

January 13, 2017

Dear IFAC Member Organizations, Observers, and Key Contacts,

I am delighted to provide highlights of the IFAC Board and Council meetings, November 16-18 2016, in Brasilia, Brazil. I take this opportunity to thank our Brazilian hosts, the Conselho Federal de Contabilidade (CFC), the Instituto dos Auditores Independentes do Brasil (IBRACON), the Brazilian Accounting Foundation (FBC), and new Board member Idésio Coelho for making IFAC's first Council and Board meeting in South America such a success.

The meetings were a historic moment for IFAC and the Brazilian profession, marking the first time that Council has met in South America. I was honored to be elected as IFAC President for the next two years, and to see In-Ki Joo (Republic of South Korea) elected as Deputy President in front of more than 175 representatives of the IFAC family. In attendance were IFAC Members, Associates, Affiliates, Regional Organizations and Acknowledged Accountancy Groupings.

IFAC Council Meeting 16-17 November

Another first for Council was the adoption of a unifying theme. Building on IFAC's 2016 G-20 Call to Action and reflecting the work of professional accountants globally, Council was branded "Build Trust" and attendees were invited to tweet under the #BuildTrust hashtag.

The theme was strongly represented in Council's deliberations, actions and speakers, and was particularly represented in a keynote address by Mr. Gilmar Mendes, Minister of the Brazilian Supreme Court and President of the Electoral High Court. Mr. Mendes detailed the Brazilian profession's long-standing role in supporting the nation's economy and society. He highlighted the profession's assistance in helping the nation adopt and implement international standards as a key plank of Brazil's economic recovery mission in the 1980-90s. He also highlighted the profession's critical role in helping fight political corruption with the introduction of new political financing transparency and accountability measures.

Council also heard from Charlotte Jepsen, Chief Executive of our Danish Member Organization, on the role of auditors, and the profession generally, in facilitating wise counsel on taxation matters. Her presentation demonstrated how the profession can play a positive role in influencing the national tax debate and building public trust in institutions.

Council approved a number of recommendations, including:

- Election of new Board members: Philippe Arraou (France), Tommye Barie (USA), and Idésio da Silva Coelho (Brazil).
- Re-election of Board members: Wienand Schruff (Germany), Gail McEvoy (Ireland), Mike Hathorn (UK), and Sebastian Owuama (Nigeria).
- Re-election of Nominating Committee member: Greg Anton (USA).
- Election of new Nominating Committee member: Guy Almeida Andrade (Brazil).



- New IFAC Members admitted: Mauritius Institute of Professional Accountants, Portugal's Ordem dos Contabilistas Certificado, and Union of Accountants, Auditors, and Financial Workers of Federation of Bosnia and Herzegovina.
- Enforcement actions:
 - Suspension extension: Vietnam Accounting Association (IFAC Member).
 - Expulsion: Bahrain Accountants Association (IFAC Member), Ukrainian Association of Certified Accountants and Auditors (IFAC Associate).
- Among other Council approvals, the broad parameters for IFAC's 2017 budget was passed, as was the appointment of Mattig-Suter as IFAC's Swiss Auditor for Swiss statutory purposes for the 2015 and 2016 financial statements.

In addition to receiving updates from a range of IFAC Board committees, the Forum of Firms Chair, and IFAC's senior executive team, Council heard updates on the latest developments in standard setting, and on discussions with the Monitoring Group. The Public Interest Oversight Board also provided an update.

Council attendees were invited to a range of workshops and heard from expert speakers.

- Via video conference, Daniel Susskind, co-author of *The Future of the Professions*, addressed the importance of technology in the profession's continued evolution.
- International Ethics Standards Board for Accountants (IESBA) Chair, Stavros Thomadakis, presented a workshop on the background and public interest aspirations of the Non-Compliance with Laws and Regulation (NOCLAR) standards.
- An Integrated Reporting Network for PAOs workshop was conducted to help shape the Network's 2017 priorities; recommendations included helping PAOs to lead by issuing integrated reports of their own.
- A workshop on the profession's contribution to the UN 2030 Agenda for Sustainable Development explored eight key Sustainable Development Goals (SDGs), with participants noting *Gender Equality* and *Partnerships for Goals*, as being areas among which the profession could make the highest contribution.
- The Small- and Medium- Practices Committee (SMPC) leadership provided a wide-ranging presentation on the role of SMPs providing small and medium enterprises (SMEs) with business support. An SMP and PAO break out session explored topics such as consistent client interaction, and PAO support for SMPs.

In addition, Council formally acknowledged the work of Giancarlo Attolini, who stood down as chair of the SMPC, having served an extraordinary 11 years on the committee. A tireless advocate for the SMP and SME community, Giancarlo's leadership was felt across a number of major projects, including initiating and driving the well-received SMP Practice Management Guide.

And finally, Council bid farewell to Olivia Kirtley, who served with distinction as IFAC President for the past two years. The standing ovation she received after her closing speech, which reflected on her journey as President and the impact of the global profession, was commensurate with the impact she made as the first woman to lead the global profession.



IFAC Board Meeting—18 November

We welcomed new Board members and acknowledged the abundant talent represented across the Board. Jean Ettridge, retiring Head of International Affairs at the Institute of Chartered Accountants of England and Wales, attending Board as a Board Category A Observer in place of Mark Spofforth, received the Board's warmest thanks for her service to the profession, and to IFAC activity.

Items of business and review included:

- Reports from the President, CEO, and Board subcommittees.
- An update from the Confederation of Asian and Pacific Accountants (CAPA) Chief Executive, Brian Blood, which focused on its top two focus areas: PAO development and public sector financial management. CAPA's 60th Anniversary will be held in Kuala Lumpur next year.
- Approval of the creation of a Technology Advisory Group to advise the Board and IFAC on key technology-related topics, to be comprised of Board members, and subject matter experts from IFAC Member Organizations and IFAC staff.
- An update from Faye Choudhury, IFAC Chief Executive, on Standard-Setting Boards' governance.
- A paper presenting the proposed Strategic Regional Partner Framework for Recognized Regional Organizations and Acknowledged Accountancy Groupings was also discussed. Mr. Choudhury explained the framework as a mechanism for sharing plans annually, and to ensure better coordination and cooperation in overlapping areas. The Board is encouraged to seek comment from their nominating organizations on the paper.
- The Board heard a detailed presentation or "deep dive" by Alta Prinsloo, and Sylvia Tsen, on IFAC's efforts to develop and support the global accountancy profession. Highlights included:
 - The PAODC's Memorandum of Understanding to Strengthen Accountancy and Improve Collaboration—MOSAIC—launched the Foundations Project, which includes an IFAC-commissioned Department for International Development (DFID)-funded study. The aim of the study is to explore the feasibility of a program to build foundational accountancy skills in developing countries, beginning with Africa and to be expanded to other regions over time.
 - A joint effort by the Fédération Internationale Des Experts-Comptables Francophones, Pan African Federation of Accountants, World Bank, and African Development Bank, to review the continued appropriateness of the model of the accountancy profession / PAOs in Francophone Africa, with the view to move to "full-service" PAOs supporting all members in all occupations in the private and public sectors.
 - A review of IFAC's Global Accountancy Profession – Support operating line, including 2016 work-streams. The high quality work of the SMPC in commenting on International Auditing and Assurance Standards Board and IESBA projects was also noted, and the Board was encouraged to share experiences regarding providing input on standard setting or SME audit issues in their jurisdictions, to assist the SMPC.



IFAC Council Meeting 2017

The 2017 Council Meeting will be held on November 15-16, 2017, in Brussels, Belgium, hosted by Institut des Experts-comptables et des Conseils Fiscaux – Instituut Van de Accountants en de Belastingconsulenten and the Instituut van de Bedrijfsrevisoren - Institut des Réviseurs d'Entreprises

Kind regards,

A handwritten signature in blue ink, appearing to read 'Rachel Grimes', is positioned above the printed name.

Rachel Grimes

IFAC President