by our achievements in 2017 and look forward to working with all stakeholders to deliver on our strategic plan in 2018.

## Appreciation

It is an honor to have been appointed IFIAR's first Executive Director. I would like to thank the Officers, Board and Committees, Working Groups, other work teams, and the Membership for their confidence and support over the past year.



**Carl Renner**  
Executive Director



# GOVERNANCE REPORT

## Board Report

2017 marked the first operating period of IFIAR's inaugural Board. 15 members of IFIAR were appointed to the Board on Friday, April 7, 2017 at the 2017 Plenary in Tokyo, Japan. These Board members are listed in the table below.

The Board met several times throughout 2017. Some of the key matters discussed and agreed on at the board meetings included the following:

- Approval of policies and procedures, including those of the HRGC and the AFC;
- Secretariat staff recruitment and approval and monitoring of the team's work plan;
- Engagement with leadership of each Working Group as they executed on their work plans;
- Development of a three-year Strategic Plan, reflecting the members' desired shift to a more proactive orientation, for approval by the Membership at the 2018 Plenary meeting in April 2018;
- Development of an Operating Plan for 2018 to support the delivery of the Strategic Objectives;
- Developing a response to the Monitoring Group Consultation Paper;
- Considering membership applications and outreach initiatives;
- Receiving updates from the HRGC and AFC and approving relevant matters as recommended by the committees; and
- Developing communications and branding strategies.



*Inaugural Board meeting, April 2017, Tokyo*

Many of the key operating policies that have been developed and implemented by the Board include the Board Rules of Procedure, Committees' Terms of Reference, Auditor Selection, Remuneration, Performance Evaluation, Workplace Health & Safety, Code of Conduct for Secretariat Staff, and

Protection of Assets, Data Protection and others, to ensure compliance with laws and procedures, among others.

## Attendance

The following table shows attendance of Board Members at Board meetings in 2017. If Board members are unable to attend a Board meeting they have the opportunity beforehand to provide input on any of the agenda items with the Chair. The table also shows key discussion matters for each Board meeting during 2017.

<u>Record of Member Attendance</u>	
Member	Attendance
Abu Dhabi (ADAA)	6/6
Australia (ASIC)	5/6
Canada (CPAB)	6/6
France (H3C)	6/6
Germany (AOB)	6/6
Japan (CPAAOB/FSA)	6/6
Korea (FSC/FSS)	4/6
Netherlands (AFM)	5/6
Norway (FSA)	6/6
Singapore (ACRA)	5/6
Switzerland (FAOA)	6/6
South Africa (IRBA)	5/6
Turkey (CMB)	6/6
United Kingdom (FRC)	6/6
United States (PCAOB)	6/6



**Brian Hunt**  
IFIAR Chair

## Human Resources and Governance Committee Report

The primary purpose of the HRGC is to:

- Ensure that appropriate human resources and remuneration policies and practices are in place for the Secretariat to deliver on its mandate and priorities;
- Review and make recommendations to the Board on personnel matters related to the Secretariat, including employment contracts and performance evaluations; and
- Review and make recommendations to the Board on matters of general governance and policy development.

The committee is also charged with reviewing periodically the HRGC Terms of Reference and set of Board policies under its remit, including their implementation, and recommending amendments and supplements to the extent necessary. It is important to note that the committee has no decision-making authority, its role is to advise in the IFIAR Board.

Seven members of IFIAR were appointed as members of the HRGC on April 28, 2017. The FAOA of Switzerland was appointed as an additional member on October 20, 2017. The Committee is chaired by William Di Cicco from the French Haut Conseil du Commissariat aux Comptes, the Chair and Vice-Chair of IFIAR are ex-officio members of the committee. The HRGC members are listed in the table below, together with some of the key matters discussed during 2017:

<u>Record of Member Attendance</u>		<u>Key discussions</u>
Member	Attendance	Recruitment
France (H3C) - Chair	4/4	HRGC Terms of Reference
Germany (AOB)	4/4	HRGC Policies
Japan (CPA/OB/FSA)	4/4	Executive Director Objectives and Performance Appraisal
Korea (FSC/FSS)	2/4	HRGC Work Plan
Singapore (ACRA)	4/4	Compliance Framework
Switzerland (FAOA)	1/1	IFIAR RASCI Matrix
Turkey (CMB)	2/4	
United Kingdom (FRC)	4/4	

Following the decision taken at the IFIAR Plenary in 2016 to set up a new governance structure for IFIAR with a Board and a permanent Secretariat, IFIAR has transformed its governance structure by establishing its Board, with two Board Committees and established a General Incorporated Association in Japan for IFIAR's contracting needs in relation to the Secretariat and collection of Membership fees. As for any international organization nowadays, Human Resources and Governance are key factors of success. The ambition of the HRGC is to assist the Board in its decision-making process regarding the most suitable human resources and governance policies and principles, to serve as a relevant framework to achieve IFIAR's aspirational goals.

Since its inception the Committee has been very active, first to complete the recruitment process for the Secretariat and then to develop policies and provide recommendations to the Board.

As of today, the recruitment of the Secretariat staff has been completed and is composed of an administrative assistant, one Policy Officer and two Senior Policy Officers under the supervision of the Executive Director. The following policies have been proposed by the committee and endorsed by the Board:

- Code of Conduct for IFIAR Secretariat staff;
- Human Resources & Remuneration;
- Information and Asset Protection; and
- Workplace Health and Safety.

In addition, as indicated in the above table, this has been completed by reviewing various elements concerning Human Resources and Governance matters as well as reviewing the year-end evaluation and 2018 objectives setting process for the Secretariat staff and the Executive Director. An Accountability Matrix has also been designed to match the tasks/functions/duties listed in the IFIAR Charter, with who is acting as Responsible, Approval, Support, Consultation and Information (RASCI).

The activity of the committee also included the development of its Work Plan and the calendar for 2018. During the current year the committee will focus mainly on the implementation of the Human Resources and Governance policies, the determination of a remuneration framework, the Code of Conduct for Board Members and the Compliance Framework for human resources matters, together with the on-going follow-up of the Secretariat staff objectives, assessment of performance and professional development.

As noted above, four HRGC meetings took place in 2017 and it is intended to convene a similar number of meetings in the current year.

I am proud of the work accomplished so far and the deep involvement of our committee members to make our role efficient and to provide a valuable support to the Board and would like to express my gratitude to the Committee members for their valuable input and the staff of the Secretariat for their efficient assistance. My fellow colleagues of the HRGC and I look forward to continuing to work in the best interest of the Board and the Membership throughout 2018.



**William Di Cicco**  
HRGC Chair



## Audit and Finance Committee Report

It gives me great pleasure to present the first report for the IFIAR Audit and Finance Committee (AFC) for the year ended December 31, 2017. The report follows the first year since IFIAR established a Permanent Secretariat in Japan and appointed its first Board. During the current year the AFC developed its first work plan which was approved by the Board. Four members of IFIAR were appointed as members of the AFC on April 28, 2017, and the CPAB of Canada was appointed as an additional member on October 20, 2017.

The purpose of the AFC is to assist the Board in fulfilling their oversight responsibilities over:

- IFIAR's financial statements and financial reporting principles, policies and process
- IFIAR's systems of internal accounting and financial controls
- The budgeting and the ongoing financial position of IFIAR, including the development and changes to the IFIAR membership fee structure
- Effectiveness of the GIA's internal controls and procedures and risk management systems
- Annual review of the legal compliance and risk management plan
- The annual external audit of IFIAR's financial statements; and
- Review of the annual financial statements to consider whether they are complete, consistent with information known to committee members, and in compliance with appropriate accounting principles policies and standards.

The Board exercises its functions in accordance with section 5.1 of the IFIAR Charter.

These AFC members and the key matters considered by the AFC are listed in the table below:

<u>Record of Member Attendance</u>	
Member	Attendance
South Africa (IRBA) - Chair	4/4
Abu Dhabi (ADAA)	4/4
Australia (ASIC)	3/4
Canada (CPAB)	0/1
Norway (FSAN)	2/4

<u>Key discussions</u>
AFC Work Plan
AFC Governance
Annual Financial statements
AFC Policies
Dissolution of IFIAR Verein
External audit
Compliance management
Finance function (including review of quarterly management reports)

The committee recommended the AFC Terms of Reference and annual workplan to the Board for approval, and these were subsequently approved by the Board.

The committee has complied with its responsibilities, as set out in terms of section 5.1 of the IFIAR Charter. It has also operated within the terms of reference of the committee, regulated its affairs in

compliance with the terms of reference and discharged all its responsibilities as contained therein as set out below.

The AFC, with responsibility for monitoring the external audit, embarked on a process to appoint new external auditors for the IFIAR Association and recommended the appointment of an audit firm to the Board for approval. The AFC also reviewed the detailed audit report and findings in respect of the financial statements audit for the period from inception to December 31, 2017 as presented by Mazars at the committee meeting on March 9, 2018.

Regarding the annual financial statements, the committee developed accounting policies and principles for the preparation of these and confirmed the going concern principle as the basis of preparation. The Executive Director prepared the financial statements in accordance with all applicable legislation and submitted them to the AFC for review. The financial statements were recommended to the Board and IFIAR Plenary for approval.

The AFC have also reviewed the Risk Management Policy, which had been prepared by the Executive Director and is to be approved in the next financial year.

Under the AFC Terms of Reference, the committee also has responsibility for compliance management. To that end, the committee reviewed the Executive Director's report to the Board on legal compliance. The external auditors report any audit findings relating to compliance with laws and regulations, which are considered by the AFC, should there be any.

The committee reviewed all other policies relating to the AFC and made recommendations to the Board for approval. All AFC policies were approved by the Board.

I wish to express my appreciation to the members of the committee, the Officers, the Executive Director and Secretariat for their commitment and support during the current financial year.

*Bernard Peter Agulhas*

**Bernard Peter Agulhas**

AFC Chair



# 2017 KEY MILESTONES

In 2017, IFIAR continued to drive its four key objectives.

## 1. *Improve audit quality globally*

In 2017, IFIAR continued its dialogue with the leadership of the six largest global audit networks to promote sustained focus on and accountability for driving consistent, high quality audits, primarily through IFIAR's Global Audit Quality Working Group (GAQWG).

In late 2017, the Officers met with each of the CEOs of the six largest global audit firm networks to discuss a number of quality related issues including firm culture and governance, as well as IFIAR's annual Inspection Findings Survey. Other topics included cybersecurity risk, assessing audit quality measures such as consistency of execution, quality processes, and AQLs, along with the relevance of audit and the impact of current and emerging technologies on how today's audits are performed.

These conversations also addressed the progress made towards the goal to reduce the number of deficient audits reported by IFIAR Members in our annual Inspection Findings Survey. IFIAR reported on interim progress towards the four year 25 per cent reduction target in its annual Inspection Findings Survey in March 2018.

IFIAR views robust root cause analysis and implementation of responsive actions to be fundamental. Audit quality improvement requires an understanding of what goes wrong; it also benefits from identifying characteristics of well-executed audits.

It is critical that firms have in place processes that enable a timely, thorough assessment of situations to identify recurring root cause issues - positive or negative - and to take appropriate actions.

On the standards setting side, IFIAR commented on the International Auditing and Assurance Standards Board's (IAASB) request for input on Exploring the Growing Use of Technology in the Audit, with a Focus on Data Analytics; the International Ethics Standards Board for Accountants (IESBA) request for input on Proposed Revisions Pertaining to Safeguards in the Code - Phase 2 and Related Conforming Amendments; and IAASB's exposure draft Proposed International Standard on Auditing 540 (revised) - Auditing Accounting Estimates and Related Disclosures. In addition, as a member of the Monitoring Group (MG), IFIAR is involved in a project to review and reform the standard setting process and governance to ensure relevant, timely and effective standards going forward.

We continued to support the development of independent audit oversight in jurisdictions in the process of setting up such oversight structures and with those that have established regulatory authorities but are not yet a member of IFIAR. Our Small Regulators Task Force (SRTF) led by the Dubai International Financial Centre (DIFC) helps Members to exchange information and

discuss topics particularly relevant to smaller audit regulators. During 2017, the SRTF has led on the development of a Secondment Register and Skills Database for the IFIAR Membership. The activities of the SRTF have been outlined in more detail on page 26.

*2. Strengthen IFIAR's role as the international leader on audit matters through strategic thought leadership initiatives*

In 2017, IFIAR published a thought leadership paper on audit committees that explores the important role and responsibility audit committees have in ensuring independent, reliable, and informative auditing of financial reporting by public interest entities. It is available [here](#). In the coming year, IFIAR intends to continue development of thought leadership papers.

*3. Advance IFIAR's governance structure and operations*

As has been mentioned, a permanent Secretariat, Board and two Board Committees were established in 2017. Our first Strategic Plan and Operating Plan were approved by the Membership and Board, respectively, in April 2018. These important governance milestones will go a long way in driving IFIAR's audit oversight goals in the coming years.

*4. Facilitate learning and cooperation among IFIAR Members*

Central to IFIAR's mission is facilitating collaboration and knowledge sharing among our Members.

In 2017 we launched a new website featuring an updated Members-only section with enhanced information sharing content and tools, including a skills inventory and secondments database for staffing special projects and short-term initiatives in Member jurisdictions.

In 2018 we will continue to explore and implement initiatives to improve information sharing across our Membership, including timely Working Group and Task Force updates. We also plan to survey our Members on how we can continue to add value.

# WORKING GROUPS AND TASK FORCES

## Enforcement Working Group (EWG)

The EWG provides a forum for enforcement officials to exchange information on effective approaches to investigating and adjudicating alleged auditor misconduct, as well as emerging trends in such enforcement matters. The overall objective is to provide a forum for IFIAR Members to exchange information, share ideas, promote professional development and highlight effective approaches for identifying matters for investigation, investigating and adjudicating alleged auditor misconduct, and sharing information with other regulators.

*Chair: Claudius Modesti, PCAOB, USA*

*Vice Chair: Reto Sanwald, FAOA, Switzerland*

### *Members:*

- *ASIC Australia*
- *PRH Finland*
- *H3C France*
- *AOB Germany*
- *CPAAOB/FSA Japan*
- *AFM The Netherlands*
- *CMVM Portugal*
- *IRBA South Africa*
- *FAOA Switzerland*
- *FSC Chinese Taipei*
- *FRC United Kingdom*
- *PCAOB United States*

### *Observer:*

- *SARAS Georgia*

In April 2017, the EWG held its third annual Enforcement Workshop, immediately following the Plenary Meeting in Tokyo, Japan. The Workshop covered topics such as: regulatory reactions to breaches, litigation practices (including appeal strategies and settlements), publications of outcomes, and emerging risks and trends. The sessions took the form of panel discussions, led by EWG members with active interaction by the audience. Approximately 60 individuals from 32 jurisdictions attended the Workshop. Based on a survey, the participants found the Workshop very informative.

After the Plenary Meeting, the EWG focused its efforts on completing and distributing to the IFIAR Membership the 2018 Enforcement Survey, which includes an update of the 2014 Survey and additional questions. The EWG further focused on preparing for the fourth annual Enforcement Workshop, to be held in 2019. The EWG intends to coordinate these two work streams in a strategic manner so that the survey findings can provide a base for discussion at future workshops and moderated discussions at Plenary Meetings, including the 2018 Plenary Meeting in Ottawa, Canada.

Finally, the EWG for the first time presented an elective session during the IWWG Workshop in Sri Lanka in February 2018. The session focused on discussing criteria for referring inspection findings to the enforcement function and providing techniques and approaches which can assist inspection teams

in uncovering instances of audit firms improperly altering work papers and other documents before providing them to inspectors.

The EWG entered its second term under new Chair, Claudius Modesti of the PCAOB who replaced the EWG's first Chair, Takashi Nagaoka from the Financial Services Agency of Japan, and new Vice Chair, Dr. Reto Sanwald of the FAOA. The membership of the EWG grew in 2017, with H3C of France and SARAS of Georgia joining as Member and Observer respectively.

## Global Audit Quality Working Group (GAQWG)

Through the GAQWG, IFIAR carries out an ongoing dialogue with the six largest international audit networks who are members of the Global Public Policy Committee (BDO, Deloitte Touche Tohmatsu, EY, Grant Thornton, KPMG, PwC) with the objective of improving audit quality globally.

*Chair: Lewis Ferguson, PCAOB, US (through December 2017)*

*Vice Chair: Melanie McLaren, FRC, UK*

*Members:*

- ASIC Australia
- CPAB Canada
- H3C France
- AOB Germany
- CPAAOB/FSA Japan
- AFM The Netherlands
- ACRA Singapore
- FRC United Kingdom
- PCAOB United States

The GAQWG met with each of the six global networks in two meetings (March and October) in 2017 on topics that included:

- Culture of the firms
- Preparations for implementation of new accounting standards for financial instruments and revenue recognition
- Project management tools, with demonstrations on certain tools and how they are used to track audit quality indicators
- The firms' internal quality monitoring results
- Management of cyber security risks
- Coordination of group audits
- Mobility of audit partners across borders and
- Initial experiences with tendering and rotation.

The GAQWG is continuing to work closely with firms to understand their efforts to meet the objective of improved audit quality and their progress against the target of reducing the number of audits inspected with at least one finding in the GAQWG jurisdictions by at least 25 per cent. This is discussed in additional detail in IFIAR's reports on its 2015, 2016 and 2017 Surveys of Inspection Findings.

The GAQWG continued to host semi-annual risk calls to discuss various economic and other risks that may be useful to consider when planning risk-based inspections. It also developed for Members' use a library of initiatives and publications by audit regulators and others on audit quality indicators.

Recognizing the evolution of technology-based audit tools, the GAQWG monitors developments and meets with GPPC firms for demonstrations and discussion about their data analytics and other software audit tools. Started in 2016, this initiative continued in 2017 with demonstrations by the GPPC firms. The GAQWG anticipates that technological developments in audit will continue to be a focus of its dialogue with the GPPC networks.

Seeking to share what it learns with the full IFIAR membership, the GAQWG coordinated and moderated discussions at the 2017 IFIAR plenary meeting in Tokyo, including a session with CEOs of certain global networks and a breakout session on project management tools and audit quality indicators. The GAQWG continued to monitor developments in, and in 2017 established a process to share summaries of insights about, the networks' governance arrangements, internal quality monitoring programs and approaches to conducting root cause analysis on significant inspection findings.

## International Cooperation Working Group (ICWG)

The ICWG considers ways Members can cooperate and share information to enhance the effectiveness and efficiency of audit oversight processes and contribute to audit quality. In particular, the ICWG identifies areas where IFIAR Members can work more effectively together rather than in isolation, and then designs and implements work streams to facilitate such collaboration.

*Chair: Doug Niven, ASIC, Australia*

*Members:*

- *ASIC Australia*
- *CPAB Canada*
- *H3C France*
- *CONSOB Italy*
- *CPAAOB/FSA Japan*
- *FSC/FSS Korea*
- *FAOA Switzerland*
- *FRC United Kingdom*
- *PCAOB United States*

The IFIAR Multilateral Memorandum of Understanding (MMoU) was developed by the ICWG and was officially signed by 22 IFIAR members at the 2017 Plenary Meeting. The MMoU

assists IFIAR Members in promoting audit quality by facilitating greater cooperation and information exchange among regulators. Such cooperation supports market confidence in the quality of independently audited financial reports and minimizes unnecessary duplication of effort.



*Signing Ceremony for the IFIAR MMoU, April 2017, Tokyo*

During 2017, the ICWG worked on identifying barriers to the mobility of audit partners across borders. The ICWG also researched the use of supervisory colleges and discussed coming changes to EU data protection requirements.

## Inspection Workshop Working Group (IWWG)

IFIAR's annual Inspection Workshop is organized by the IWWG, in conjunction with the relevant host country. IFIAR is in a unique position to provide, through the Inspection Workshop, a forum for independent audit regulators to meet and discuss inspections practices and to learn from each other. This information sharing leads to a better understanding of the different inspection regimes and the identification and development of inspection practices; and promotes greater consistency in inspecting global and other audit firms, with the aim of improving the effectiveness of inspection regimes. This, in turn, helps contribute to IFIAR's mission of improving audit quality globally.

*Chair: Chris Hibbert, FRC, United Kingdom*

*Members:*

- ADAA Abu Dhabi
- H3C France
- AOB Germany
- CPAAOB/FSA Japan
- CSSF Luxembourg
- IRBA South Africa
- FAOA Switzerland
- FRC United Kingdom
- PCAOB United States

IFIAR's eleventh inspection workshop was held in February 2017 in Athens, Greece and was attended by 140 individuals from 40 IFIAR member organizations.

The workshop included keynote speeches by the Governor of the Bank of Greece and the Director General for the Foundation for Economic and Industrial Research in Greece, who talked about the economic prospects for Greece. The IFIAR Chair gave an update on recent IFIAR activities and

developments, and there were presentations by the standard setting boards, IESBA and IAASB, on their recent developments with auditing and ethical standards (including on quality control). The workshop included presentations on data analytics and discussions among audit regulators on the impact of data analytics on the audit and inspections. There was also a discussion of the 2016 Survey of Inspection Findings.

There were 16 elective sessions on a variety of topics across different aspects of inspection and oversight activity.

Since then, the Working Group was focused on preparing for the 2018 workshop, held in Colombo, Sri Lanka on February 20-22.

## Investor and Other Stakeholders Working Group (IOSWG)

The IOSWG organizes IFIAR's dialogue with investor representatives and other stakeholders, in particular audit committees, and publishes information on that dialogue on the IFIAR website.

*Chair: Gerben Everts, AFM, The Netherlands*

*Members:*

- *AOBA Austria*
- *CPAB Canada*
- *H3C France*
- *CPA/IFSA Japan*
- *FSC/FSS Korea*
- *AFM The Netherlands*
- *ACRA Singapore*
- *IRBA South Africa*
- *FRC United Kingdom*
- *PCAOB United States*

*IOSWG Advisory Group (AG) Members:*

- *Melissa Brown, Partner Daobridge Capital*
- *Ken Kiyohara, Representative Kiyohara International Law Office*
- *Art Korpach, Past Chair Calgary Chapter Institute of Corporate Directors*
- *Paul Koster, Director Dutch Shareholders' Association*
- *Kurt Schacht, Managing Director Standards and Advocacy CFA Institute*

The IOSWG's Work Plan was approved and implemented in 2017. The Audit Oversight Body of Austria (Abschlussprüferaufsichtbehörde) joined the IOSWG in 2017, bringing the membership of the IOSWG to 10.

The IOSWG has continued to build on the excellent relationship with its Advisory Group, which was established in 2016. In 2017 it held a breakout session and panel session with the AG at the Plenary Meeting in Tokyo. In the breakout session, the AG presented and discussed a variety of topics of interest for IFIAR and which are important to investors and other stakeholders, including:

- Ensuring audit quality;
- Implementation of new auditor's reporting model;
- Strengthening audit committee oversight on non-GAAP financial measures; and
- Enhancing audit standards for accounting estimates.

This led to a lively and interactive debate, with observations that audit and assurance play an important role in the reliability of company information and that technology (XBRL delivery, implications of adoption of new technologies, big data) plays a pivotal role in the nature and timely delivery of company information. It was also noted that investors are focusing more and more on other kinds of information, like environmental social governance, and non-GAAP financial and other non-financial information; that audit committees have a central role to play in monitoring audit quality and that harmonization of the multiple Audit Quality Indicators frameworks may be desirable.

The IOSWG prepared a report on audit committees titled “Audit Committees and Audit Quality: Trends and Possible Areas for Further Consideration” which was discussed by the AG during the panel session. This report explores the important role and responsibility audit committees have in ensuring independent, reliable, and informative auditing of financial reporting by public interest entities. The report was approved by the IFIAR Membership and published in April 2017.

## Standards Coordination Working Group (SCWG)

The SCWG is responsible for establishing a forum for IFIAR Members to share views and concerns about standards of the IAASB and the IESBA. As part of its activities, the SCWG provides early input on projects and prepares consensus views on behalf of IFIAR Members on proposals or documents issued by standard setters.

*Chair: Marjolein Doblado, H3C, France*

*Members:*

- ASIC Australia
- CPAB Canada
- H3C France
- AOB Germany
- CONSOB Italy
- CPAAOB/FSA Japan
- AFM The Netherlands
- IRBA South Africa
- ICAC Spain
- FRC United Kingdom
- PCAOB United States

The SCWG prepared the following comment letters in 2017, for issuance by IFIAR:

- February 5, 2017 - IAASB 's request for input on Exploring the Growing Use of Technology in the Audit, with a Focus on Data Analytics

- May 29, 2017 - IESBA's request for input on Proposed Revisions Pertaining to Safeguards in the Code—Phase 2 and Related Conforming Amendments
- July 31, 2017 - IAASB's exposure draft Proposed International Standard on Auditing 540 (revised) - Auditing Accounting Estimates and Related Disclosures

The SCWG also held a number of meetings with international standard setters and welcomed the IAASB and IESBA Chairs and representatives of task forces to Athens in February for a meeting on comment letters issued and the scoping of several projects. These included projects on group audit, quality control, professional skepticism, the audit of accounting estimates, risk assessment and data analytics as well as IESBA projects regarding safeguards and structure of the code.

Conference calls were organized throughout the year to inform the relevant IAASB and IESBA task forces on audit regulator concerns related to the standards under revision. Topics included the IAASB project to revise the international standard on quality control (ISQC1) and the revisions on safeguards proposed by the IESBA.

The SCWG was also invited to moderate dedicated sessions with the standard setters at the 2017 IFIAR Inspection Workshop organized in Athens. The IESBA Chair discussed how the IESBA code of ethics can contribute to enhancing independence and ethical behavior by the auditors. The IAASB Chair presented the perspectives on future evolutions of ISAs. A dedicated session on data analytics was also held, with the support of a video presentation by the IAASB Task Force on this topic.

The Chair of the Public Interest Oversight Board (PIOB) and Board members of IAASB and IESBA took part in a panel organized by the SCWG during IFIAR's Plenary Meeting and discussed future enhancements of their respective standards (International Standards on Auditing, IESBA code of ethics), and how the standard setters' projects may contribute to the enhancement of audit quality globally.

### **Inspection Findings Survey Task Force (IFSTF)**

The IFSTF conducted its Annual Inspection Findings Survey in 2017 and published the results in March 2018. The Survey collects data on key results from IFIAR Members' inspections of audit firms' systems of quality control and audits of listed public interest entities (PIEs), including systemically important financial institutions. Inspection findings for PIE audits are deficiencies in audit procedures that indicate that the audit firm did not obtain sufficient appropriate audit

evidence to support its opinion, but do not necessarily imply that those financial statements are also materially misstated.

Consistent with prior years, the Survey revealed a high frequency and number of findings in key areas of the audit and in audit firms' quality control systems. Inspection themes with the highest numbers of findings were similar to previous years. Inspections of firm-wide systems for quality control also reveal high frequencies of findings, including in the areas of engagement quality control review, audit methodologies, independence and ethical requirements.

40 per cent of inspected audits of listed public interest entities (PIEs) had at least one inspection finding during the Survey period. The outcomes continue to show a lack of consistency in the execution of high quality audits and highlight concerns over the robustness of the firms' internal quality management systems.

### **Smaller Regulators Task Force (SRTF)**

The Smaller Regulators Task Force (SRTF) was established in 2015 to identify ways to assist smaller audit regulators address the unique challenges they face. During 2017, the SRTF reconstituted to align with the priorities of the IFIAR Board. Members are progressing well on the work streams of Training, Capacity Building and Leadership Development. A Secondment Register is live on IFIAR's Member-only website which provides IFIAR Members with a platform to share resources. Similarly, a Skills Database has been developed by the SRTF and is available on IFIAR's Member-only website.

During 2017, the SRTF organized a special session with the Accounting and Corporate Regulatory Authority of Singapore and the Abu Dhabi Accountability Authority in Athens, Greece. The session focused on the respective journeys of both ACRA and ADAA individually, their experience in IFIAR and how this has helped shaped their audit regulatory initiatives along with lessons learned for smaller regulatory environments. Alongside the April 2017 Plenary Meeting in Tokyo, the SRTF organized a breakfast session for smaller regulators with IFIAR's Officers. The SRTF also delivered breakout sessions for smaller regulators at the Inspection Workshop in Athens.

# IFIAR FINANCIAL HIGHLIGHTS

## 2017 Financial Statements Highlights and Member Support

Since its establishment, IFIAR has been the forum for cooperation for independent audit regulators from around the world. The IFIAR Charter primarily governs the cooperation among Members taking place within the forum. With the decision to establish a Secretariat in Tokyo, Japan, IFIAR decided to establish a legal entity in the form of a General Incorporated Association (GIA) under the Japanese law. IFIAR Association was formally established on January 4, 2017. IFIAR Association, in which IFIAR's Members are members, serves as the legal entity IFIAR uses for contracting purposes, replacing the IFIAR Verein in Berne, Switzerland, which is being liquidated, to engage in financial transactions such as collecting membership fees, employing individuals for the Secretariat and paying suppliers in relation to Secretariat infrastructure and costs.

IFIAR Association held its annual general assembly meeting in April 2018. The Financial Statements for the year ended December 31, 2017 were adopted by the Members. IFIAR Association is currently not subject to statutory audit, however, the members of IFIAR Association elects to have its financial statements audited. Following an audit tender process in 2017, Mazars WB was selected as IFIAR Association's auditor.

The income of IFIAR Association is the Membership fees and subsidies from the IFIAR Members. The expenditure is primarily the operating costs of running the Secretariat such as office, staff and administrative costs together with travel costs. In 2017 expenditure includes the reimbursement of the complementary support provided by the Officers' organizations. 2017 was the first year of operating the IFIAR Secretariat Office in Tokyo. In this regard, IFIAR Association had non-recurring expenditures for the items including office establishment, staff recruitment and relocation. These expenditures were funded by non-recurring start-up and recruitment subsidies. IFIAR Association's total revenue for 2017 was JPY 333m and the total costs were JPY 154m, creating accounting reserves of JPY 179m.

With all that said, IFIAR Association's financial statements relate to only part of the resources needed for IFIAR activities - other activities and resources are provided by Members directly to IFIAR, and therefore are not reflected in IFIAR Association's financial statements.

IFIAR relies on Members' voluntary contributions, including staff time and expenses for a variety of activities including Board and Board Committee meeting preparation and attendance, Working Group and Task Force participation, meeting and workshop hosting, and outreach. These activities are directly funded by the Members providing the resources (generally a combination of staff resources, including travel costs, and hosting events). Other support by individual Members during 2017 included:

- Hosting the 2017 Plenary Meeting, the inaugural Board meeting, and Enforcement Workshop in Tokyo, Japan by the CPAAOB/FSA (April 2017)
- Hosting a Board meeting in Toronto, Canada by CPAB. (October 2017)
- Hosting the 2017 Inspection Workshop in Athens by the Hellenic Accounting and Auditing Standards Oversight Board (HAASOB) (February 2017)
- Hosting 2017 GAQWG meetings in Frankfurt by AOB and in Toronto by CPAB (February, October 2017)
- Chairing and provision of administrative support of various Working Groups, Task Forces and other work streams by ASIC, CPAB, DFSA, H3C, AOB, CPAAOB/FSA, AFM, FRC and PCAOB
- Participation on the Board by ADAA, ASIC, CPAB, H3C, AOB, CPAAOB/FSA, FSS/FSC, AFM, NFSA, ACRA, FAOA, IRBA, POA/CMB, FRC, and PCAOB
- Secretariat staff support provided by the CPAAOB/FSA
- Participation of many Members in Working Groups, Task Forces and other IFIAR activities

The IFIAR Association Financial Statements were approved by the Membership at the IFIAR Association Annual General Assembly Meeting in Ottawa, Canada, April 2018.

# STATEMENT OF RESPONSIBILITIES FOR THE ANNUAL REPORT AND 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 (two of whom are the IFIAR Officers) of the International Forum of Independent Audit Regulators Association (IFIAR Association) are responsible for preparing a Business Report and Financial Statements, in accordance with the IFIAR Association Articles of Association and applicable laws and regulations, to be presented to the IFIAR Association Members for approval. 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 International Financial Reporting Standard for Small and Medium Enterprises (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 their knowledge, the financial statements, which have been prepared in accordance with IFRS for SMEs, give a true and fair view of the assets, liabilities, financial position and profit of IFIAR Association.

Signed on behalf of the Directors of IFIAR Association:



**Brian Hunt**

Chair of IFIAR Board and Representative Director of IFIAR Association

30 March 2018

# INDEPENDENT AUDITOR'S REPORT

## International Forum of Independent Audit Regulators Association

For the attention of the Directors

18th Floor Otemachi Financial City Grand Cube

1-9-2 Otemachi, 100-0004 Chiyoda-ku

Tokyo

### Opinion

We have audited the financial statements of the International Forum of Independent Audit Regulators Association (the Association), which comprise the statement of financial position as at December 31, 2017, and the statement of comprehensive income, statement of changes in equity 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 the Association as at December 31, 2017, and its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards for SMEs (IFRSs 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 the 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.

### 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 IFRSs 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 the 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 the Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the 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 WB*

March 30, 2018

Mazars WB Audit Corporation

ATT New Tower, 11F

2-11-7 Akasaka, Minato-ku

Tokyo, 107-0052

Japan

# FINANCIAL STATEMENTS

INTERNATIONAL FORUM OF INDEPENDENT AUDIT REGULATORS ASSOCIATION  
FINANCIAL STATEMENTS FOR THE PERIOD FROM JANUARY 4 TO DECEMBER 31, 2017

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD FROM JANUARY 4 TO  
DECEMBER 31, 2017

	Note	2017 JPY
<b>REVENUE</b>		
Membership fees	3	124,055,320
Associate membership fees	3	412,882
Subsidies - Government grant	3	208,844,361
<b>Total revenue</b>		<b>333,312,563</b>
<b>OPERATIONAL EXPENDITURE</b>		
Salaries and employee benefits	4,5	87,436,064
Recruitment costs		6,801,822
Travel expenses		17,720,442
Meeting expenses		421,044
Audit expenses		1,944,000
Information technology and communication		13,976,507
Professional fees		5,516,343
Other expenses		1,688,346
Office supplies		1,359,018
Rental and maintenance expense	5	10,494,116
Depreciation	6	11,292,372
Foreign exchange gain		(4,717,041)
<b>Total operational expenditure</b>		<b>153,933,033</b>
<b>Operating surplus for the year</b>		<b>179,379,530</b>

INTERNATIONAL FORUM OF INDEPENDENT AUDIT REGULATORS ASSOCIATION  
FINANCIAL STATEMENTS FOR THE PERIOD FROM JANUARY 4 TO DECEMBER 31, 2017

STATEMENT OF FINANCIAL POSITION AT DECEMBER 31, 2017

	Note	2017 JPY
<b>ASSETS</b>		
<b>Non-current assets</b>		
Deposits	5	11,442,734
Property, plant and equipment	6	<u>62,179,836</u>
		73,622,570
<b>Current assets</b>		
Trade and other receivables		1,909,466
Prepaid expenses		5,225,560
Cash and cash equivalents	7	<u>151,244,382</u>
		158,379,408
<b>Total assets</b>		<u><u>232,001,978</u></u>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Deferred income	8	1,191,145
Asset retirement obligation	5	<u>16,571,520</u>
		17,762,665
<b>Current liabilities</b>		
Trade and other payables	9	3,242,928
Accruals		3,837,968
Deferred income	8	<u>27,778,888</u>
		34,859,784
<b>EQUITY</b>		
Retained surplus		179,379,530
<b>Total liabilities and equity</b>		<u><u>232,001,978</u></u>

INTERNATIONAL FORUM OF INDEPENDENT AUDIT REGULATORS ASSOCIATION  
FINANCIAL STATEMENTS FOR THE PERIOD FROM JANUARY 4 TO DECEMBER 31, 2017

STATEMENT OF CHANGES IN EQUITY AT DECEMBER 31, 2017

Figures in Japanese Yen	Retained surplus	Total
Balance as at January 4, 2017	-	-
Surplus for the year	179,379,530	179,379,530
Balance as at December 31, 2017	<u>179,379,530</u>	<u>179,379,530</u>

INTERNATIONAL FORUM OF INDEPENDENT AUDIT REGULATORS ASSOCIATION  
FINANCIAL STATEMENTS FOR THE PERIOD FROM JANUARY 4 TO DECEMBER 31, 2017

STATEMENT OF CASH FLOWS FOR THE PERIOD FROM JANUARY 4 TO DECEMBER 31, 2017

	Note	2017 JPY
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Total operating surplus for the year		179,379,530
<b>Adjustments for:</b>		
Depreciation	6	11,292,372
Increase in trade and other receivables		(1,909,466)
Increase in accruals		3,837,968
Increase in deferred income	8	28,970,032
Increase in deposits	5	(11,442,734)
Increase in trade and other payables		3,242,928
Increase in prepaid expenses		(5,225,560)
<b>Net cash from operating activities</b>		<u><b>208,145,070</b></u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of property, plant and equipment	6	(56,900,688)
<b>Net cash used in investing activities</b>		<u><b>(56,900,688)</b></u>
<b>Net increase in cash and cash equivalents</b>		<b>151,244,382</b>
Cash and cash equivalent at January 4, 2017		0
<b>Total cash and cash equivalents at end of the year</b>		<u><u><b>151,244,382</b></u></u>

INTERNATIONAL FORUM OF INDEPENDENT AUDIT REGULATORS ASSOCIATION  
FINANCIAL STATEMENTS FOR THE PERIOD FROM JANUARY 4 TO DECEMBER 31, 2017

**NOTES TO THE FINANCIAL STATEMENTS**

---

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

International Forum of Independent Audit Regulators Association (IFIAR Association) was established on January 4, 2017. The IFIAR Association serves as the legal entity International Forum of Independent Audit Regulators (IFIAR) uses for contracting purposes to engage in financial transactions such as collecting membership fees, employing individuals for the Secretariat and paying suppliers in relation to Secretariat infrastructure and costs. The Directors of IFIAR Association are Brian Hunt, Frank Schneider and Carl Renner.

IFIAR Association satisfies the requirements for non-profit General Incorporated Association (GIA) provided by the Japanese Corporation Tax Act and its subordinate regulations. 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 at this moment.

Established in 2006, IFIAR comprises independent audit regulators from 52 jurisdictions representing Africa, North America, South America, Asia, Oceania, and Europe.

**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. The financial statements, except for Statement of Cash Flows, have been prepared on an accrual basis with all assets, liabilities, equity, income 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 amounts is the balance at the IFIAR Association bank account. The balance is denominated in Japanese Yen (JPY) and Euro.

**2.3 Receivables**

Receivables are initially recognized at the transaction price.

**2.4 Revenue recognition**

Revenue comprises the membership fees of the Members of IFIAR Association, and subsidies from the Government of Japan. Membership fees are recognized on a straight-line basis over the membership period. Subsidies are recognized when they are due in accordance with the Host Agreement. Revenue is measured at the fair value of the consideration received or receivable.

## 2.5 Foreign currency translation

The functional and presentation currency for the IFIAR Association is the JPY. Foreign currency transactions are recorded at the average exchange rate for the month in which they are incurred. 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 administrative purposes and are expected to be used during more than one period.

### Recognition and initial measurement

IFIAR Association recognizes the cost of an item of property, plant and equipment as an asset when it is probable that future economic benefits associated with the item 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 an item of property, plant and equipment after initial recognition at cost less any accumulated depreciation and any accumulated impairment losses. Property, plant and equipment are depreciated on a straight-line basis over their expected useful lives. 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 fittings	10 years
IT hardware	3 years

## 2.7 Government assistance

Subsidies represent assistance from the Government of Japan through the CPAAOB/FSA in the form of a transfer of cash to IFIAR Association. The government assistance does not impose specified future performance conditions on IFIAR Association. IFIAR Association recognizes government subsidies as income when the grant proceeds are receivable in accordance with the Host Agreement.

The amount is fixed for four years at JPY 85,527,000 per annum with the first review required for the period 2021 to 2024. CPAAOB/FSA will continue to provide annual contributions as long as the Secretariat is based in Japan. The financial contributions will be provided by CPAAOB/FSA upon the Diet approval of the national budget in accordance with the relevant procedures of Japan. In addition, a one-time subsidy of JPY 123,317,361 was provided on establishment of the Secretariat in Tokyo.

## 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. IFIAR Association 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.

### 3. Revenue

Contributions from members include membership fees invoiced for the 2017 Membership year, including those that joined and left IFIAR in the course of the year for whom the fees are pro-rated for the period of membership. In 2017 membership fees were received from 53 member jurisdictions.

Associate membership fees relate to fees received from one Member. The Member became an Associate, and then later a full member during the year.

Subsidies include an annual contribution of JPY 85,527,000 as well as a one-time contribution of JPY123,317,361 on establishment of the Secretariat in Tokyo.

	2017 (JPY)
Membership fees	124,055,320
Associate membership fees	412,882
Subsidies / Government grants	208,844,361
	<u>333,312,563</u>

### 4. Salaries and employee benefits

	2017 (JPY)
Gross salaries	30,854,554
Officer organization staff reimbursement	33,167,237
Health and pension insurance	2,530,789
Staff welfare	9,486,191
Staff relocation cost	6,318,487
Other employee benefits	5,078,806
<b>Total salaries and employee benefits</b>	<u><b>87,436,064</b></u>

### 5. Lease commitments

Total commitments for the IFIAR Association under operating leases were as follows:

	2017 (JPY)		
	Properties	Office Equipment	Total
Payments within 1 year	24,606,660	152,928	24,759,588
Payments later than 1 year but within 5 years	38,496,203	497,016	38,993,219
<b>Total lease commitments</b>	<u><b>63,102,863</b></u>	<u><b>649,944</b></u>	<u><b>63,752,807</b></u>

Lease payments recognized as an expense during the year amounted to JPY 15,527,391, as detailed below.

SOCl expense line	Leased item	2017 (JPY)
Rental and maintenance expense	Office and photocopier	9,784,152
Salaries and employee benefits	Residential leases	5,743,239
		<u><b>15,527,391</b></u>

Security deposits of JPY 11,442,734 was paid upfront with regard to the office lease and residential leases for two employees.

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 of JPY

16,571,520 has been recognized in the Statement of Financial Position and included in the leasehold improvement cost.

## 6. Property, plant and equipment

	2017 (JPY)			
	Leasehold improvements	Furniture & fixtures	IT Equipment	Total
Cost at January 4, 2017	-	-	-	-
Accumulated depreciation at January 4, 2017	-	-	-	-
<b>Carrying amount at January 4, 2017</b>	-	-	-	-
<b>Movements during the period</b>				
Additions	48,742,182	12,579,824	12,150,202	73,472,208
Depreciation	(7,311,330)	(943,488)	(3,037,554)	(11,292,372)
	<b>41,430,852</b>	<b>11,636,336</b>	<b>9,112,648</b>	<b>62,179,836</b>
Cost at period end	48,742,182	12,579,824	12,150,202	73,472,208
Accumulated depreciation at period end	(7,311,330)	(943,488)	(3,037,554)	(11,292,372)
<b>Carrying amount at period end</b>	<b>41,430,852</b>	<b>11,636,336</b>	<b>9,112,648</b>	<b>62,179,836</b>

## 7. Cash and cash equivalents

Cash is held in current bank accounts denominated in Euros and Japanese Yen. There are no restrictions for the use of cash.

	2017 (JPY)
Japanese Yen Bank Account	126,054,587
Euro Bank Account	25,189,795
<b>Total cash and cash equivalents</b>	<b>151,244,382</b>

## 8. Deferred income

Deferred income relates to membership fees received in advance from members

	2017 (JPY)
Current	27,778,888
Non-current	1,191,145
<b>Total deferred income</b>	<b>28,970,032</b>

## 9. Related parties

Prior to IFIAR Association being established and becoming operational, IFIAR Verein conducted transactions on behalf of IFIAR Association. Similarly, once IFIAR Association became operational, it conducted transactions on behalf of IFIAR Verein. These transactions were net-settled prior to the year end, with the exception of an amount included in Trade and other payables, due to IFIAR Verein of JPY 1,292,994 (after revaluing to the year-end exchange rate) at the reporting date. This balance was net-settled in March 2018 when the remaining cash of IFIAR Verein amounting to JPY 8,540,698 was transferred to IFIAR Association in accordance with the IFIAR Verein Articles of Association upon the liquidation of IFIAR Verein and a resolution of its Members.

Many activities of IFIAR Association are conducted with related parties, being the Members of IFIAR (who are also the Members of the Association). All revenues (including the subsidies) are obtained from Members, whilst JPY 40,634,000 of the operating expenses are paid to the organizations of the Chair and Vice-Chair of IFIAR as a contribution towards their staff and travel costs in relation to IFIAR activities.

IFIAR Association's financial statements relate to only part of the resources needed for IFIAR activities - other activities and resources are provided by Members directly to IFIAR, and therefore are not reflected in IFIAR Association's financial statements. However, certain in-kind contributions from Members relate to the direct activities of IFIAR Association - the most significant of which is Secretariat staff support provided by the CPAAOB/FSA.

# IFIAR MEMBER DIRECTORY

## ABU DHABI

Abu Dhabi Accountability Authority  
Level 9, Falcon Tower, Abu Dhabi,  
United Arab Emirates, PO Box 435  
Tel: +971 2 6392200  
Fax: +971 2 6334122  
Website: [www.adaa.abudhabi.ae](http://www.adaa.abudhabi.ae)

## ALBANIA

Public Oversight Board of Albania  
Rr. Elbasanit, Pallati Edil AI IT, Zyra nr.321,  
Tirana Albania  
Tel: +355 4 346 077

## AUSTRALIA

Australian Securities & Investments  
Commission (ASIC)  
Level 5, 100 Market Street, Sydney,  
New South Wales,  
2000, Australia (street address)  
GPO Box 9827, Sydney, New South Wales,  
2001, Australia (postal address)  
Tel: +61 2 9911 2000  
Website: [www.asic.gov.au](http://www.asic.gov.au)

## AUSTRIA

Audit Oversight Body of Austria (AOBA)  
Brucknerstraße 8/6  
1040 Vienna  
Austria  
Tel: +43 1 503 12 18  
Email: [behoerde@apab.gv.at](mailto:behoerde@apab.gv.at)  
Website: <http://www.apab.gv.at>

## BELGIUM

Belgian Audit Oversight College (BAOC)  
Rue du Congrès 12 -14  
1000 Brussels  
Belgium  
Tel: +32 2 220 54 98  
Email: [info@ctr-csr.be](mailto:info@ctr-csr.be)  
Website: [www.ctr-csr.be](http://www.ctr-csr.be)

## BOTSWANA

Botswana Accountancy Oversight Authority  
(BAOA)  
10<sup>th</sup> Floor, Varsha House  
Gaborone CBD  
Private Bag 0056 Gaborone  
Botswana  
Tel: +267 391 9735  
Fax: +267 391 9737  
Website: [www.baoa.org.bw](http://www.baoa.org.bw)

## BRAZIL

Comissao de Valores Mobiliarios Securities  
(CVM)  
Rua Sete de Setembro, 111 - 32nd Floor  
Rio de Janeiro, RJ, 20050-901  
Brazil  
Tel: +55 21 3233 0200  
Fax: +55 21 2221 6769  
Email: [eduardom@cvm.gov.br](mailto:eduardom@cvm.gov.br)  
Website: <http://www.cvm.gov.br>

## BULGARIA

Commission for Public Oversight of Statutory  
Auditors  
7th Floor, 22 Serdica Street  
Sofia 1000  
Bulgaria  
Tel: +3592 9835539  
Fax: +3592 4897260  
Email: [office@cposa.bg](mailto:office@cposa.bg)  
Website: [www.cposa.bg/en](http://www.cposa.bg/en)

## CANADA

Canadian Public Accountability Board (CPAB)  
150 York Street  
Suite 900  
Toronto, Ontario M5H 3S5  
Canada  
Tel: +1 416 913 8260  
Fax: +1 416 850 9235  
Website: [www.cpab-ccrc.ca](http://www.cpab-ccrc.ca)

**CAYMAN ISLANDS**

Auditors Oversight Authority (AOA)  
133 Elgin Ave., Grand Cayman  
KYI-9000, Cayman Islands  
Tel: +345-244-8651  
Website: [www.aoa.ky](http://www.aoa.ky)

**CHINESE TAIPEI**

Financial Supervisory Commission (FSC)  
18F, No. 7, Sec. 2, Xianmin Blvd.  
Banciao District, New Taipei City  
Taiwan 22041  
Tel: (886 2) 8968 0899  
Fax: (886 2) 8969 1162  
Email: [international@fsc.gov.tw](mailto:international@fsc.gov.tw)  
Website: [www.fsc.gov.tw](http://www.fsc.gov.tw)

**CROATIA**

Croatian Audit Public Oversight Committee  
(APOC)  
Katanciceva 5  
10 000 Zagreb  
Croatia  
Tel: +385 1 45 91 171 | Fax: +385 1 45 91 101  
Email: [info@javni-nadzor-revizije.hr](mailto:info@javni-nadzor-revizije.hr)  
Website: [www.javni-nadzor-revizije.hr](http://www.javni-nadzor-revizije.hr)

**CYPRUS**

Cyprus Public Audit Oversight Board  
(CyPAOB)  
Corner Michael Karaoli & Grigori Afxentiou  
1441 Nicosia  
Cyprus  
Tel: +357 2260 2252  
Fax: +357 2260 5047  
E-mail: [info@cypaob.gov.cy](mailto:info@cypaob.gov.cy)  
Website: [www.cypaob.gov.cy](http://www.cypaob.gov.cy)

**CZECH REPUBLIC**

Public Audit Oversight Board (RVDA)  
Vodickova 38, Praha 1, 110 00  
Czech Republic  
Tel: +420 222947692  
Website: [www.rvda.cz](http://www.rvda.cz)

**DENMARK**

Danish Business Authority (DBA)  
Dahlerups Pakhus  
Langelinie Alle 17  
2100 Copenhagen  
Denmark  
Tel: +45 3529 1000  
Fax: +45 3546 6001  
E-mail: [erst@erst.dk](mailto:erst@erst.dk)  
Website: [www.erst.dk](http://www.erst.dk)

**DUBAI INTERNATIONAL FINANCIAL CENTRE**

Dubai Financial Services Authority  
Level 13, West Wing, The Gate, DIFC, Dubai  
(street address)  
Postal Address PO Box 75850, Dubai, UAE  
(postal Address)  
Tel: +971 (0) 4 362 1500  
Fax: +971 (0)4 362 0801  
Website: [www.dfsa.ae](http://www.dfsa.ae)

**EGYPT**

Auditors Oversight Unit  
Financial Regulatory Authority  
2nd Floor, 20 Emaad El Din Street  
Down Town  
Cairo  
Egypt 11111  
Tel: +202-257-97368 ext. 106  
Fax: +202-257-73693  
Email: [info.aou@FRA.gov.eg](mailto:info.aou@FRA.gov.eg)  
Website: [www.FRA.gov.eg](http://www.FRA.gov.eg)

**FINLAND**

Finnish Patent and Registration Office  
Auditor Oversight Unit (PRH)  
P.O. Box 1140  
Sörnäisten rantatie 13  
000911 Helsinki  
Finland  
Tel: +358 29 509 5000  
Website: [www.prh.fi](http://www.prh.fi)

**FRANCE**

Haut Conseil du commissariat aux comptes  
(H3C)  
10 rue Auber  
75009 Paris  
France  
Tel: +33 1 4451 0936  
Fax: +33 1 4451 0935  
Website: [www.h3c.org](http://www.h3c.org)

**GEORGIA**

Service for Accounting, Reporting and Auditing  
Supervision  
1 Aleksidze St, Tbilisi  
Georgia  
Tel: +995 32 226 2226  
Email: [y.dolidze@saras.gov.ge](mailto:y.dolidze@saras.gov.ge)  
Website: [www.saras.gov.ge](http://www.saras.gov.ge)

**GERMANY**

Abschlussprueferaufsichtsstelle (APAS) /  
Auditor Oversight Body (AOB)  
Uhlandstrasse 88-90  
10717 Berlin  
Germany  
Tel: +49 6196 908 3000

**GIBRALTAR**

Financial Services Commission  
PO Box 940  
Suite 3, Ground Floor  
Atlantic Suites  
Europort Avenue  
Gibraltar  
Tel: +350 200 40283  
Fax: +350 200 40282  
Email: [auditors@fsc.gi](mailto:auditors@fsc.gi)  
Website: [www.gfsc.gi](http://www.gfsc.gi)

**GREECE**

Accounting and Auditing Standards Oversight  
Board  
7, Voulis Street, 105 62, Athens  
Greece  
Tel: +30 210 324 2648  
Fax: +30 210 323 4141  
Email: [info@elte.org.gr](mailto:info@elte.org.gr)  
Website: [www.elte.org.gr](http://www.elte.org.gr)

**HUNGARY**

Auditors' Public Oversight Authority (Ministry for  
National Economy)  
József nádor tér 2-4  
1051 Budapest  
Hungary  
Tel: +36 1 795 3543  
Fax: +36 1 795 0294  
Email: [kozfelugyelet@ngm.gov.hu](mailto:kozfelugyelet@ngm.gov.hu)  
Website: <http://www.kormany.hu>

**INDONESIA**

The Accountant and Appraiser Supervisory  
Center (PPAJP)  
Ministry of Finance in Indonesia  
Jl. Dr.Wahidin No.1  
Gedung Djuanda II  
Lt 19-20  
Jakarta Pusat  
DKI Jakarta 10710  
Indonesia  
Tel: +62 021 384 3237  
Fax: +62 021 345 3710  
Website: [www.ppajp.depkeu.go.id](http://www.ppajp.depkeu.go.id)

**IRELAND**

Irish Auditing & Accounting Supervisory  
Authority (IAASA)  
Willow House  
Millennium Park  
Naas  
Co. Kildare  
Ireland  
Tel: +353 (0)45 983600  
Fax: +353 (0)45 983601  
Email: [info@iaasa.ie](mailto:info@iaasa.ie)  
Website: [www.iaasa.ie](http://www.iaasa.ie)

**ITALY**

Commissione Nazionale per le Società e la  
Borsa (CONSOB)  
3, Via G.B. Martini  
00198 Rome  
Italy  
Tel: +39 068 4771  
Fax: +39 06 8417707  
Website: [www.consob.it](http://www.consob.it)

**JAPAN**

Certified Public Accountants & Auditing  
Oversight Board (CPAAOB)

3-2-1 Kasumigaseki

Chiyoda-ku

Tokyo 100-8905

Japan

Tel: +81 3 5251 7279

Fax: +81 3 5251 7288

Website: [www.fsa.go.jp/cpaaob](http://www.fsa.go.jp/cpaaob)

Financial Services Agency (FSA)

3-2-1 Kasumigaseki

Chiyoda-ku

Tokyo, 100-8967

Japan

Tel: +81 3 3506 6420

Website: [www.fsa.go.jp](http://www.fsa.go.jp)

**KOREA**

Financial Services Commission (FSC)

124 Sejong-daero, Jung-gu

Seoul 100-745

Korea

Tel : +82 2 2156 9585

Website: [www.fsc.go.kr](http://www.fsc.go.kr)

Financial Supervisory Service (FSS)

38 Yeoui-daero, Youngdeungpo-gu

Seoul, 150-743

Korea

Tel: +82 2 3145 5114

Website: [www.fss.or.kr](http://www.fss.or.kr)

**LIECHTENSTEIN**

Financial Market Authority Liechtenstein (FMA)/

Finanzmarktaufsicht Liechtenstein (FMA)

Landstrasse 109,

P.O. Box 279, 9490

Vaduz, Liechtenstein

Tel: +423 236 73 73

Fax: +423 236 73 76

Email: [info@fma-li.li](mailto:info@fma-li.li)

Website: [www.fma-li.li](http://www.fma-li.li)

**LITHUANIA**

The Authority of Audit, Accounting, Property  
Valuation and Insolvency Management under  
the Ministry of Finance of the Republic of  
Lithuania (AAPVIM)

Rinktinės g. 48A

LT-09318 Vilnius

Lithuania

Tel: +370 5 212 5464

Fax: +370 5 262 0782

E-mail: [admin@aat.lt](mailto:admin@aat.lt)

Website: [www.aat.lt](http://www.aat.lt)

**LUXEMBOURG**

Commission de Surveillance du Secteur  
Financier (CSSF)

283, Route d'Arlon, L-1150 Luxembourg

L-2991 Luxembourg (Postal)

Tel: +352 26 25 1 351

Fax: +352 26 25 1 603

Email: [direction@cssf.lu](mailto:direction@cssf.lu)

Website: [www.cssf.lu](http://www.cssf.lu)

**MALAYSIA**

Audit Oversight Board

Securities Commission Malaysia

No 3 Persiaran Bukit Kiara

Bukit Kiara

50490, Kuala Lumpur

Tel: +60362048900

Fax: +60362011888

Email: [aob@seccom.com.my](mailto:aob@seccom.com.my)

Website: [www.sc.com.my](http://www.sc.com.my)

**MAURITIUS**

Financial Reporting Council

3rd Floor

Anglo Mauritius Building

Intendance Street

Port-Louis Mauritius

Tel: +230 213 6800

Fax: +230 213 6900

Email: [frc.mauritius@intnet.mu](mailto:frc.mauritius@intnet.mu)

Website: [www.frc.mu](http://www.frc.mu)

**THE NETHERLANDS**

Autoriteit Financiële Markten (AFM)  
 P.O. Box 11723  
 1001 GS Amsterdam  
 The Netherlands  
 Tel: +31 20 707 2000  
 Fax: +31 20 797 3800  
 Email: [wta@afm.nl](mailto:wta@afm.nl)  
 Website: <http://www.afm.nl/en.aspx>

**NEW ZEALAND**

Financial Markets Authority (FMA)  
 Level 5, Ernst & Young Building  
 2 Takutai Square, Britomart  
 PO Box 106 672  
 Auckland 1143  
 New Zealand  
 Tel: +64 (09) 300 0400  
 Fax: +64 (09) 300 0499  
 Website: [www.fma.govt.nz](http://www.fma.govt.nz)

**NORWAY**

Finanstilsynet / The Financial Supervisory  
 Authority of Norway  
 P.O. Box 1187 Sentrum  
 N-0107 Oslo  
 Norway  
 Tel: +47 2293 9800  
 Fax: +47 2263 0226  
 Website: <http://www.finanstilsynet.no/en/>

**POLAND**

Komisja Nadzoru Audytowego/  
 Audit Oversight Commission  
 12 Swietokrzyska Str,  
 00-916 Warsaw, Poland  
 Tel: +48 22 694 39 61  
 Fax: +48 22 694 32 60  
 Email: [biuro.kna@mf.gov.pl](mailto:biuro.kna@mf.gov.pl)  
 Website: [www.kna.gov.pl](http://www.kna.gov.pl)

**PORTUGAL**

Comissão do Mercado de Valores Mobiliários  
 (CMVM)/  
 Portuguese Securities Market Commission  
 Rua Laura Alves, nº 4 - Apartado 14258  
 1064-003 Lisboa  
 Portugal  
 Tel: +351 213 177 000  
 Fax: +351 213 537 077  
 E-mail: [cmvm@cmvm.pt](mailto:cmvm@cmvm.pt)  
 Website: [www.cmvm.pt](http://www.cmvm.pt)

**RUSSIA**

The Ministry of Finance of the Russian  
 Federation  
 Ilinka street 9,  
 Moscow, 109097,  
 Russian Federation  
 Telephone number: +7 (495) 987-91-01  
 Fax number: +7 (495) 625-08-89  
 Website (Russian): <http://minfin.ru/ru/>  
 Website (English): <http://old.minfin.ru/en/>

The Federal Treasury  
 Ilinka street 7,  
 Moscow, 109097,  
 Russian Federation  
 Telephone number: +7 (495) 214-72-97  
 Fax number: +7 (495) 214-73-34  
 Website (Russian): <http://www.roskazna.ru/>  
 Website (English): <http://www.roskazna.ru/en/>

**SINGAPORE**

Accounting and Corporate Regulatory Authority  
 (ACRA)  
 10 Anson Road #05-01/15  
 International Plaza  
 Singapore 079903  
 Tel: +65 6248 6028  
 Fax: +65 6225 1676  
 Website: [www.acra.gov.sg](http://www.acra.gov.sg)

**SLOVAK REPUBLIC**

Úrad pre dohľad nad výkonom auditu (UDVA)/  
Auditing Oversight Authority  
Slovanská  
P.O. Box 63  
810 05 Bratislava 15  
Slovak Republic  
Tel: +421 2 57267511  
Fax: +421 2 57267500  
Email: [udva@udva.sk](mailto:udva@udva.sk)  
Website: [www.udva.sk](http://www.udva.sk)

**SLOVENIA**

Agencija za javni nadzor nad revidiranjem  
(ANR)/  
Agency for Public Oversight of Auditing (APOA)  
Cankarjeva cesta 18, SI-1000 Ljubljana  
Slovenia  
Tel: +386 (1) 6208550  
Fax: +386 (1) 6208552  
Email: [info@anr.si](mailto:info@anr.si)  
Website: [www.anr.si](http://www.anr.si)

**SOUTH AFRICA**

Independent Regulatory Board for Auditors  
(IRBA)  
Building 2, Greenstone Hill Office Park,  
Emerald Boulevard, Greenstone Hill, 1616  
(street address)  
P.O. Box 8237, Greenstone, 1616 (postal  
address)  
Tel: +27 87940 8800  
Fax: +27 87940 8868  
Email: [Board@irba.co.za](mailto:Board@irba.co.za)  
Website: [www.irba.co.za](http://www.irba.co.za)

**SPAIN**

Accounting and Auditing Institute (ICAC)  
Calle de las Huertas 26  
28014 Madrid  
Spain  
Tel: +34 91 389 5622  
Fax: +34 91 429 9486  
Website: [www.icac.meh.es](http://www.icac.meh.es)

**SRI LANKA**

Accounting and Auditing Standards Monitoring  
Board  
3rd Floor, 293 Galle Road, Colombo 3  
Sri Lanka  
Tel: +941 301 210  
Fax: +941 301 211  
Email: [slaasmb@sltnet.lk](mailto:slaasmb@sltnet.lk)  
Website: [www.slaasmb.org/](http://www.slaasmb.org/)

**SWEDEN**

Revisorsnämnden / Supervisory Board of Public  
Accountants (RN)  
Karlavägen 104  
P.O. Box 24014  
104 50 Stockholm  
Sweden  
Tel: +46 8 783 4600  
Fax: +46 8 783 18 71  
Website: [www.revisorsinspektionen.se](http://www.revisorsinspektionen.se)

**SWITZERLAND**

Federal Audit Oversight Authority (FAOA)  
P.O. Box 6023  
Bundesgasse 18  
CH-3001 Bern  
Switzerland  
Tel: +41 31 560 22 22  
Fax: +41 31 560 22 23  
Email: [international@rab-asr.ch](mailto:international@rab-asr.ch)  
Website: [www.audit-oversight.ch](http://www.audit-oversight.ch)

**THAILAND**

Securities and Exchange Commission  
333/3 Viphavadi Rangsit Road  
Chomphon  
Chatuchak  
Bangkok 10900  
Thailand  
Tel. +66 2695 9999  
Fax. +66 2695 9660  
Website:  
<http://www.sec.or.th/EN/Pages/Home.aspx>

**TURKEY**

Capital Markets Board of Turkey (CMB)  
 Sermaye Piyasasi Kurulu  
 Eskişehir Yolu 8. Km. No. 156  
 06530 Ankara  
 Turkey  
 Website: [www.cmb.gov.tr](http://www.cmb.gov.tr)

Public Oversight, Accounting and Auditing  
 Standards Authority (POA)  
 Söğütözü Mahallesi 2177 Sokak No 4  
 Çankaya Ankara  
 Turkey  
 Tel: +90 312 253 55 55  
 Website: [www.kgk.gov.tr](http://www.kgk.gov.tr)

**UNITED KINGDOM**

Financial Reporting Council (FRC)  
 125 London Wall  
 London EC2Y 5AS  
 Tel: +44 20 7492 2300  
 Fax: +44 20 7492 2301  
 Website: [www.frc.org.uk](http://www.frc.org.uk)

**UNITED STATES**

Public Company Accounting Oversight Board  
 (PCAOB)  
 1666 K Street, NW  
 Washington DC 20006-2803  
 USA  
 Tel: +1 (202) 207 9100  
 Fax: +1 (202) 862 8430  
 Website: [www.pcaobus.org](http://www.pcaobus.org)

**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](mailto:secretariat@ifiar.org) | 🌐 [www.ifiar.org](http://www.ifiar.org)

☎ +81-(0)3-4510-3495 | 📍 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