

# ALL ABOUT IFAC

Whether you're qualified as an accountant or not, the ACT's relationship with the international accountancy body can benefit you. James Lockyer explains how in a Q&A

## Why is the ACT involved with IFAC?

The relationship with the International Federation of Accountants (IFAC) came about because roughly half of the ACT's members are accountants and members of IFAC member bodies. [See box – What is IFAC?]

For some accountants, ACT qualifications and membership are proof of specialist expertise that underpin a career focused on corporate treasury. For many more, they represent essential CPD skills and competencies that support a broader career in finance.

Treasury is one of the areas in which generalist accountants can gain additional depth to enhance their career – they become the 'T-shaped' professional. The ACT is keen to support their professional development and those accountants who qualified with IFAC member bodies have an automatic exemption from the requirement to pass the Certificate in Financial Fundamentals for Business (CertFIN) as part of the AMCT.

But the ACT wants to go beyond initial exemptions to provide longer-term career support – including help for those of its members who are not accountants. So the ACT is involved with IFAC as part of its strategy to enhance the careers of all finance professionals. Its relationship with IFAC exactly parallels the relationship between the treasurer and his or her accounting colleagues in the workplace.

The ACT has a long-standing and collaborative relationship with most of the seven accountancy bodies in the UK. Collaborative working is important because it enables each body to better serve the needs of its accountant members better, and to support and enhance professional standards. And while tensions can arise when organisations compete for space and

resource, the ACT can truly collaborate with the accounting bodies, because its activities complement theirs. Most of these relationships promote ACT qualifications as CPD for their members, and recognise that the corporate treasury profession is a specialised and advanced form of finance, complementing their own space. A relationship with IFAC facilitates a natural progression of the ACT's UK relationships with accounting bodies around the world, and has already helped it to win advocates in countries such as Singapore, Hong Kong and Australia.

## How long has the ACT been involved with IFAC?

In 2011, the ACT met with Alta Prinsloo, IFAC's executive director for governance and operations, in London. We discussed the relationship between accounting and treasury, and explained the ACT's policy and technical work. Following that talk, the ACT attended a meeting of IFAC's

professional accountants in business (PAIB) committee to assess the potential for mutual collaboration. The response from PAIB was very positive: we were invited back for subsequent meetings and the relationship has grown from there. Although the ACT is not an accountancy body, there is a clear benefit from its involvement with IFAC, and the ACT is looking closely at affiliate membership of IFAC.

## What does the ACT do with IFAC?

The ACT contributes to PAIB's twice-yearly meetings and to its projects, providing additional breadth and specialist depth where appropriate. PAIB is an international committee and its members are senior and very experienced practitioners. They come from both business and accounting bodies based in a broad range of countries across developed and developing economies. So PAIB offers a fantastic practical accounting resource for the ACT as well as a platform


## WHAT IS IFAC?

◆ IFAC is the International Federation of Accountants. It was founded in 1977 at the 11th World Congress of Accountants and is comprised of 173 members and associates in 129 countries and jurisdictions – including practically all of the world's accounting bodies. It represents

approximately 2.5 million accountants in public practice, education, government service, industry and commerce.

◆ IFAC's aim is to 'strengthen the accountancy profession'. So it sets standards in the fields of audit and assurance, accounting education, ethics for accountants

and public-sector accounting. It also has a number of committees. These are mostly based around audit and accounting practice, but they also include the professional accountants in business committee, which provides practical support and guidance for accountants working in companies.



for the ACT to demonstrate how it can add value both to accountants and to finance generally. Not only does the ACT provide an alternative perspective that makes PAIB projects more valuable, these projects provide the ACT with insights into how the international accounting profession is thinking. This enables the ACT to adapt its work accordingly in support of its own membership.

#### **How does involvement with IFAC fit in with the ACT's international strategy?**

As part of its international growth strategy, the ACT is actively enhancing its relationships with the accounting profession and with individual accounting bodies worldwide. Collaboration with IFAC and PAIB has opened doors or reinforced relationships in countries with a strong finance community, including Hong Kong, Pakistan and Australia. It has also introduced treasury skills and concepts to developing markets, and provides effective accreditation of the ACT's credentials on the international stage. Last year, the ACT and the Institute of Chartered Accountants in Australia published a joint briefing paper, *20 Issues on the increasing significance of corporate treasury*. This was a direct result of the ACT's interaction with PAIB – as was the recent launch of the Certificate in International Treasury Management (CertITM) in Pakistan.

#### **How is the ACT involving its international members with IFAC?**

The ACT's members and technical experts engage in CPD activities in the UK, the Gulf, the Far East and elsewhere, both with groups of accountants and with finance staff engaged with treasury. Interaction with IFAC helps to inform the content of these activities, and provides a wider, common context for debate, whether locally, face-to-face or online. Feedback from these sessions helps the ACT and accounting bodies to make a more effective contribution to the work of PAIB and IFAC.

Although webinars may not be as good as actually being present in the room, they have the great advantage of enabling participants from a variety of countries to share experiences and reinforce the global network. Through their involvement in these debates, ACT members are developing the interaction between the accounting and treasury professions, and also promoting ACT qualifications as effective CPD for accountants in their organisations.

#### **What are the up-and-coming IFAC projects that the ACT is involved with?**

Besides its general contribution, the ACT has been asked to participate in two specific PAIB projects. One is about articulating and embedding the business model within the company, and the other is about entrenching risk management

and internal control within corporate governance. Both these issues are core to the treasurer's role and their ability to provide efficient support to the board and to business units. They are also fundamental to clear internal and external communication.

The above projects belong to the realm of 'thought leadership' and therefore fit well with the ACT's own thought-leadership aspirations. They are intended to be of real practical value to accountants and others working in finance since they consider challenging issues that can be difficult to articulate or resolve within day-to-day business activities. They are exciting projects to be involved in because not only do they promote a 'joined-up approach' between the treasury and accounting communities, they also allow the ACT to contribute to thought leadership within the general finance community.

We are keen that the ACT contributes to these projects as fully as possible, so if you are interested in participating, please contact James Lockyer at the ACT, at [jlockyer@treasurers.org](mailto:jlockyer@treasurers.org)



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