

**MINUTES OF THE ORDINARY MEETING OF THE COUNCIL OF THE
INTERNATIONAL FEDERATION OF ACCOUNTANTS
Held on November 13-14, 2013 in Seoul, South Korea**

ATTENDANCE LIST

Chair: Warren Allen (President)
Secretary: Fayez Choudhury (Chief Executive Officer)
Legal Counsel: Vincent Pfammatter

Members	Voting Representative	Technical Advisor
ALBANIA <i>Institute of Authorized Chartered Auditors of Albania</i>	H. Cela	
ARGENTINA <i>Federación Argentina de Consejos Profesionales de Ciencias Económicas</i>	R. Nicastro	
AUSTRALIA <i>Institute of Chartered Accountants in Australia</i>	M. Ashton	L. White (Nov. 13 only) T. Gullifer (Nov. 14 only)
AUSTRALIA <i>CPA Australia</i>	P. Egan	G. Wade
AUSTRIA <i>Institut Österreichischer Wirtschaftsprüfer</i>	H. Maukner	
BANGLADESH <i>Institute of Cost and Management Accountants of Bangladesh</i>	D. Hussain	
BELGIUM <i>Institut des Experts Comptables et des Conseils Fiscaux – Instituut van de Accountants en de Belastingconsulenten</i>	B. Vanderstichelen	C. Cloquet
BELGIUM <i>Instituut van de Bedrijfsrevisoren - Institut des Réviseurs d'Entreprises</i>	D. Kroes	I. Saeys
BOSNIA AND HERZEGOVINA <i>Association of Accountants and Auditors of Republic of Srpska</i>	N. Kondic	B. Borojevic
BOTSWANA <i>Botswana Institute of Chartered Accountants</i>	T. Modise	F. Ndeke

Members	Voting Representative	Technical Advisor
BRAZIL <i>Conselho Federal de Contabilidade</i>	V. Cunha de Souto Maior	E. Rocha Pocetti
BRAZIL <i>Instituto dos Auditores Independentes do Brasil</i>	G. Andrade	
BULGARIA <i>Institute of Certified Public Accountants of Bulgaria</i>	B. Kostov	
CAMEROON <i>Institute of Chartered Accountants of Cameroon</i>	R. Libong	
CANADA <i>Canadian Institute of Chartered Accountants</i>	K. Dancey	S. Brown
CANADA <i>Certified General Accountants Association of Canada</i>	P. Keller	L. Handfield
CANADA <i>Certified Management Accountants of Canada</i>	J. Thomas	
CHINA <i>Chinese Institute of Certified Public Accountants</i>	Y. Chen	L. Jui
CHINESE TAIWAN <i>Federation of CPA Associations of Chinese Taiwan</i>	S. Hseu	S. Wong
CZECH REPUBLIC <i>Chamber of Auditors of the Czech Republic</i>	P. Sobotnik	
DENMARK <i>FSR - danske revisorer</i>	M. Speitzer	C. Jepsen
FINLAND <i>HTM-tilintarkastajat ry - GRM- revisorer rf</i>	A. Salonen	
FINLAND <i>KHT-yhdistys – Föreningen CGR ry</i>	T. Vuopala	A. Tanner
FRANCE <i>Compagnie Nationale des Commissaires aux Comptes</i>	Y. Nicolas (Nov. 14 only)	J. Delespaul
FRANCE <i>Conseil Supérieur de l'Ordre des Experts-Comptables</i>	P. Arraou	B. Kleiner
GERMANY <i>Institut der Wirtschaftsprüfer</i>	K. Feld	W. Schruff

Members	Voting Representative	Technical Advisor
GHANA <i>Institute of Chartered Accountants (Ghana)</i>	A. Peasah	F. Moore
GREECE <i>Institute of Certified Public Accountants of Greece</i>	V. Rizoulis	P. Alamanos
HONG KONG <i>Hong Kong Institute of Certified Public Accountants</i>	L. Chiu	W. Ding
INDONESIA <i>Indonesian Institute of Accountants</i>	S. Utama	
IRAQ <i>Iraqi Union of Accountants and Auditors</i>	R. Al Nawas	
IRELAND <i>Chartered Accountants Ireland</i>	B. Lenihan	P. Costello
IRELAND <i>Institute of Certified Public Accountants in Ireland</i>	J. Aherne	E. Siggins
ISRAEL <i>Institute of Certified Public Accountants in Israel</i>	D. Goldberg	A. Hilman
ITALY <i>Consiglio Nazionale dei Dottori Commercialisti e Degli Esperti Contabili</i>	N. Di Segni	G. Porath
JAMAICA <i>Institute of Chartered Accountants of Jamaica</i>	P. Monroe-Ellis	B. Scott
JAPAN <i>Japanese Institute of Certified Public Accountants</i>	K. Mori	S. Kobayashi
JORDAN <i>Jordanian Association of Certified Public Accountants</i>	H. Kawasmy	
JORDAN <i>The International Arab Society of Certified Accountants</i>	O. Tabbara	
KENYA <i>Institute of Certified Public Accountants of Kenya</i>	B. Okundi	C. Kigen
KOREA, REPUBLIC OF <i>Korean Institute of Certified Public Accountants</i>	S. Kang	Y. Park

Members	Voting Representative	Technical Advisor
KOSOVO <i>Society of Certified Accountants and Auditors of Kosovo</i>	F. Breznica	A. Bunjaku
LEBANON <i>Lebanese Association of Certified Public Accountants</i>	A. Abou Sleiman	
LESOTHO <i>Lesotho Institute of Accountants</i>	M. Monyake-Mohasoa	M. Raditapole
MALAYSIA <i>Malaysian Institute of Accountants</i>	J. Idris	F. Ho
MALAYSIA <i>Malaysian Institute of Certified Public Accountants</i>	Y. Foo	K. Pushpanathan
MEXICO <i>Instituto Mexicano de Contadores Públicos, A.C.</i>	L. González	L. Brizuela
MONGOLIA <i>Mongolian Institute of Certified Public Accountants</i>	B. Gombo	C. Choigunsen
NEPAL <i>Institute of Chartered Accountants of Nepal</i>	M. Guragain	N. Bhattarai
NETHERLANDS <i>Nederlandse Beroepsorganisatie van Accountants</i>	B. Wammes	P. Hurks
NEW ZEALAND <i>New Zealand Institute of Chartered Accountants</i>	L. Hickey	F. Hutchings
NIGERIA <i>Institute of Chartered Accountants of Nigeria</i>	K. Mohammed	R. Omotoso
NORWAY <i>Den norske Revisorforening</i>	I. Hisdal	P. Hanstad
PAKISTAN <i>Institute of Chartered Accountants of Pakistan</i>	N. Sheikh	
PAKISTAN <i>Institute of Cost and Management Accountants of Pakistan</i>	Z. ul Mustafa	S. Awan
PHILIPPINES <i>Philippine Institute of Certified Public Accountants</i>	R. Evangelista	
POLAND <i>Accountants Association in Poland</i>	A. Kamela-Sowińska	

Members	Voting Representative	Technical Advisor
POLAND <i>National Chamber of Statutory Auditors</i>	K. Burnos	
PORTUGAL <i>Ordem dos Revisores Oficiais de Contas</i>	J. Rodrigues	
ROMANIA <i>Corpul Expertilor Contabili si Contabililor Autorizati din Romania</i>	F. Toma	
RUSSIAN FEDERATION <i>Institute of Professional Accountants of Russia</i>	L. Khoruzhiy	E. Koposova
RUSSIAN FEDERATION <i>Russian Collegium of Auditors</i>	I. Tyutina	A. Gimadutdinov
SINGAPORE <i>Institute of Singapore Chartered Accountants</i>	E. Kan	C. Yee
SOUTH AFRICA <i>South African Institute of Chartered Accountants</i>	M. Matlwa	
SOUTH AFRICA <i>South African Institute of Professional Accountants</i>	S. Daniels	S. Olsen
SRI LANKA <i>Institute of Chartered Accountants of Sri Lanka</i>	S. Rajapakse	A. Alwis
SWEDEN <i>FAR</i>	D. Brännström	A. af Ekenstam
TANZANIA, UNITED REPUBLIC <i>National Board of Accountants and Auditors</i>	P. Maneno	
THAILAND <i>Federation of Accounting Professions</i>	V. Chattanrassamee	C. Chaiprasit
TUNISIA <i>Ordre des Experts Comptables de Tunisie</i>	J. Bouraoui	W. Khrouf
TURKEY <i>Expert Accountants' Association of Turkey</i>	M. Turker	C. İbiş
TURKEY <i>Union of Chambers of Certified Public Accountants of Turkey</i>	N. Sanli	A. Sayar
UGANDA <i>Institute of Certified Public Accountants of Uganda</i>	D. Nkajja	P. Kagoro

Members	Voting Representative	Technical Advisor
UNITED KINGDOM <i>Association of Accounting Technicians</i>	M. Evans	J. Scott Paul
UNITED KINGDOM <i>Association of Chartered Certified Accountants</i>	M. Turner	H. Brand
UNITED KINGDOM <i>Chartered Institute of Management Accountants</i>	M. Furber	C. Tilley
UNITED KINGDOM <i>Chartered Institute of Public Finance and Accountancy</i>	J. Salisbury	R. Whiteman
UNITED KINGDOM <i>Institute of Chartered Accountants in England & Wales</i>	A. Bailey	J. Ettridge
UNITED KINGDOM <i>Institute of Chartered Accountants of Scotland</i>	A. Colella	
UNITED KINGDOM <i>Institute of Financial Accountants</i>	D. Woodgate	
UNITED STATES <i>American Institute of Certified Public Accountants</i>	B. Melancon	J. Knafo
ZAMBIA <i>Zambia Institute of Chartered Accountants</i>	H. Kabeta	
ZIMBABWE <i>Institute of Chartered Accountants of Zimbabwe</i>	T. Rwodzi	

Associates	Representative	Representative
BOSNIA AND HERZEGOVINA <i>Union of Accountants, Auditors and Financial Workers of Federation of Bosnia</i>	J. Misita	
CAYMAN <i>Cayman Islands Society of Professional Accountants*</i>	J. George	
KAZAKHSTAN <i>The Chamber of Professional Accountants of the Republic of Kazakhstan</i>	N. Alimbetov	I. Dumanova
MACEDONIA, FYR <i>Institute of Certified Auditors of the Republic of Macedonia*</i>	D. Dimitrov	L. Gjorgjievski

Associates	Representative	Representative
MAURITIUS <i>Mauritius Institute of Professional Accountants</i>	C. Choon Kwee	B. Ramruttan
NIGERIA <i>Association of National Accountants of Nigeria</i>	S. Ekune	S. Labode
PORTUGAL <i>Ordem dos Técnicos Oficiais de Contas</i>	A. Antao	A. Azevedo
RUSSIAN FEDERATION <i>Audit Chamber of Russia</i>	S. Ischouk	
RUSSIAN FEDERATION <i>The Institute of Professional Auditors</i>	D. Dolotenkova	
RWANDA <i>Institute of Certified Public Accountants of Rwanda</i>	E. Mulera	P. Musafiri
SENEGAL <i>Ordre National des Experts Comptables et Comptables*</i>	M. Fall	
SRI LANKA <i>Association of Accounting Technicians of Sri Lanka</i>	G. Amarasinghe	L. Fernando
UZBEKISTAN <i>National Association of Accountants and Auditors of Uzbekistan</i>	M. Tulakhodjaeva	

* Associate admitted to membership by the IFAC Council in November 2013.

Recognized Regional Organizations	Representative	Representative
<i>Confederation of Asian and Pacific Accountants</i>	K. Wedlock	B. Blood
<i>Fédération des Experts-Comptables Européens</i>	O. Boutellis-Taft	
<i>Interamerican Accounting Association</i>	T. Flores	
<i>Pan African Federation of Accountants</i>	M. Assad	V. Ncube

Acknowledged Accountancy Groupings	Representative	Representative
<i>Association of Accountancy Bodies of West Africa</i>	M. Unubun	
<i>Eurasian Council of Certified Accountants and Auditors</i>	A. Ruf	V. Zharinov
<i>Fédération Internationale des Experts-Comptables Francophones</i>	M. Cartier Le Guerinel	

Acknowledged Accountancy Groupings	Representative	Representative
<i>Gulf Cooperation Council Accounting and Auditing Organization</i>	N. Alkaud	A. Alzarouni
<i>The Institute of Chartered Accountants of the Caribbean</i>	F. Myers	

Proxies	
Given by	Given to
AUSTRIA <i>Kammer der Wirtschaftstreuhänder</i>	<i>Institut Österreichischer Wirtschaftsprüfer</i>
COLOMBIA <i>Instituto Nacional de Contadores Públicos de Colombia</i>	<i>IFAC President</i>
CZECH REPUBLIC <i>Union of Accountants of the Czech Republic</i>	<i>Chamber of Auditors of the Czech Republic</i>
FRANCE <i>Compagnie Nationale des Commissaires aux Comptes (Nov. 13 only)</i>	<i>Conseil Supérieur de l'Ordre des Experts-Comptables</i>
MALAWI <i>Society of Accountants in Malawi</i>	<i>Pan African Federation of Accountants</i>
MOLDOVA, REPUBLIC OF <i>Association of Professional Accountants & Auditors of the Republic of Moldova</i>	<i>IFAC President</i>
ROMANIA <i>The Chamber of Financial Auditors of Romania</i>	<i>Institute of Certified Public Accountants of Bulgaria</i>
SWAZILAND <i>Swaziland Institute of Accountants</i>	<i>Pan African Federation of Accountants</i>
TRINIDAD AND TOBAGO <i>Institute of Chartered Accountants of Trinidad & Tobago</i>	<i>Institute of Chartered Accountants of Jamaica</i>

Representatives of Organizations Admitted as Members, Associates and Affiliates at the Council Meeting

Organization	Representative	Representative
LATVIA <i>Association of Accountants of the Republic of Latvia</i>	A. Ponomarjovs	O. Molchanova
PALESTINE <i>Palestinian Association of Certified Public Accountants</i>	A. Hassouneh	J. Milhem
RUSSIAN FEDERATION <i>Moscow Audit Chamber</i>	L. Kozlova	
UNITED KINGDOM <i>Association Corporate Treasurers</i>	N. Lyle	
UNITED STATES <i>Institute of Management Accountants</i>	J. Thomson	
UZBEKISTAN <i>Chamber of Auditors of Uzbekistan</i>	N. Karimov	

IFAC Staff

F. Choudhury <i>Chief Executive Officer</i>	R. Guthrie <i>Executive Director, Policy and Professional Relations</i>
A. Prinsloo <i>Executive Director, Governance and Operations</i>	J. Sylph <i>Executive Director, Professional Standards and External Relations</i>
S. Fox <i>Technical Director, IPSASB</i>	G. Pflugrath <i>Director, Public Policy & Regulation</i>
S. Tsen <i>Director, Quality and Member Relations</i>	L. Lach <i>Deputy Director, Governance and Strategy</i>
L. Wilker <i>Deputy Director, Head of Communications</i>	E. Churikova <i>Assistant Manager, Governance and Strategy</i>
S. Lee <i>Associate, Member Relations</i>	D. Ofori <i>Senior Executive Assistant to the CEO</i>
M. Scales <i>Executive Assistant, Director – Governance and Operations</i>	

Also in Attendance

<p>IFAC Deputy President <i>O. Kirtley</i></p>
<p>Members of the IFAC Board and Technical Advisors to the IFAC Board</p>
<p>Chairs of the Independent Standard-setting Boards</p>
<p>Chairs of the IFAC Committees</p>
<p>Member of the Public Interest Oversight Board <i>T. Kitamura</i></p>
<p>Chair of the Forum of Firms <i>R. Dohrer</i></p>
<p>Representative of the Forum of Firms <i>C. Horstmann</i></p>
<p>Instituut van de Bedrijfsrevisoren – Institut des Réviseurs d'Entreprise <i>M. De Wolf</i></p>
<p>The Global Accounting Alliance <i>S. Harrison</i></p>
<p>Institute of Chartered Accountants of Scotland <i>M. Hathorn</i></p>
<p>Instituted of Certified Public Accountants in Ireland <i>G. McEvoy</i></p>
<p>Institute of Chartered Accountants of Nigeria <i>S. Owuama</i></p>
<p>Association of Chartered Certified Accountants <i>A. Steele</i></p>
<p>Secretary General of the Nordic Federation of Public Accountants <i>J. Røder</i></p>

The format for the 2013 International Federation of Accountants' (IFAC) Council meeting involved various sessions across two days. The minutes below reflect the meeting proceedings in the order shown in the meeting agenda and not necessarily the order of events during the meeting. The meeting involved: a Welcome, Formal Business session, breakout sessions, and Council seminar (November 13); and Council workshops, followed by a further Formal Business session (November 14).

1. Welcome and Apologies

1.1 Call to Order, Welcoming Remarks, and Procedural Matters

The President, Warren Allen, welcomed the Council delegates to the meeting. He thanked the Korean Institute of Certified Public Accountants (KICPA) for hosting the Council. He also welcomed the representatives of Member Bodies, as well as representatives of the Public Interest Oversight Board (PIOB), Recognized Regional Organizations and Acknowledged Accountancy Groupings, Board and Committee Chairs, members of the IFAC Board, and other observers in attendance.

Mr. Allen then provided an overview of the schedule for the meeting.

Mr. Allen introduced Vincent Pfammatter, IFAC's independent legal counsel, who reported as follows:

- a) The designation and credentials of the voting representative of each Member Body in good standing registered in attendance at this meeting were reviewed and verified.
- b) There were 75 Member Bodies eligible to vote that were present in person through a duly authorized designated representative at the commencement of the Council meeting and there were 8 Member Bodies eligible to vote and voting by proxy, for a total of 83. The Council approved a late proxy that was received from the Association of Professional Accountants and Auditors of the Republic of Moldova. This brought the total number of Member Bodies eligible to vote and voting by proxy to 84.¹
- c) Out of a total of 138 Member Bodies eligible to vote, the IFAC Constitution required a quorum of 28 representatives. The quorum was established for the meeting.

Mr. Pfammatter confirmed that all voting at the meeting would be conducted by the show of yellow ribbons.

The Council unanimously approved the proxy submitted by the Association of Professional Accountants and Auditors of the Republic of Moldova.

2. Minutes

2.1 Minutes of the 2012 Ordinary Meeting of the Council

The Council received the minutes of the Ordinary Meeting of the Council, which took place on November 14-15, 2012, in Cape Town, South Africa. Mr. Allen noted that the total vote in favor of the approval of the membership of the Association of Accounting Technicians (AAT) noted in the draft minutes did not include the proxies held by the President, of which there were 17. All of the proxies were voted in favor of the membership of AAT. The minutes have been amended to include a total vote in favor of the membership of AAT of 70 votes.

¹ After the start of the meeting, 8 additional voting representatives of Member Bodies registered and one proxy was revoked (the Member Body representative arrived in person). This brought the total of Member Bodies eligible to vote in person or by proxy to 91.

The Council unanimously approved the minutes of the 2012 Ordinary Meeting of the Council, as amended.

3. Reports from IFAC Leadership and Management

3.1 Report from the President

In addition to his written report, Mr. Allen provided opening remarks to Council to set the scene for the Council meeting. Mr. Allen provided a why, how and what analysis for Council.

Mr. Allen first discussed why we have IFAC. He noted that we are a truly global profession ideally placed to assist the economy in recovering from the global financial crisis, and that during his travels this year he was impressed with the significant achievements of many professional accountancy organizations around the world.

Mr. Allen then reported on how IFAC is doing. He supplemented his and management's written reports to Council by providing a high-level overview of some of the many achievements during 2013 under each of the four operating lines, including:

- *Supporting Standards Development.* With IFAC's support, the four independent standard setting boards made significant contributions during the year, including the International Auditing and Assurance Standards Board's (IAASB's) issuance of the exposure drafts, *Reporting on Audited Financial Statements: Proposed New and Revised International Standards on Auditing*; the International Ethics Standards Board for Accountants' (IESBA's) work on responding to non-compliance with laws or regulations; the International Accounting Education Standards Board's (IAESB's) issuance of revised International Education Standard (IES) 1, *Entry Requirements to Professional Accounting Education Programs* and IES 5, *Initial Professional Development—Practical Experience*; and International Public Sector Accounting Standards Board's (IPSASB's) issuance of the first four chapters of the *Conceptual Framework for General Purpose Financial Reporting by Public Sector Entities*, which underpins the development of International Public Sector Accounting Standards (IPSASs) and other documents that provide guidance on general purpose financial reports.

In addition, resolving the issue of the need for public interest oversight of the IPSASB was a critical area of focus in 2013.

- *Quality and Capacity.* In 2013, the Compliance Advisory Panel (CAP) continued its important work to ensure an active and robust accounting profession. The partnership with the donor community was strengthened by the Professional Accountancy Organization (PAO) Development Committee through the Memorandum of Understanding to Strengthen Accountancy and Improve Collaboration (MOSAIC) and other initiatives.
- *Supporting the Profession.* Integrated reporting has emerged as a major initiative to promote transparency and accountability and enhance investor/stakeholder confidence and IFAC has made advancing it a top priority. In addition, the Small and Medium Practices (SMP) and Professional Accountants in Business (PAIB) Committees continued to support their constituencies.
- *Global Representation and Advocacy.* A number of key themes for speaking out have been identified, including:
 - Public Sector Financial Management and Accountability;

- Beyond Financial Statement Reporting;
- Accountants in Society; and
- Financial Reporting Supply Chain.

In addition, processes to promote IFAC's active engagement with key stakeholders were strengthened.

Finally, Mr. Allen asked *what* we want to achieve. In order to assure that IFAC is fit for the future, it is essential that the Constitution and the Bylaws be revised, and that the sustainability of IFAC's funding be addressed through a revised dues formula. Mr. Allen asked Council to thoughtfully consider and support these initiatives to ensure that IFAC can fulfill its role in meeting the public's expectations of the profession.

3.2-3.4 *Report from Management to Council*

3.2 *Report from the Chief Executive Officer (CEO)*

The CEO, Fayezul Choudhury, highlighted the strategic initiatives and IFAC's accomplishments since the last Council meeting. Mr. Choudhury supplemented Mr. Allen's report to Council by providing background on progress on specific projects under each of the four operating lines:

- *Supporting Standards Development* – A document describing the respective roles and responsibilities of IFAC, the PIOB, and the independent standard-setting boards (SSBs) is being developed. This document will be used as a basis for developing a service level agreement between IFAC and the independent SSBs.
- *Quality and Capacity* – During 2013, IFAC hosted or participated in several important forums, including *Adoption and Implementation of International Standards in the Former Soviet Republics in Europe and Central Asia*, *CRoCER 2013 (Conference for Accounting and Accountability for Regional Economic Growth*, or *Contabilidad y Responsabilidad para el Crecimiento Económico Regional)*, and *ASEAN Capital Markets—The Importance of a Strong Financial Reporting Environment*. Representatives of IFAC also initiated discussions with various organizations to strengthen PAO development across the globe.

IFAC published, on behalf of MOSAIC, the *Professional Accountancy Organization Global Development Report*, which provides an assessment of PAO development at the global, regional, and national levels.

Mr. Choudhury participated with the IPSASB Deputy Chair, Ron Salole, in a public sector accountability panel at the World Bank / International Monetary Fund (IMF) annual meetings.

- *Supporting the Profession* – IFAC staff is continuing to work on the IFAC Global Knowledge Gateway, which is designed to share knowledge and resources, and provide a global platform for Members, Associates, and Affiliates to promote their materials. (The Council received a presentation of the Gateway as part of agenda item 7.5.)
- *Global Representation and Advocacy* – In addition to work on the four themes for 2013 noted under Mr. Allen's report, Mr. Choudhury noted that during 2013, Policy Position Papers were issued on effective governance, risk management, and internal control; and enhancing organizational reporting. In addition, IFAC called on the Russian Presidency of the G-20 to advance adoption and implementation of IPSASs, and welcomed the G-20 focus on public sector

financial management, as well as a European Commission (EC) report that called IPSASs an “indisputable reference” for accrual-based public sector standards. Finally, Mr. Choudhury provided a summary of his participation in meetings and conferences and articles for which he had been interviewed.

Mr. Choudhury also highlighted his three crosscutting themes (or enablers) that are critical to IFAC’s success:

- *Enhanced Stakeholder Engagement* – Management is implementing a stakeholder engagement process and rolling it out across the organization. The process prioritizes our various stakeholders and identifies relationship strategies and roadmaps.
- *Diversified Funding* – Diversified funding has been a key focus during the year as work continues on both a revised new dues formula and various alternative funding sources.
- *Streamlined Processes Fit for Purpose* – All IFAC processes are being evaluated to determine whether they are fit for purpose. From a governance perspective, fit for purpose is also being considered as part of the Constitution Review.

3.3 The status of the implementation of the Operational Plan for 2013 (service delivery and financial information)

The Council received a report from the Executive Director, Governance and Operations, Alta Prinsloo, on the status of the implementation of the *Operational Plan for 2013*. Ms. Prinsloo noted that most of the projects included in the plan are on target for completion by December 31, 2013. There are three services that have revised targets within this year (one for an independent SSB and two for IFAC committees and activities), 18 services that will be delayed into next year (12 for independent SSBs and 6 for IFAC committees and activities), and one service that has been eliminated for an IFAC committee.

The reasons for the revised targets and eliminated service were highlighted on the summary dashboard. None of the delays have been highlighted as a major concern, although there have been numerous open staff positions which affected service delivery throughout 2013. Management continues to monitor the risks associated with staffing pressures/unfilled positions and will continue to report on the implications for service delivery. It is envisaged that many of the positions will be filled during the fourth quarter.

Ms. Prinsloo also reported that the full-year (FY) forecast shows a deficit of \$224,000, while the budget shows a deficit of \$892,000. This significant favorable variance of \$668,000 is mainly due to new Member/Associate dues not included in the budget, limited Member dues adjustments/discounts, and cost savings due to a number of staff vacancies and cost-cutting initiatives.

Finally, Ms. Prinsloo reported that during 2013, management, in consultation with the Planning and Finance Committee (PFC), performed a detailed review of the Developing Nations Travel Subsidy. The objective of the revised program—which is now called the *Travel Support Program for Board and Committee Members*—is to facilitate self-nominations, as well as developing country representation on the boards and committees. The program is effective November 2013 and applies to IFAC Board membership commencing on or after November 15, 2013 and other board and committee membership commencing on or after January 1, 2014.

3.4 The proposed strategic initiatives and budget parameters for 2014

3.4.1 The proposed Strategy Implementation Plan—2014 and 3.4.2 the proposed budget for 2014

The Council received the *Strategy Implementation Plan—2014* (the SIP). Ms. Prinsloo provided background on the document, noting that the SIP uses the *Strategic Plan for 2013-2016* approved by Council in November 2012 as a starting point and organizes the strategic objectives in four operating lines; and presents the initiatives for 2014 in a streamlined, easy-to-read format.

The Plan is based on a careful analysis of the changes in the environment, the needs and priorities of IFAC's stakeholders, the risks associated with possible action and inaction, and IFAC's current and future resource needs. It was developed in consultation with the PFC, and approved by the Board in September 2013.

Questions and Comments

- In considering the proposed strategy, two Member Body representatives noted that IFAC must remain relevant. It was noted that the Constitution Review Working Group was able to complete its proposed revisions in a short period of time, and that the Constitution and Bylaws should be approved as quickly as possible to allow IFAC to move forward on other important strategic matters.

Ms. Prinsloo also presented an overview of the 2014 budget. She noted that the budget presentation has been revised to distinguish the independent SSBs, Public Interest Activity Committees (PIACs), and IFAC activities. PIOB cost has been allocated to the PIACs, prorated based on the PIACs' direct cost. Indirect costs have been allocated to all activities except the Forum of Firms, prorated based on the activities' direct cost. The budget was developed in consultation with the PFC, and approved by the Board in September 2013.

The Council approved the *Strategy Implementation Plan—2014* and the broad parameters of the budget for 2014. No votes against and 6 abstentions were recorded.

3.4.3 Receive the proposed Member Body, Associate and Affiliate financial contributions for 2014

The Council received the basis of the assessment for Member dues for 2014 and the level of Member, Associate, and Affiliate dues for 2014. The realization of potential budget exposures and changes in the environment continue to put pressure on IFAC's budget; however, recognizing that many Members are still suffering from the financial crisis, the Board recommends that dues for 2014 be assessed as indicated to the Council in 2011.

The increase in the Forum of Firms financial contribution is 3.75% over their 2013 financial contribution.

The Council approved the following with regard to the basis of assessment of the financial contributions to be paid by Member Bodies, Associates, and Affiliates in 2014:

- (a) A minimum contribution for Members of \$5,000.**
- (b) A Member's dues are the 2013 unadjusted dues increased by 3.75%.**
- (c) The dues in (b) cannot be less than 1% of the Member's revenue from Member Dues or \$2.75 per Full Member of the Member.**
- (d) Any adjustment as a result of (c) is added to the dues in (b).**
- (e) All dues are rounded up to the next thousand dollars.**

The Council also approved the level of Member Body dues for 2014. No votes against and 6 abstentions were recorded.

4. Report from Board Subcommittees

4.1 Receive a report from the Governance and Audit Committee Chair

The Council received a report from the chair of the Governance and Audit Committee (GAC), Robert Harris. Mr. Harris highlighted the GAC's responsibility for oversight of the audit of the 2012 financial statements and the assurance engagement for the 2012 service delivery statement. The GAC:

- Reviewed the 2012 financial statements and the 2012 service delivery statement and recommended their approval to the Board;
- Confirmed the auditors' independence;
- Reviewed the required auditors' communications;
- Noted that there were no comments from the auditor to management for the 2012 audit;
- Approved the audit and non-audit fees and the non-audit services provided by the auditor;
- Met privately with the auditor; and
- Reviewed the auditors' performance.

The Council received a recommendation from the GAC that Citrin Cooperman LLP be reappointed for the audit of the 2014 financial statements. The Board endorsed this recommendation during its June 2013 meeting.

The Council unanimously approved the reappointment of Citrin Cooperman LLP for the audit of the 2014 financial statements.

4.2 Receive a Report from the PFC Chair

The Council received a report from the chair of the PFC, Olivia Kirtley, on the activities of the PFC in 2013. In addition to its work on the dues formula for 2015 and beyond, Ms. Kirtley highlighted the PFC's oversight and monitoring of the implementation of the *Operational Plan for 2013*, risk monitoring (which included an annual review of the risk policy and risk tolerance as well as the quarterly review of the risk map and strategic and operational risk dashboards); review of the status of the 2013 membership dues and management's recommendations with regard to adjustments and discounts; receiving updates on progress with regard to a stronger funding model, and modifications of the Travel Support Program for Board and Committee Members.

The PFC also completed its responsibilities with respect to the SMP Activity Review Task Force, which was established in 2009 and completed its work in 2010. As the final recommendation of the review required that the IFAC Board conduct a post-implementation review of the recommendations, the PFC reviewed a report on the status of the implementation of the recommendations, and the report was presented to the Board in September 2013. The PFC and the Board are of the view that the majority of recommendations had been implemented, satisfactory progress was made on the remaining recommendations, and no further monitoring by the Board of the implementation of recommendations was necessary.

5. Nominations Process

5.1 Receive a report from the Nominating Committee Chair

a. Nominations Process for 2014 Positions

The Council received a report on the nominations process for 2014 positions on boards and committees. The Nominating Committee reviewed the CVs of 161 (2012: 180) candidates. There were 48 (2012: 59) vacancies, including the following leadership positions: Chair of the Professional Accountants in Business (PAIB) Committee and Chair of the PAO Development Committee.

For the first time, nominations for membership of the IPSASB were open to the general public.

The nominations were generally of a high quality, giving rise to strong competition for the available positions. The Nominating Committee evaluated candidates – in the first instance – based on the best person for the position and – in the second instance – to achieve a gender, regional and professional balance.

Mr. Allen noted that in 2014 the Nominating Committee will issue two Calls for Nominations: one for the independent SSBs and one for the IFAC Board and committees. IFAC Members, Associates, and Affiliates were encouraged to assist in identifying highly qualified nominations from all six regions of the world and, in particular, from Africa-Middle East for IAASB membership and Latin America for IESBA membership, as currently there is no representation from these regions on these two SSBs.

b. Election of the IFAC Board

The Council received a recommendation for the 2014 composition of the IFAC Board.

The Council unanimously approved:

- (a) Category A: the re-appointment of Ana Maria Elorrieta (CFC/IBRACON / Brazil) and Robert Harris (AICPA / USA);**
- (b) Category B: the appointment of Dr. Wienand Schruff (IDW / Germany); and**
- (c) Category C: the appointment of Michael Hathorn (CIPFA & ICAS / UK), Gail McEvoy (ICPAI / Ireland), and Major-General (Retired) Sebastian Achulike Owuama (ICAN / Nigeria).**

c. Appointment of the Nominating Committee

The Council received a recommendation for the 2014 Composition of the Nominating Committee.

The Council unanimously approved:

- (a) The reappointment of Prof. Judy Tsui (HKICPA / Hong Kong) and Sir David Tweedie (ICAS / UK);**
- (b) The appointment of Anne Loveridge (ICAA & CPA AU / Australia); and**
- (c) The appointment of Gregory Anton (AICPA / USA) as temporary additional member for a one-year term (2014) to address the need for SMP representation on the Nominating Committee.**

6. Membership Matters

6.1 Receive a written update from the CAP

The Council received the written update from the CAP.

6.2 Receive the applications for membership, associate, and affiliate status

The Council received the recommendations for membership, associate, and affiliate status from the Director, Quality and Member Relations, Sylvia Tsen.

The Council unanimously approved the admission of the following new members:

- **Cayman Islands Society of Professional Accountants (CISPA);**
- **Institute of Certified Auditors of Republic of Macedonia (ICARM, from the former Yugoslav Republic of Macedonia);**
- **Ordre National des Experts Comptables et Comptables Agréés du Sénégal (ONECCA - Sénégal); and**
- **Institute of Management Accountants (IMA).**

The Council unanimously approved the admission of the following new associates

- **Colegio de Contadores Públicos y Auditores de Guatemala (CCPAG);**
- **Association of Accountants of the Republic of Latvia (AARL);**
- **Palestinian Association of Certified Public Accountants (PACPA);**
- **Moscow Audit Chamber (MoAC); and**
- **Chamber of Auditors of Uzbekistan (CAU).**

The Council unanimously approved the admission of the Association of Corporate Treasurers (ACT) as an affiliate.

6.3 Receive a recommendation for the extension of a suspension

The Council initially received an agenda paper containing a recommendation to expel the Colegio de Peritos Mercantiles y Contadores Públicos (CPMCP) for both nonpayment of financial contributions and noncompliance with relevant membership criteria. Prior to the Council meeting, CPMCP paid its 2012 and 2013 outstanding dues. Staff recommended that CPMCP be granted an extension to submit its Statements of Membership Obligations (SMO) action plan by January 15, 2014. In its meeting on November 13, 2013, the Board approved a recommendation to Council to extend the suspension of CPMCP.

The Council unanimously approved the recommendation to extend CPMCP's suspension until the next Council meeting.

7. Report on IFAC Activities

The Council received reports from the following committees and activities:

- **PAO Development Committee (agenda item 7.1);**
- **PAIB Committee (agenda item 7.2);**
- **SMP Committee (agenda Item 7.3);**
- **Public Policy and Regulation Activities (agenda item 7.4);**
- **Communications Activities (agenda item 7.6); and**
- **Adoption, Implementation, and Translations/Permissions (agenda item 7.7).**

Council members were given the opportunity to raise any matters relating to these reports. No comments were raised.

The Council also received a presentation on the IFAC Global Knowledge Gateway (agenda item 7.5) from Mr. Choudhury and the Deputy Director and Head of Communications, Laura Wilker. A formal launch of the Gateway is planned for January 2014.

8. Other Reports

8.1 Receive a presentation and written report on the activities of the Forum of Firms / Transnational Auditors Committee

The Council received a report from the chair of the Forum of Firms, Robert Dohrer. The Forum of Firms membership currently stands at 24 networks and two affiliates. Mr. Dohrer noted that observer status is sometimes granted to firms who are interested in the Forum but need more time to make the commitment needed for affiliate and membership status.

During 2013, the Forum focused on a number of core activities related to audit quality, including supporting standard setting and engagement with external groups including the World Bank Centre for Financial Reporting Reform and the US Center for Audit Quality. Further, the Forum has an audit quality roundtable planned for December 2013 in Mumbai. During 2013, the Forum continued to engage with the International Monetary Fund on the issue of Central Bank audits. Finally, a research paper, *Engagement Quality Control Reviews—Practical Considerations*, was issued in January 2013.

8.2 Reports from Recognized Regional Organizations

The Council received reports from the following:

- Confederation of Asian and Pacific Accountants (agenda item 8.2.1);
- Fédération des Experts Comptables Européens (agenda item 8.2.2);
- Interamerican Accounting Association (agenda item 8.2.3); and
- Pan African Federation of Accountants (agenda item 8.2.4).

Council members were given the opportunity to raise any matters relating to these reports. No comments were raised.

8.3 Reports from Acknowledged Accountancy Groupings

The Council received reports from the following:

- Association of Accountancy Bodies in West Africa (agenda item 8.3.1);
- Eurasian Council of Certified Accountants and Auditors (agenda item 8.3.2);
- Fédération des Experts-Comptables Méditerranéens (agenda item 8.3.3);
- Fédération Internationale des Experts-Comptables Francophones (agenda item 8.3.4);
- Institute of Chartered Accountants of the Caribbean (agenda item 8.3.5); and
- South Asian Federation of Accountants (agenda item 8.3.6).

Council members were given the opportunity to raise any matters relating to these reports. No comments were raised.

8.4 Receive a report on the World Congress of Accountants (WCOA) 2014

The Council received an update on the WCOA 2014 to be held in Rome, Italy. The theme for the Congress is *2020 Vision: Learning from the Past; Building the Future*. The report provided information on the venue and the scheduling of the plenary and concurrent sessions. The concurrent sessions are articulated in five tracks:

- Track 1 – Financial report and integrated thinking;
- Track 2 – Assurance of business information;
- Track 3 – Ethics, legality, and corporate responsibility;
- Track 4 – Education and capacity building; and
- Track 5 – Business Advisory.

The report also provided an update on a new feature, which is a call for scientific papers. Over 90 abstracts were received and invitations to develop full research papers were sent to 30 promising researchers. The final publication will include 10 to 15 selected papers.

The report listed major confirmed sponsors and noted that a variety of sponsorship packages are still available.

There is an extensive plan to create a dynamic, interactive, and high-tech WCOA 2014 through use of such tools as special applications, TV channels and networks, web streaming (live and delayed), and social media.

The Council also viewed a video that promotes the World Congress.

9. Board Projects

9.1 *Receive a recommendation for the proposed revised Constitution and Bylaws (Council breakout session)*

On the first day of the meeting, the Council was divided into smaller groups to discuss significant proposed amendments to the Constitution and Bylaws. The breakout session focused on issues related to membership categories and SMO compliance; board representation, voting rights, and financial contributions; governance structure; and the independence of the standard-setting boards. The Board met at the end of the first day of the Council meeting to discuss the feedback received during the breakout session and unanimously approved recommending the proposed documents to the Council for approval on the second day of the meeting (November 14).

On the second day of the Council meeting, the Council received a report from Ms. Prinsloo on the feedback from the breakout session. She noted that the Board had agreed that the following matters should be considered during 2014:

- (a) Authority for approving the broad parameters of the IFAC budget;
- (b) The limit of two IFAC Board members from Member Bodies with headquarters in the same country; and
- (c) The roles and responsibilities of IFAC in facilitating international standard-setting in the public interest.

Questions and Comments

- Two Member Body representatives were of the view that the process for approval of the revised Constitution and Bylaws was moving too quickly and that there was not enough time for Member Bodies to consider the issues.
- One Member Body representative expressed a concern with moving the approval of the broad parameters of the budget from the Council to the Board.

The Council was asked – in the first instance – to vote on whether to approve the revised Constitution and Bylaws on that day.

The Council approved, by a simple majority, the proposal to vote on the revised Constitution and Bylaws at this Council meeting. 47 votes in favor, 34 votes against, and no abstentions were recorded.

The Council then voted on the revised Constitution and Bylaws.

The Council did not approve the revised Constitution and Bylaws. 50 votes in favor, 27 votes against and 1 abstention were recorded. This fell short of the supermajority (two-thirds) vote required to amend the Constitution and Bylaws (i.e., 50 as opposed to 52 votes in favor).

The Council was asked to approve at this meeting those articles of the revised Bylaws that enable participation in a Special meeting of the Council by electronic means to facilitate participation by those Member Bodies that are not able to be represented in person.

The Council approved, by a supermajority (two-thirds approval), the proposed amendment to the Constitution and Bylaws that enables participation in a Special meeting of the Council by electronic means.² 72 votes in favor, no votes against and 1 abstention were recorded.

9.2 *Receive a proposal for a new basis for assessing Member Body (MB) financial contributions for 2015 and beyond (Council breakout session)*

On the first day of the meeting, the Council was divided into smaller groups to discuss the proposed dues formula, which was as follows:

- (a) Largest of [1.4% of MB Member Dues + 0.4% of MB Other Revenue] and [\$3 per MB Full Member]
- (b) Minimum level of dues of \$6,000 in 2015
- (c) 10% decrease limit from the 2014 dues
- (d) Any decrease from / increase over old formula extended to 2015 (i.e., 2014 + 3.75% with two minimum tests) is phased in as follows:
 - (i) Decreases – phased in over 6 years
 - (ii) Increases between 0%-20% – no phase in
 - (iii) Increases of 20% and above – MBs in Categories A & B³ phased in over 3 years– MBs in Category C⁴ phased in over 6 years.

² These include sections 13.2 and 15.1 of the proposed revised Constitution and sections 14.2, 14.3 and 18.3 of the proposed revised Bylaws

³ Category A: 12 largest contributing MBs; Category B: 13th – 24th largest contributing MBs

The Board met at the beginning of the second day of the Council meeting to discuss the feedback received during the breakout session. It was noted that some Council participants supported a vote at Council; some wanted a different model; and some participants were open to the new model but sought further clarity on key elements, including:

- The components of MB Member Dues Revenue and MB Other Revenue to be included in the calculation;
- The definition of a Full Member; and
- IFAC's value proposition.

Based on the feedback, the Board decided to delay the recommendation to approve the proposed dues formula. Further work on issues raised will be addressed by the PFC and the results will be brought to the Board as quickly as possible but no later than February 2014, and it is anticipated that a Special Meeting of the Council will be called by the Board to vote on the new dues formula recommendation no later than June 2014.

Ms. Prinsloo reported the Board's discussion and decision to the Council on the second day of their meeting.

10. International Standard-Setting In The Public Interest

10.1 Receive written updates from the independent standard-setting boards:

- International Auditing and Assurance Standards Board (agenda item 10.1.1);
- International Ethics Standards Board for Accountants (agenda item 10.1.2);
- International Accounting Education Standards Board (agenda item 10.1.3); and
- International Public Sector Accounting Standards Board (agenda item 10.1.4).

Council members were given the opportunity to raise any matters relating to these reports. No comments were raised.

10.2 Receive an update from a representative from the PIOB

The PIOB representative, Toshi Kitamura, provided background on the PIOB's initiatives in recent years and updated Council on developments in 2013. Mr. Kitamura highlighted how the series of the PIOB's Public Reports have helped to clarify the role of the PIOB and the three-tiered oversight model and show the PIOB's views on what the public interest means in relation to the accountancy/audit profession.

Mr. Kitamura noted that the three-tier system of the Monitoring Group, PIOB and PIACs continues to evolve to allow for more transparency. While the basic process of standard setting remains the same, the PIOB's oversight approach has been modified. The previous approach was based on direct and comprehensive observation. In view of the increasingly robust due process in the development of standards, accumulated experiences of the PIOB, and the Monitoring Group's recommendation for a risk-based approach, the PIOB has developed a new methodology aimed at providing quality oversight in the public interest without relying on 100% direct observation.

⁴ Category C: MBs other than the 24 largest contributing MBs

After providing an overview of the PIOB's oversight of all phases of the standard-setting process, Mr. Kitamura summarized the PIOB's strategic plan for oversight of the IAASB, IESBA and IAESB standards planned for approval in 2013, 2014 and beyond.

10.3 Presentation from the Chair of the Monitoring Group

The Council received a pre-recorded video presentation from the Chair of the Monitoring Group, Howard Wetston, who was not able to be at the Council meeting in person. Mr. Wetston stated that the role of auditors in the effective functioning of capital markets has never been more important than it is today. He noted that IFAC's independent standard-setting boards and the PIOB have responded to issues of audit quality and auditor communications with new proposals for stakeholders to consider, and although the final outcomes of the proposed Audit Quality Framework and the proposed changes to auditor reporting are not yet known, it is certain that there will be an impact on financial reporting and on the role and responsibilities of the auditor.

Mr. Wetston noted that the Monitoring Group must remain focused on the public interest and must consider the proposals from that perspective. Open dialogue with the PIOB on substantive developments in standard setting is essential, and the Monitoring Group must ensure that any significant public interest concerns are raised with the PIOB and that the respective standard-setting boards are made aware of the Monitoring Group's views.

The Monitoring Group's Statement on Governance published in April 2013 highlights the need for the PIOB and the Monitoring Group to engage more on public interest matters affecting audit quality, and the Monitoring Group has begun work on this. The Monitoring Group will also continue to address the remaining operational improvements identified in the Statement on Governance, such as improvements to feedback mechanisms from the PIOB and standard setters to the Monitoring Group on any Monitoring Group concerns that are raised during a standard-setting project. The Monitoring Group will work with the PIOB on enhancing the governance and due process mechanisms, but noted that the final standards will only be effective if the profession applies them with care and diligence. Auditor oversight bodies in various jurisdictions around the world continue to raise concerns about audit execution. The Monitoring Group understands that the audit profession has heard this message and is responding to these concerns.

Finally, Mr. Wetston noted that enhanced audit quality also begins with each individual audit engagement. Every audit firm can review and improve its audit execution, and ensure consistency in audit quality. Working together to improve standards and enhance execution will build trust and confidence in financial reporting, and ultimately, in the capital markets.

10.4 Receive an update on public interest oversight of the IPSASB

Mr. Choudhury updated the Council on the progress on a consultation on IPSASB oversight. He noted that the Review Group examining the governance arrangements for the IPSASB, co-chaired by the IMF, World Bank, and the Organization for Economic Cooperation and Development (OECD), convened a meeting to discuss the way forward in Paris on May 31, 2013. Senior IFAC staff attended this meeting.

It was agreed at that meeting that the Review Group would issue a consultation paper on possible scenarios for IPSASB oversight. It was anticipated that IFAC would be given an opportunity to comment on the draft of the paper referred to above before issuance. The consultation was scheduled for release in July 2013 but is now planned for late 2013/early 2014.

11. Seminar and Workshops

11.1 Seminar Program

This year's seminar, *Strengthening the Links of the Financial Reporting Supply Chain*, was held on the afternoon of November 13. The seminar focused on elements necessary to support high-quality financial reporting, including the drivers of audit quality, and the importance of oversight and regulation.

An introduction to the seminar was provided by Mr. Sung-won Kang, President, KICPA. The seminar consisted of three panels:

- *A Strong Financial Reporting Infrastructure: Vital for a Growing Economy and Strong Capital Market*, moderated by Warren Allen, President. Panelists were:
 - Kenneth Chatelain, Partner, PwC Public Policy & Regulatory Affairs;
 - In Ki Joo, Professor of Accounting, Yonsei University; and
 - Tong-Wook Shim, Senior Vice President and Head of Finance, POSCO.
- *The Drivers of Audit Quality*, moderated by Arnold Schilder, Chairman, IAASB. Panelists were:
 - Albert Au, Chair, BDO Limited and SMP Committee member;
 - Olivia Kirtley, Deputy President, IFAC;
 - David Maxwell, Partner, Grant Thornton; and
 - Hwi Joon Park, former Vice President, Woori Investment & Securities.
- *Oversight/Regulation: Promoting Quality*, moderated by Lee White, CEO, Institute of Chartered Accountants Australia. Panelists were:
 - Robert Dohrer, Global Leader, Quality & Risk, RSM International Limited;
 - Janine van Diggelen, Vice Chair, International Forum of Independent Audit Regulators;
 - Kenneth Yap, CEO, Singapore Accounting and Corporate Regulatory Authority;
 - Jae-hoon Yoo, standing commissioner of the Securities and Futures Commission under the auspice of the Financial Services Commission; and
 - Kyung-Sik Yoon, Head of the Audit Quality Control Supervisory Service, KICPA.

A concluding question and answer session was led by Mr. Choudhury.

11.2 Workshop Program

The workshops, held on the morning of November 14, were interactive sessions attended by approximately 20-60 people each. The first set of workshops addressed the following topics:

- *Integrated Reporting: the Next Steps*, moderated by Mr. Allen. The panelists included:
 - Dr. Ian Ball, International Integrated Reporting Council (IIRC) Director, Chair IIRC Working Group;
 - Dr. Jeanne Ng, Director, Group Environmental Affairs, CLP Holdings (IIRC Pilot Program participant); and
 - Alex Malley, Chief Executive, CPA Australia.

The topics included:

- An overview of developments with the IIRC, in particular the Framework expected to be available in December;
- Reflections and experiences on implementing Integrated Reporting <IR> from a member of the pilot program and an IFAC member body; and
- Discussion of the profession's role in supporting the future development of <IR> and next steps.
- *Key Developments in Ethics*, moderated by Jim Sylph, Executive Director, Professional Standards and External Relations. The panelists included:
 - Albert Au, Chairman, BDO Limited Hong Kong and SMP Committee Member;
 - Olivier Boutellis-Taft, Chief Executive, Fédération des Experts Comptables Européens (FEE); and
 - Chuck Horstmann, Global Independence Leader and Chief Ethics Officer, Deloitte Touche Tohmatsu Limited.

IESBA Chair Jörgen Holmquist provided an update on the Ethics Board's key projects regarding responding to non-compliance with laws and regulations and a review of the structure of the IESBA Code. The panelists then offered their views on these projects from their respective perspectives.

- *Strengthening the Public Sector Balance Sheet*, moderated by Stephenie Fox, Technical Director, IPSASB. The panelists included:
 - Dr. Andreas Bergmann, Chair of the IPSASB;
 - Fayezul Choudhury, IFAC CEO;
 - Pamela Monroe Ellis, Auditor General of Jamaica and IFAC Board member; and
 - Rob Whiteman, Chief Executive, Chartered Institute of Public Finance and Accountancy (CIPFA).

At their February 2013 meeting, the G20 Finance Ministers and Central Bank Governors called on the International Monetary Fund and the World Bank to further explore the issue and provide appropriate updates, declaring that "strengthening the public sector balance sheet is needed to better assess risks to public debt sustainability." In this workshop, panelists provided their thoughts on public sector financial management and the need for change, with a specific focus on the public sector balance sheet. Panelists also discussed experiences in adopting accrual accounting and IPSASs and what can be done to strengthen public sector financial management.

The second set of workshops addressed the following topics:

- *Attracting and Retaining Talent*, moderated by Gary Pflugrath, Director, Public Policy and Regulation. The panelists included:
 - Kenny Chatelain, Partner, PricewaterhouseCoopers LLP, Public Policy and Regulatory Affairs;
 - Anton Colella, Chief Executive, Institute of Chartered Accountants of Scotland (ICAS); and
 - Dr. Ernest Kan, President, Institute of Singapore Chartered Accountants (ISCA).

The accounting profession is facing a talent crunch as the industry landscape slowly changes to put a greater emphasis on a skillset required for managing risks and supporting globalized

businesses. As such, the source of talent needs to be widened for the industry to have a steadier stream of quality professionals. This workshop opened with a presentation on a series of talent surveys conducted by the Association of Chartered Certified Accountants (ACCA) in Singapore, Malaysia, and Thailand. Chiew Chun Wee, ACCA's Head of Policy for Asia Pacific, provided an overview of these surveys and proposed follow-up actions for firms. Although the surveys focus only on audit staff, panelists provided their perspectives—regional and firm—on the survey results in the broader context of all professional accountants.

- *Building Effective PAOs and Improving Capacity Building*, moderated by Sylvia Tsen, Director, Quality and Member Relations. The panelists included:
 - Lkhagvatseren Badamkhand, Head of Foreign Relations Division, Mongolian Institute of CPAs;
 - Jim Dickson, Chair of the CAP;
 - Keith Wedlock, Partner, Glendinnings Chartered Accountants; and President of CAPA;
 - Deborah Williams, Chair of the PAO Development Committee; and
 - Dr. Peter Wolnizer, Chair of the IAESB.

Building capacity remains the most important challenge for meaningful adoption and implementation of international standards and building high-quality PAOs. Without sustainable capacity even the best designed PAOs are unlikely to realize their full potential. This workshop highlighted PAO actions and progress made based on the SMOs, the most recent initiative to align development objectives and the donor community via MOSAIC, and important developments in International Education Standards. It also showcased how all those elements come together in a real-life example of a young but successful PAO and the CAPA's work to support PAOs at different levels of maturity.

- *Key Developments in Auditor Reporting* moderated by Jim Sylph, Executive Director, Professional Standards and External Relations. The panelists included:
 - Giancarlo Attolini, Founding Partner, Attolini Spaggiari & Associati Studio Legale e Tributario, and SMP Committee Chair;
 - Ana Maria Elorrieta, Retired PricewaterhouseCoopers partner and IFAC Board member; and
 - Len Jui, Asia Pacific Head, Public Policy and Regulatory Affairs, Partner, Quality Control and Risk Management, KPMG International.

IAASB Chairman Arnold Schilder provided an update and an overview of the exposure draft, *Reporting on Audited Financial Statements: Proposed New and Revised International Standards on Auditing*, and some of the most important changes proposed in this exposure draft. The panelists then offered their views on this project from their respective perspectives.

12. Other business

Mr. Choudhury confirmed that the next Ordinary Meeting of the IFAC Council in 2014 will be held in Rome, Italy on November 7, 2014. This meeting will precede the WCOA 2014.

13. Closing remarks

Mr. Allen acknowledged and thanked:

- Outgoing Board members Jelil Bouraoui, Ramon Casals, Robert Hodgkinson, and Japheth Katto;
- Retiring PAO Development Committee Chair Deborah Williams;
- Retiring PAIB Committee Chair Roger Tabor; and
- Retiring (prior to next annual Council meeting) Executive Director, Professional Standards and External Relations, Jim Sylph for 15 years of service to IFAC.

Mr. Allen also thanked the KICPA for being excellent hosts for the meeting and all the Council participants for their contributions during the breakout sessions.