

The ACCA logo consists of the letters 'ACCA' in white, bold, sans-serif font, centered within a solid red square.

Think Ahead

A thin red rectangular line graphic, positioned to the left of the main title, with its top and left sides closed and its bottom and right sides open.

# Shaping futures together

Integrated annual report  
for the year ended 31 March 2017



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# ACCA's beginnings

**When ACCA was founded, it was to create an opportunity that didn't then exist – access to the accountancy profession for anyone of ability.**

Since 1904, we've provided that chance to advance for hundreds of thousands of aspiring professionals, helping spread common international accounting and business practice across the globe as a result.

This report is the story of the contribution ACCA is making on a global scale. It focuses on our strategic progress during 2016-17 and how we are investing for the future, on behalf of our members.

**And to our members, we say thank you – you are what makes ACCA.**



# About ACCA and this report

**ACCA (the Association of Chartered Certified Accountants) is a global professional accountancy body, incorporated by Royal Charter in the UK. With 198,000 members and 486,000 students in 180 countries, our community of current and future professional accountants is one of the largest and most diverse in the world.**

Founded in 1904, ACCA's development has been enabled by **core values** that have consistently created greater access to the accountancy profession:

**Opportunity:** we provide opportunity, free from artificial barriers, to people around the world – whether our students, members or employees – and we support them in their careers.

**Diversity:** we respect and value difference, embracing diversity in our people and our output.

**Innovation:** we create new and unexpected possibilities, providing innovative solutions for the future.

**Accountability:** we accept individual and corporate responsibility for our actions, working together to deliver quality services and to promote the best interests of our stakeholders.

**Integrity:** we act ethically and work in the public interest, treating people fairly and honestly and we encourage the same from others.

**Our mission is to be a global leader in the profession by:**

- providing opportunity and open access to people of ability wherever they are in the world
- supporting and promoting the highest ethical, governance and professional standards

and

- advancing the public interest.

We do this by qualifying and regulating members to the same high standard globally, with the ACCA Qualification officially benchmarked to Master's level and recognised on a variety of national educational frameworks around the world.

In a number of markets – including the UK, Ireland, the European Union and Zimbabwe – ACCA has the legal authority to license and regulate its members directly for work in a number of regulated areas, including public practice and insolvency.

# ACCA in numbers

101

offices and centres

52

countries

198,614

members

486,514

students

1,279

employees

## Our influence in the profession

ACCA is represented by members on a variety of global and regional accounting forums that shape standards and the direction of the profession. These include:

- the International Federation of Accountants (IFAC), with ACCA members on the Board and the International Auditing and Assurance Standards Board, and ACCA members on a variety of IFAC committees including the PAO Development Committee, the Professional Accountants in Business Committee and the SMP Committee
- the Confederation of Asia Pacific Accountants (CAPA)
- the ASEAN Federation of Accountants (AFA)
- Accountancy Europe
- the Pan African Federation of Accountants (PAFA)
- the UK Consultative Committee of Accountancy Bodies (CCAB).

### About this report

This is our sixth annual integrated report and the third prepared in accordance with the international <IR> framework (published by the IIRC in 2013). We produce it to give readers – chiefly our members – an insight into the strategic thinking that drives ACCA forward, encompassing strategy, governance, performance and prospects in the context of our global external environment.

# Assurance

## Oversight and responsibility

ACCA's Audit Committee is responsible for ensuring the integrity of this report. Audit Committee has confirmed that it has applied its collective mind to the preparation and presentation of this report and that – in its considered opinion – it is presented in accordance with the international <IR> framework.

## External assurance

In addition to assuring our detailed consolidated financial statements, our external auditor also provides assurance of our performance, covering all our strategic outcomes and capability measures through its KPI report.

## Want more detail?

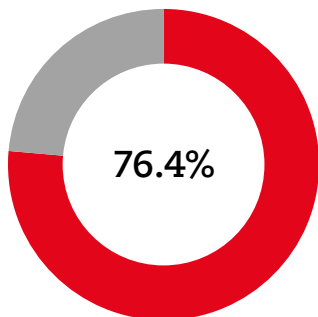
To try to keep this report concise, we focus on ACCA's high-level performance and operations. We also produce:

- detailed consolidated financial statements (in accordance with IFRS)
- a corporate governance statement (with reference to the UK Corporate Governance Code).

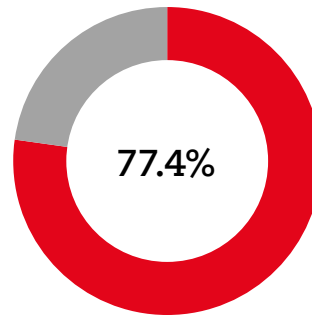
If you'd like to know anything you can't find in this report, or you'd like to give us feedback, you can contact us at: [externalreporting@accaglobal.com](mailto:externalreporting@accaglobal.com)

# 2016-17 at a glance

## Our highlights



76.4% **member** satisfaction, our highest score since 2013



77.4% **student** satisfaction, our highest score since 2013

Announcing major, future-proofing changes to our ACCA Qualification



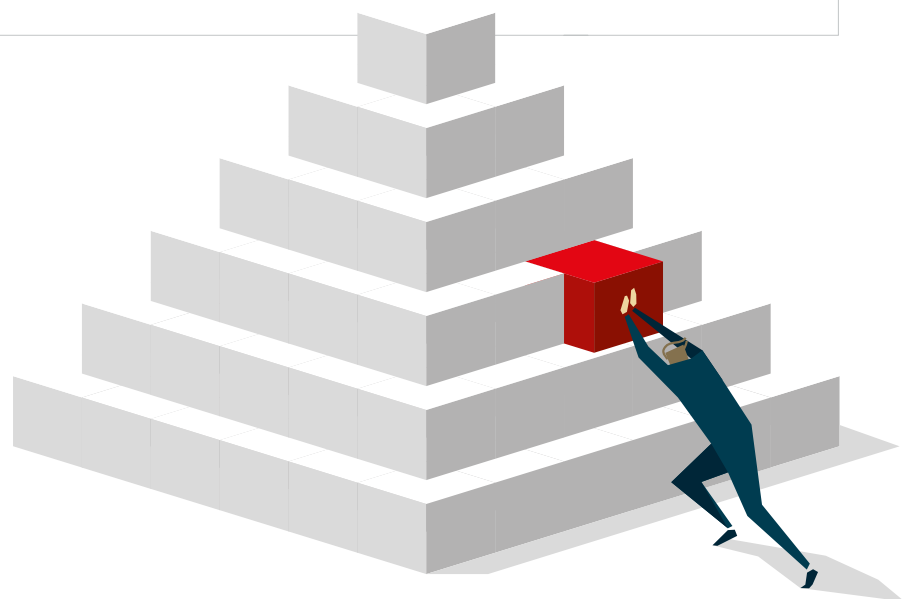
First graduates from our unique global Masters in Accountancy with the University of London

New strategic alliance with Chartered Accountants Australia and New Zealand



**14,257** new members globally, a record number

30 new pieces of Professional Insights including our major global surveys *Professional Accountants – the future* and *Generation Next*



## Awards

Professional Body of the Year at The Accountant and International Accounting Bulletin Awards



Best Association – Association Excellence Awards 2017



Six awards for our ACCA-X digital learning solution, including Best Online Education Award – International and European Association Awards, Exporting Excellence Award at the Education Investor Awards and Best Training Initiative at the Association Excellence Awards



## Our key challenges

Making sure our diverse body of students has the support it needs to progress to membership

Anticipating and responding to global economic and political volatility

Ensuring our members, ACCA and our profession remain relevant and in demand in a digitally-enabled world



# Environment



# Our global context

The context in which our members are operating is more fast-moving and volatile than ever. ACCA's ability to anticipate the next steps for the profession, business, and society is therefore critical. Through our own global research on the future economic and social landscape, we've been able to map out how the world for professional accountants is changing – and plan how we need to respond on our members' behalf.

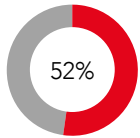
*Professional Accountants – the future* (published in June 2016) is the largest global study we've ever conducted into the drivers of change and their impact on the skills our members will need. Looking at two time horizons – the next 3-10 years and beyond the next 10 years – professional accountants and business leaders across 22 countries have helped us identify the factors that will most influence our profession:

## Factors expected to have the greatest impact in the profession in the next 3-10 years

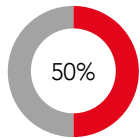
Automation of accounting systems	55%	<b>Threat:</b> Disappearance of lower-level roles and skills <b>Opportunity:</b> Further movement of accounting professionals up the value chain
Rate of change and economic volatility	42%	<b>Threat:</b> Challenges in forecasting and greater uncertainty for entities and individuals <b>Opportunity:</b> Analysis and interpretation skills more needed, to mitigate the threat
Wider reporting requirements	42%	<b>Threat:</b> The profession is too slow to adapt to the change or resists it entirely, with other professions taking this space <b>Opportunity:</b> A wider and more valued role for professional accountants
Greater harmonisation of standards	42%	<b>Threat:</b> More and wider choice of employees for organisations leading to increased competition <b>Opportunity:</b> Greater mobility and one clear language of the profession
Cloud computing	41%	<b>Threat:</b> Increased cyber and data security risk and inability of profession to adapt quickly enough to this <b>Opportunity:</b> Unlimited virtual storage gives more entities and individuals greater competitive advantage
Aspirations and expectation of next generations	39%	<b>Threat:</b> Lack of appeal of traditional professions <b>Opportunity:</b> Chance to reshape the role of professional accountants for a new age

## Factors expected to have the greatest impact in 2025 and beyond

Changing global powers and changes in the direction of global governance



Evolving scope and nature of the professional accountant's role



How these varied factors play out nationally and regionally will inevitably vary. But one common factor is the sheer speed of change.

In the past year alone, we have seen the huge political shifts of the Brexit vote – leading to uncertainty in Europe, concerns over freedom of movement but also to increased trade as a result of the weakening of Sterling against the Euro and the US dollar. The election of the new US president has ushered in a new climate of protectionism in the US and a roll back of climate change legislation enacted under the previous administration. Elsewhere, though, we are seeing greater cross-border collaboration through China's Belt and Road initiative, leading to significant investment in the many countries along this new Silk Route.

Our network of market offices and people will continue to be critical in anticipating what developments most affect our members on the ground and adapting to realise opportunities and manage challenges on their behalf.

## Professional Quotients for future members

The landscape for business and professional accountants is being reshaped by a host of current and emerging drivers – in business, politics, the economy, science and technology and society's expectations of business.

Our research has shown that, to add value in the future, professional accountants will need an optimal and changing combination of professional competencies; a collection of technical knowledge, skills and abilities, combined with interpersonal behaviours and qualities. We've identified these seven **professional quotients for success**:



### **Technical skills and ethics (TEQ):**

The skills and abilities to perform activities consistently to a defined standard while maintaining the highest standards of integrity, independence and scepticism.



### **Intelligence (IQ):**

The ability to acquire and use knowledge: thinking, reasoning and solving problems.



### **Creative (CQ):**

The ability to use existing knowledge in a new situation, to make connections, explore potential outcomes, and generate new ideas.



### **Digital (DQ):**

The awareness and application of existing and emerging technologies, capabilities, practices and strategies.



### **Emotional intelligence (EQ):**

The ability to identify your own emotions and those of others, harness and apply them to task, and regulate and manage them.



### **Vision (VQ):**

The ability to anticipate future trends accurately by extrapolating existing trends and facts, and filling the gaps by thinking innovatively.



### **Experience (XQ):**

The ability and skills to understand customer expectations, meet desired outcomes and create value.

These findings have informed the major changes to the ACCA Qualification we announced in the past 12 months and enabled us to develop and enhance our continuing professional development offerings for existing members.

## Competition and collaboration

In every market where ACCA members operate, there is a choice of professional accountancy body. This makes the concept of member value – the lifetime benefit someone derives from choosing ACCA – one of the most important factors in the strength of our brand.

How we compete and share expertise across the global profession is therefore of vital importance. In the past 12 months, we have invested to build our own difference in the global profession and worked more closely with trusted partners who complement and amplify what ACCA does and stands for.



## President's message

### **ACCA's 2016-17 strategic year has been one of successful evolution – drawing on the incredible resource of our global membership to help predict and shape the future.**

This sixth integrated report explains a number of initiatives that have distinguished ACCA from the crowd, contributing to the development of the global profession and also economies. Let me showcase three:

Firstly, in June 2016 we launched our extensive ground breaking research *Professional accountants – the future*. Two years in the making, it includes insights from over 2,000 business and finance professionals around the world. It defines the trajectory of our global profession, highlighting the opportunities and the threats we face.

This report shows how the accountant's role has been revolutionised over the past decade, so that our profession - now more than ever - needs to provide strategic leadership and trusted expert advice. We will be relied upon increasingly for guidance to underpin the insights technology offers us.

It also offers the seven attributes vital to success in our working lives - intellect, creativity, emotional intelligence, vision, experience, technical skills and a mastery of the digital world.

Secondly - and leading on from *Professional accountants – the future* - another exciting development was the innovations to the ACCA Qualification, which we announced globally in October 2016.

As a member, I was proud to speak at the international launch event where we unveiled the major developments to our ACCA Qualification, based on an extensive two-year consultation with members, employers and learning providers.

The focus of the redesigned qualification on strategic leadership and ethics and professionalism means we are preparing finance professionals who can meet the strategic challenges of the 21st century, building on our strong foundations.

And thirdly, I am also proud to have played my part in forging the strategic alliance between ACCA and CA ANZ which we announced in the summer of 2016. This agreement has gone from strength to strength, adding value to members locally and globally by aligning the resources of ACCA and CA ANZ as one of the world's pre-eminent CA bodies.

ACCA's vision is to be number one in developing professional accountants the world needs



ACCA's vision is to be number one in developing professional accountants the world needs. By this, we mean that ACCA qualified professionals will lead the profession.

And I see this leadership role being played out on a daily basis by ACCA members around the world. So far during my presidential year, I've had the privilege to meet members who are leading the way, regardless of the sector in which they work – members who are truly shaping the future. We feature some of you in this year's integrated report, as an example of what our amazing membership accomplishes.

I'm delighted to see that we have welcomed more new ACCA members so that we now have 198,000 expert, ethical and professional accountants with the ACCA letters after their name in 180 countries. It's equally pleasing to see that member satisfaction scores have improved significantly so that we now have our highest score since 2013 (see page 37). And we're committed to maintaining and improving this positive sentiment.

ACCA's success over 2016 -17 could not have been achieved without the contribution of our many stakeholders, including approved learning providers and our employer partners.

I offer my heartfelt thanks to everyone who has made this year a success for ACCA, including my colleagues in Council and also ACCA's executive team who work to ensure that our vision is successfully translated into operational reality.

It's only by working together that ACCA will continue to meet the key challenges ahead. I look forward to us continuing – in partnership and dialogue with our global membership – to shape an even more successful future together.

We now have 198,000 expert, ethical and professional accountants with the ACCA letters after their name in 180 countries

**Brian McEnery FCCA**  
President



## Chief Executive's strategic report

**At this halfway point in delivering Council's current strategy, we've seen our strongest all-round performance towards our 2020 vision. We've continued to grow and, more importantly, increase our global market share (see p 40), creating even greater visibility for ACCA and the contribution our members make to the world.**

Within a strong set of results, the increases we've seen in member and student satisfaction across the board are a particular highlight. Improved services and support – from our new online services, such as our redesigned Professional Insights hub, to improved and streamlined communications – have contributed directly to this (see p 38). We've also included more regular feedback on how we're performing and the strategic road ahead through online information sessions led by our Council members. While we're heartened by increases in satisfaction, we want even more of our members to feel engaged with, and connected to, ACCA so delivering member value will remain an important focus for us in 2017-18.

Making sure our members remain in demand throughout rapid change is one of our most important responsibilities. This year, we've not only mapped out the professional quotients members will need into the future (see p 12), we're also aligning and expanding CPD to meet these evolving expectations. Through this, we're helping our members stay ahead in a fast-moving world.

We're mindful of the unique position ACCA holds in the profession because of our unrivalled global footprint. This year, we've drawn on the global input of our members and students to produce powerful and influential reports such as our *Generation Next* and *50 drivers of change in the public sector* – research that is showing how we continue to think ahead on behalf of the whole profession.

We've amplified our global influence even further through our groundbreaking strategic alliance with Chartered Accountants Australia and New Zealand (CA ANZ). This exciting partnership has resulted in impactful global research on public attitudes to tax across the G20 nations, a jointly branded corporate culture toolkit, and fresh support and opportunities for both our members. We're proud to be working so closely and collaboratively with CA ANZ for the benefit of ACCA members and our entire profession – and look forward to leading thinking in the coming year.



**We've amplified our global influence even further through our ground-breaking strategic alliance with Chartered Accountants Australia and New Zealand**



The past 12 months were not without challenge. Like many organisations, our student pipeline was affected by economic conditions in sub-Saharan Africa, which accounted for 80% of our recruitment shortfall. Because our growth relies on taking market share – rather than manufacturing demand – this inevitably meant we did not hit our ambitious student growth targets.

More significantly, we'd like to see more of our students complete their journey to membership. As a result, we have specific initiatives around sustainable recruitment policy and integrated learning support we'll be delivering in 2017-18 and beyond. While our policy of open access means that we will inevitably always see some attrition, we're acutely aware of the need to meet our obligations as a leading professional body – making sure that every student we recruit is informed, motivated and supported to become qualified members. Our global move to four exam sessions a year has provided added opportunity to progress and it's been pleasing to see how well this has been received. It's a major shift in the market and we know that we still need to work on bedding this in fully.

But we also know from employers that the changes we're making are those the market wants. It was great to learn that – in our latest employer survey – 61% of employers feel even more favourable towards ACCA as a result of the innovations we've announced. With a record 92% of employers telling us that ACCA provides relevant skills for their business (up 4%) and 92% describing ACCA as a world-class organisation (up 2%), we're already in a fantastic position.

Employees across ACCA continue to work hard and with passion and commitment to make sure we are this genuinely world-leading organisation. The rolling programme of office upgrades we initiated in 2016, which included our move to a new global operational centre in Glasgow last November, are an important part of giving those who serve our members and students the tools they need to deliver excellent services and results. And, as we pursue this, all of us continue to draw huge inspiration from the ACCA members who are living our values and making a difference.

So, on behalf of everyone who works for ACCA, thank you to every single member for the part you play in shaping ACCA's future and the future of the profession.

A handwritten signature in black ink, which appears to read 'Helen Brand'.

**Helen Brand OBE**  
Chief Executive

**A record 92% of employers told us that ACCA provides relevant skills for their business and 92% describe ACCA as a world-class organisation**



# Value creation model



# Our value creation model

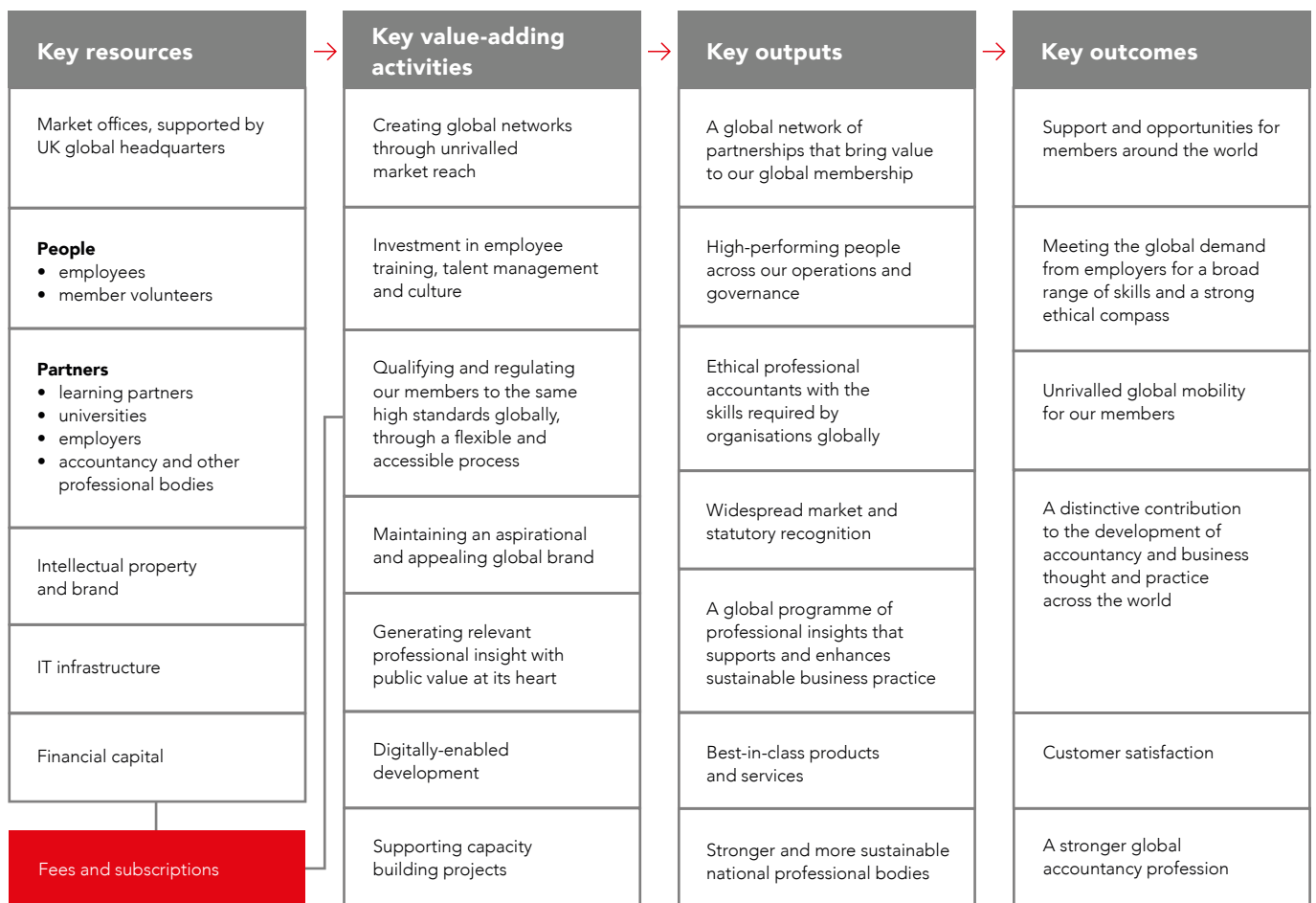
## Societal influences and inputs

National and global regulation and frameworks governing business, education and the profession

Demand for professional accountants and their skills

Talented people looking for a rewarding career

## How we add value



## Societal impact



Professional accountants the world needs



Efficient and effective organisations that are responsibly run



Public value

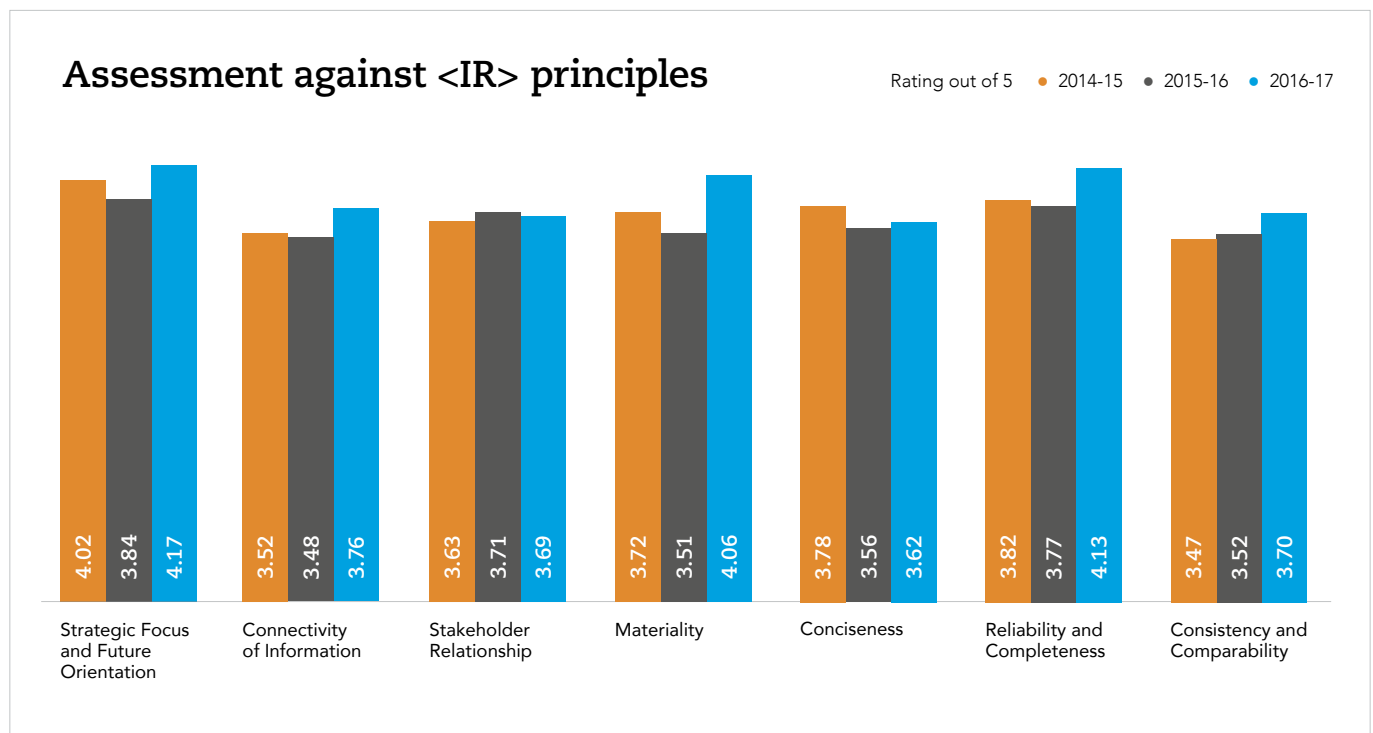
# Stakeholder engagement and materiality

In addition to seeking regular feedback from stakeholders on ACCA and the services we provide, we also ask readers for input on this report. Since adopting integrated reporting in 2011, we've consulted annually with stakeholders in a range of markets on the content and presentation of our integrated report. This has been an iterative process that has enabled us to build a picture of how our reporting can best meet readers' needs while complying with the International <IR> Framework.

In 2016-17, we consulted stakeholders through six workshops in China, Ireland, Malaysia, Nigeria, Pakistan and the UK, reflecting the diversity of our markets and their needs. In line with our strategic priority of delivering member value, ACCA members made up the majority of workshop participants.

We asked participants to rank a series of 19 potential material issues – arrived at through detailed analysis of the profession and the reporting of our key global competitors – and asked ACCA's employees on our Leadership Group to do the same. Following input from stakeholders last year, the list was reviewed and reduced from 25 matters to the current 19.

We also asked workshop participants to rate our 2015-16 report in relation to the <IR> Framework's seven principles of integrated reporting and have used the rankings to help focus on key areas for improvement:



## Matter/issue

1	Relevance and integrity of the ACCA Qualification	—
2	Member professional and career development	↑
3	Brand recognition	↓
4	Student and member growth and retention	↑
5	Learning provision: reach, resilience and quality	↑
6	Statutory recognition and license to operate	—
7	ACCA's global presence	—
8	Stakeholder engagement & responsiveness	↑
9	Public influence & thought leadership	↑
10	Strength of relationships with strategic partners	↑
11	Best in class customer service	↑
12	Effective and efficient internal governance and compliance	—
13	Public value contribution	—
14	Value for money	↑
15	Employee engagement	↑
16	Diversity through accessibility	↓
17	Robust and flexible IT systems	—
18	ACCA's financial health	↑
19	Direct economic contribution	↑

We use these issues to help shape the balance of our report, while adhering to the content requirements of the International <IR> Framework.

In terms of general feedback on last year's report, stakeholders told us:

- it could be even more concise
- it would benefit from an executive summary/ highlights page
- because members are our primary stakeholders, it should be written to address their specific needs and interests.

# Our Strategy to 2020



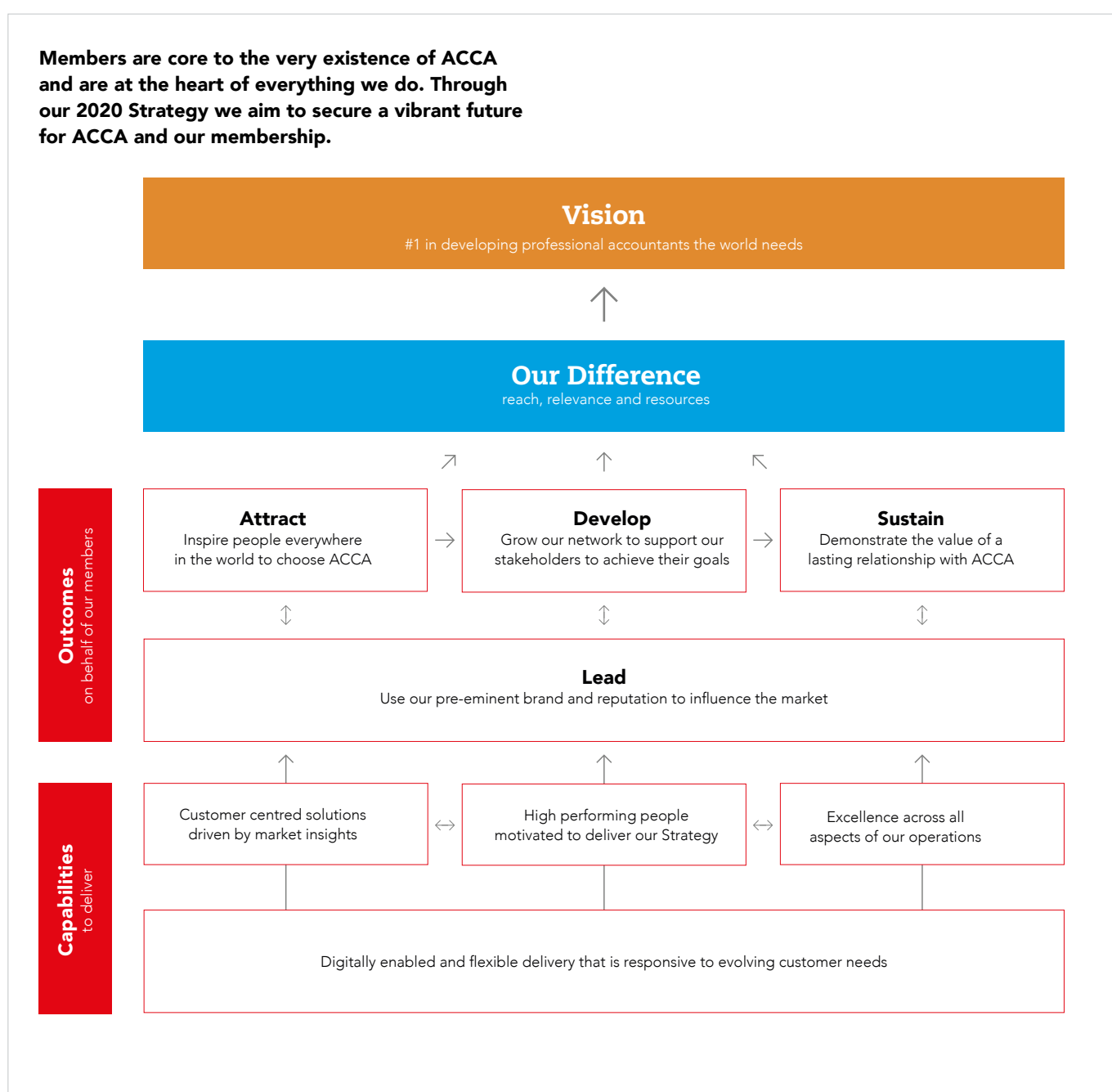
# Our Strategy to 2020

The vision set out in our Strategy to 2020 is for ACCA to be #1 in developing professional accountants the world needs. This captures our ambition that ACCA members will be seen to lead in the profession, through both the quality of the skills they bring to all organisations globally and the collective impact of that contribution.

To do this, we will develop outputs of unrivalled excellence – from the ACCA Qualification to our Professional Insights – that respond to, and anticipate, the changing needs of business and society. We'll make sure our brand reflects this high level of aspiration and dedication.

We have six elements we track towards the achievement of our Strategy to 2020 – Our Vision, Our Difference, Attract, Lead, Develop and Sustain. Each has a measure through which we assess whether we're on track to deliver our strategy. All these measures are equally important and are designed to be comprehensive and complementary in delivering our Strategy.

Members are core to the very existence of ACCA and are at the heart of everything we do. Through our 2020 Strategy we aim to secure a vibrant future for ACCA and our membership.



## Our focus in 2016-17

Each year, we identify strategic priorities which create a focus for our entire organisation. These respond to particular challenges in our external environment and reflect areas where we've not delivered the performance we hoped in the preceding year.

In 2016-17, our strategic priorities were:

- **Delivering member value** by investing in our relationship with our members, demonstrating ACCA's reputation and value to them, and showing ACCA is a lifetime career partner
- **Promoting our new exam flexibility** so that students take full advantage of our new four session model globally, improving their progress to membership and benefiting their employers
- **Growing our pipeline** through the recruitment of those capable of success and being more proactive in helping our students and members along their ACCA journey.

# Our strategic performance in 2016-17





## Vision:

# number 1 in developing professional accountants the world needs



### What this means in practice:

by delivering our strategic outcomes (**Attract, Develop, Sustain and Lead**), ACCA and our Qualification will be seen as leading the profession in innovation and quality. This means ACCA will be the most sought after global designation in the profession and the clear choice for individuals and employers seeking an internationally-recognised accountancy qualification.



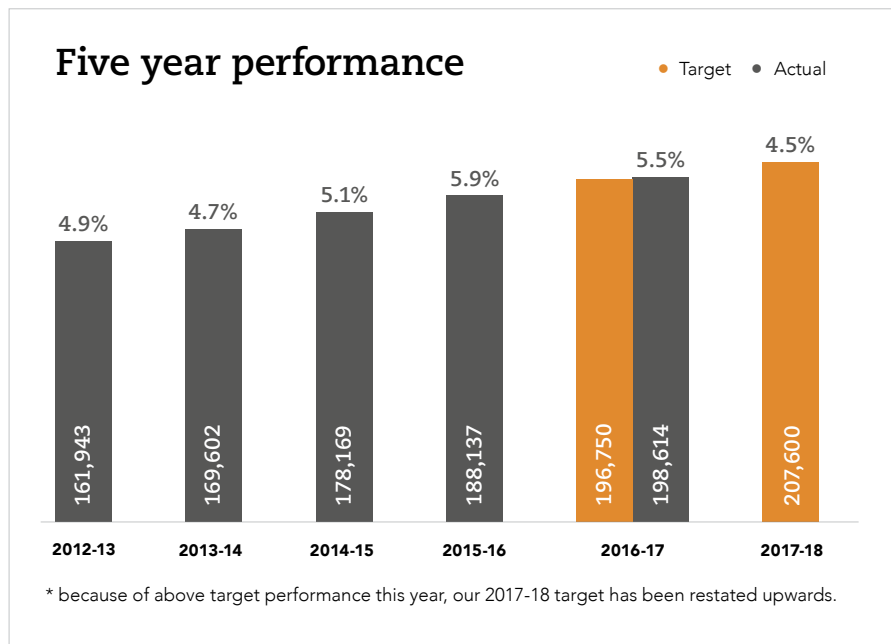
### Strategic measure applied:

number of members.



### Why we use this measure:

the expertise and ethics of our members are the main way we create value. The number who invest in our Qualification shows the value and utility of our brand in the global marketplace.



### Commentary

Because of higher member admissions than originally expected of 14,257 – exceeding our record intake of 13,604 last year – we outperformed our target by 1,864 members. This represents a year-on-year increase of 5.5%, with the introduction of four exam sessions globally enabling faster progress for those towards the end of the ACCA Qualification.

The healthy number of new members created however, masks a declining trend in existing member retention, with retention falling marginally for the fourth year in succession. We had targeted 98.0% retention this year, but achieved 97.9%, levels last seen in 2009-10. We're modelling and exploring this on a market by market basis to better understand the drivers behind this pattern.

# Our difference: reach, relevance and resources



**What this means in practice:** that we invest in ACCA's unique combination of reach, relevance and resources, as our differentiator in the profession and our greatest source of competitive advantage, now and into the future.



**Strategic measure applied:** net operating surplus.



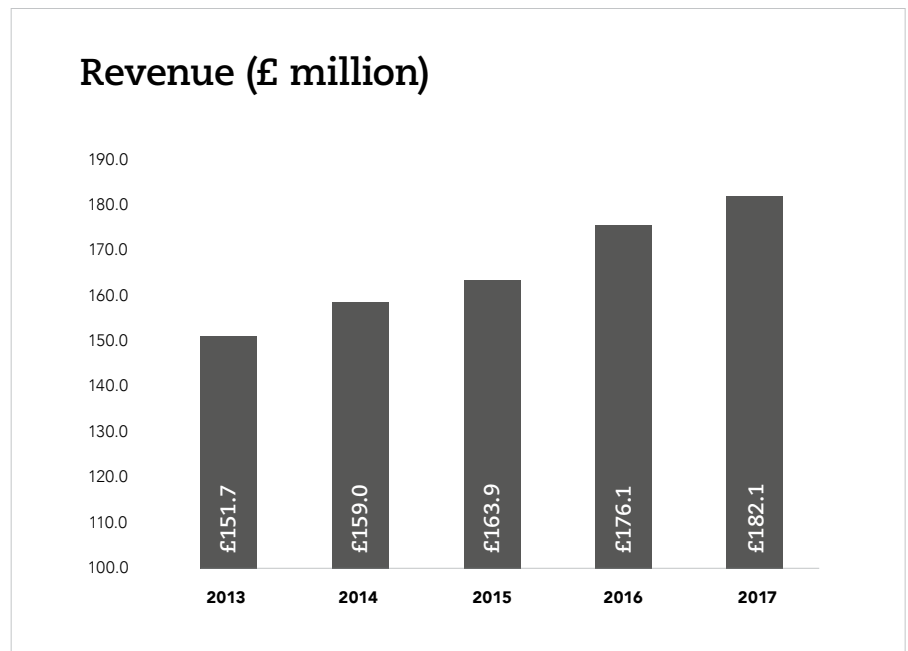
**Why we use this measure:** this is our financial surplus after accounting for the costs of strategic investment and is an indicator of our financial strength i.e. how much of our annual operating income is available to build our balance sheet reserves so that we have the long-term financial resources required to fulfil our strategic ambition.

This KPI measure is consistent with the operating surplus reported in our statutory accounts, net of finance costs.

## Financial performance in 2016-17

On a like-for-like basis, our financial performance was slightly ahead of expectations for the year, and after accounting for the one-off costs associated with the cementing of our strategic alliance with Chartered Accountants Australia and New Zealand (CA-ANZ), we delivered a net operating deficit of £6.0m.

We have experienced another year of revenue growth, which ended the year at £182.1m, representing a 3.4% increase on the prior year. This was achieved by a combination of continued growth in our student and member population, and the full introduction of two additional exam sessions.

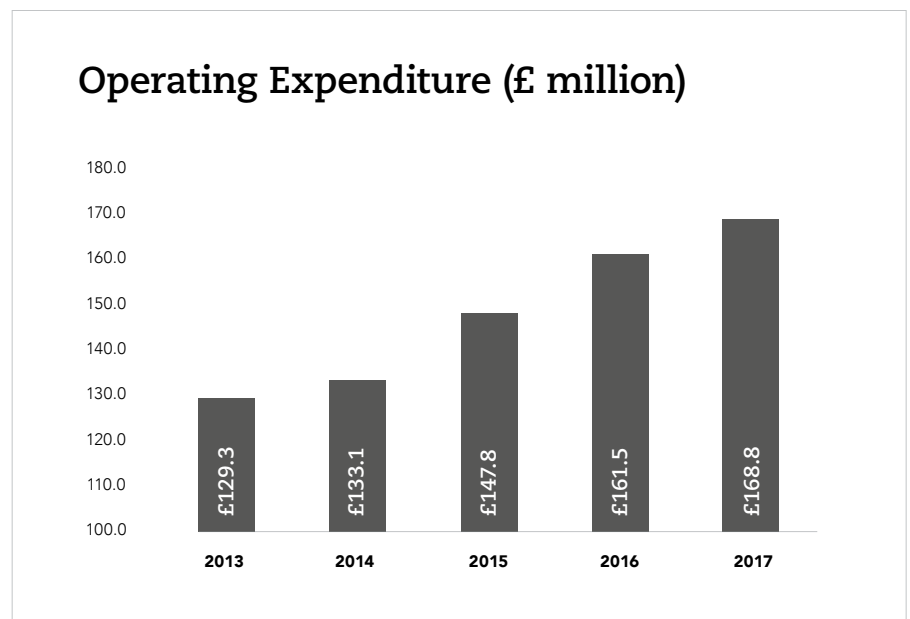


**Our difference:**  
reach, relevance and resources

Despite an increasingly competitive marketplace which has seen new market entrants and new product offerings, our continued focus on strategic pricing initiatives and commercial relationships in key markets has ensured that our offering remains competitive and affordable.

Our Strategy to 2020 has identified the scale of the opportunity for future growth and we expect our revenue to continue to deliver sustainable growth, although at a lower rate than previously anticipated.

Obtaining value for money from investment of our members' funds remains a key objective, whether to support our growing global footprint, or in the continued development of our exam offering. We adopt close monitoring to ensure that costs remain tightly controlled and maximum value achieved; this is demonstrated in our ability to deliver a like-for-like operating deficit which was ahead of expectations despite a scaling back in our top-line growth.



The rate of increase of 4.5% in operating expenditure exceeded the growth in revenue during 2016-17. Much of that increase was due to investment in strategic initiatives, primarily in our exam portfolio and the roll-out of four exam sessions to ensure that we continue to lead the profession in terms of content and method of delivery.

Focused investment on strategic initiatives, including the ongoing improvement to our core infrastructure, will ensure that we are well positioned to maximise opportunities in future years.

## Industry Shaper Our Vision

### Keto Nyapendi Kayemba FCCA

Assistant Auditor General, Uganda

**Keeping a watch on public spending isn't just about making sure books balance. It's the bedrock of a country's entire development.**

'Being an ACCA member has enabled me to use my talents to serve the public and society.'

There can be few roles more important than ensuring a nation's public funds are spent properly.

In over a decade as Assistant Auditor General for Uganda, Keto Nyapendi Kayemba has shouldered significant responsibility for the sustainability of her country's economy.

It's a role that she clearly relishes. 'The Auditor General's Office is the one-stop centre for public transparency in Uganda,' she explains. 'Being an ACCA member has enabled me to use my talents to serve the public and society.'

She plans, co-ordinates and leads the main audit effort for over 1,600 public sector audits every financial year. 'Planning and executing a country-wide audit involves asking yourself challenging questions about what the executive could do better and what it has already improved.'

Each feeds into the Auditor General's reports to the Ugandan Government, providing a vital oversight into how public money is spent, and ensuring good governance and accountability.

If questions do arise, it falls to Keto to direct any investigations.

From a domestic perspective, it's a high profile and demanding role. But Keto's career has stretched further; she's a fellow of the international programme of the Government Accounting Office of the USA and was instrumental in introducing information technology auditing in Africa, rising to chair the African Organisation of Supreme Audit Institutions (AFROSAI-E) IT Working Group.

Meanwhile, her role on IFAC's Professional Accountancy Organisations Development Committee has helped strengthen PAOs around the world, raising awareness and helping find solutions to the challenges they face. 'As a member of PAODC, I strive to bring an understanding of the African perspective and show how a strong profession is an essential resource in fostering development.'

She adds: 'Audit institutions across the world collaborate regionally and globally to ensure best practice and consistency of standards. I've had the opportunity to play a part as I assist the Auditor General in performing the role of Chair of the Working Group on Extractive Industries.'



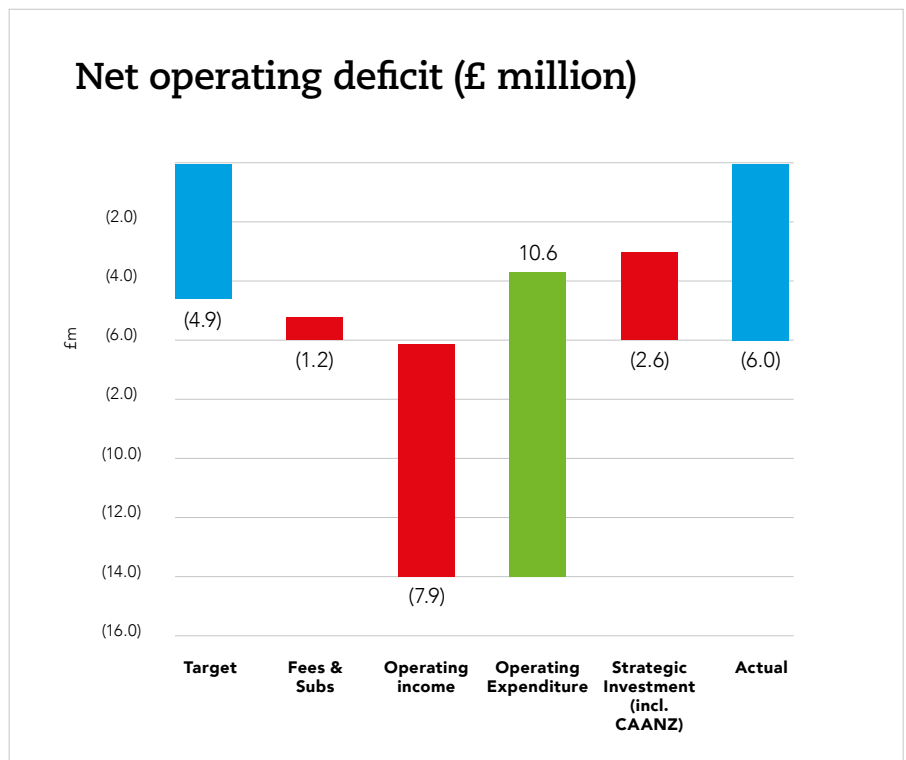
**Our difference:**  
reach, relevance and resources

Going forward, our Budget for 2017–18, which was approved by Council in March, contains specific efficiency targets that will ensure that we maintain our cost focus and obtain value for money from our resource utilisation.

Our expenditure on strategic investment expenditure, including the exam portfolio and IT infrastructure, amounted to £16.9m. This affirms that we are well positioned to successfully manage our growth ambitions. We have several key multi-year projects in progress that seek to transform the way we do our business in a digital environment, improving the customer experience and ensuring our fundamental building blocks are robust and have the agility to support our business model.

Our programme of strategic investment expenditure is planned to continue as we implement our strategy.

The main variances from target for the key components of net operating deficit are summarised below:



Although our income growth was slightly less than target, our ongoing strong cost control enabled operating expenditure, including budgeted contingency, to be released into net operating deficit.

**Our difference:**  
reach, relevance and resources

**Other financial information**

There are a range of transactions that arise after net operating deficit is accounted for, including investment income and other comprehensive income.

Our total comprehensive result for the year to March 2017 amounted to a deficit of £11.6m.

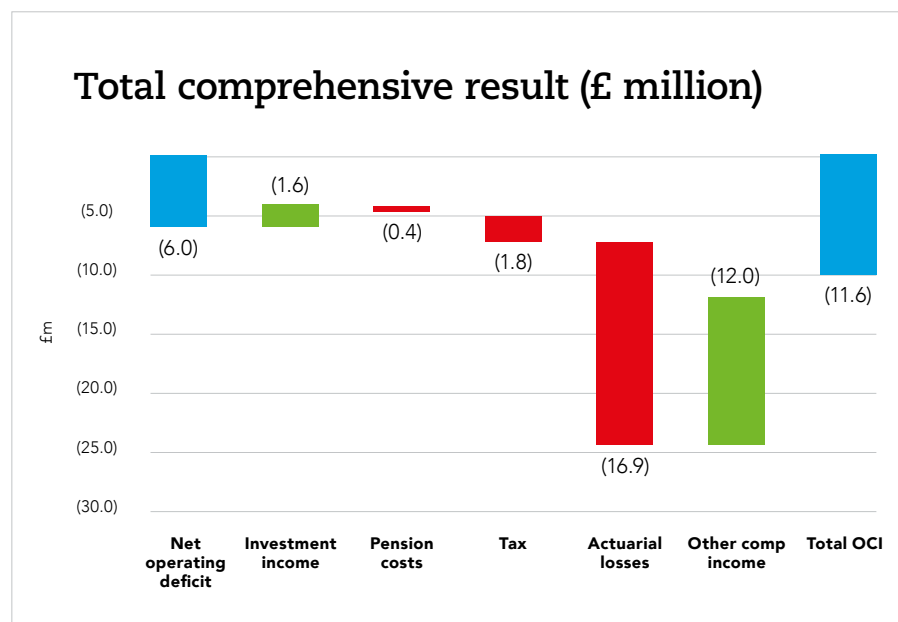
Our investment income was ahead of target due to the additional £25m that was invested in our portfolio, and represents the dividends received on our investment portfolio together with interest on cash deposits.

The value of our investment portfolio at March 2017 was £98.5m, an increase of £15.7m, and demonstrates another year of strong performance.

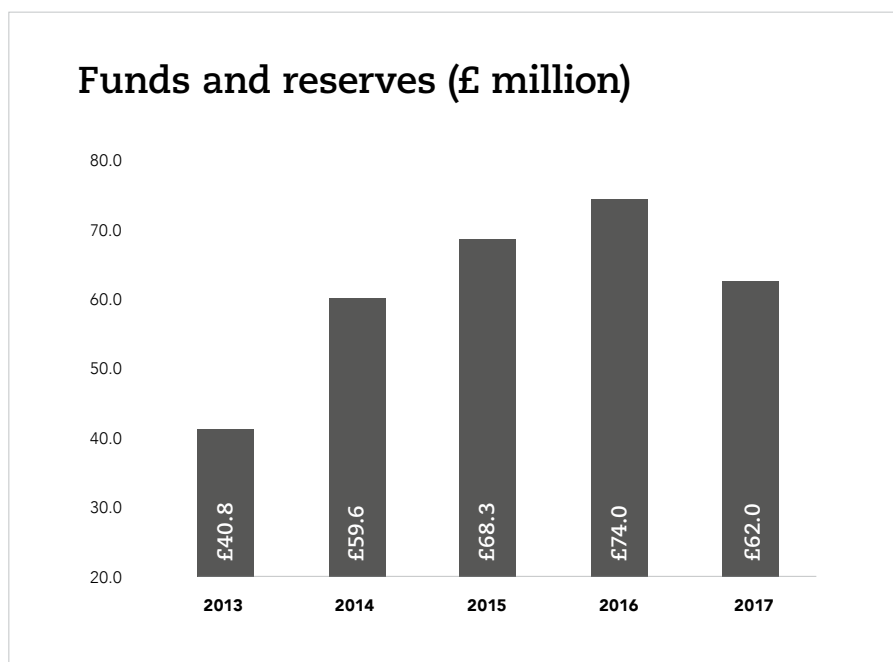
During the year 29 Lincoln's Inn Fields was sold for £14m; the realised gain has been recycled to the accumulated fund from reserves.

We operate defined benefit pension schemes in the UK and Ireland, both of which are closed to future accrual. These schemes are valued each year-end and actuarial gains or losses are taken to comprehensive income. This year, the actuarial losses amounted to £16.9m, driven by the effect of low bond yields on the discount rate used to value the pension liabilities.

The balance sheet remains very strong despite the deficit reported for the year.



**Our difference:**  
reach, relevance and resources



Council has a long-term target to build the Accumulated Fund to 60 days of operating expenditure. At March 2017, the Accumulated Fund represented 62 days of operating expenditure before actuarial pension adjustments.

Council also monitors balance sheet liquidity, measured as the number of days of operating expenditure held in liquid assets (investments and net current assets). At March 2017, the liquidity measure was 182 days compared to a long-term target of 120 days.

Total assets have grown from £189m to £202.2m. At March 2017, our investment portfolio including short-term cash funds was £123.5m and our cash balances were £19.5m.

More detailed financial information is available in our consolidated financial statements.

## Industry Shaper Our difference

### Lisa Cosgrave

Accountant and ACCA global prize winner, Asple & Co, Ireland

**SMEs are a vital engine of innovation and job creation, with trusted financial advisers at their core. Read Lisa's story...**

'I knew if I put in my best effort for three years I'd be rewarded.'

It's estimated that more than 90% of the world's businesses are small and medium-sized enterprises – and they rely on professional accountants as their most trusted advisers.

With nearly 240,000 SMEs in Ireland alone, practices like Asple & Co. help the sector compete and grow.

Lisa Cosgrave, a trainee accountant with the firm, based in Wexford, is part of this support mechanism. 'Asple & Co. is an ACCA Approved Employer, so they provided experience and mentoring', she explains. 'The flexibility ACCA offers was one of the main attractions – I could sit an exam when it suited me and as many exams in one year as I liked.'

'My study was also very flexible – I used e-learning through Griffiths College, a Platinum Approved Learning Provider, completing lectures online and completing assignments provided by an e-learning tutor.'

ACCA's global reach was also really important to Lisa. 'You can see perspectives from students in lots of other countries,' she says. 'Their viewpoints have helped me to think about topics in different way, broadening my entire accountancy knowledge.'

Lisa completed her exams in March 2017, gaining the top mark globally in the P7 Advanced Audit and Assurance paper. 'Balancing full-time employment with study and still trying to have some "downtime" was a struggle,' she admits. 'But I knew if I put in my best effort for three years I'd be rewarded – and here I am with a global award!'

'Long-term, I hope to gain my ACCA practising certificate and really progress my career in public practice.'





# Attract: inspire people everywhere in the world to choose ACCA



## What this means in practice:

developing the ACCA Qualification so that it continues to provide the skills and professionalism demanded by employers globally in every sector and promoting ACCA through a vibrant and forward-looking brand.



**Strategic measure:** number of students.



**Why we use this indicator:** it shows our success in extending the appeal of our Qualification to the next generation and the strength of our membership pipeline.

## Five year performance

	2012-13	2013-14	2014-15	2015-16	2016-17	2016-17	2017-18
	Actuals					Target	
<b>Total students and affiliates</b>	425,894	435,824	455,778	480,813	486,514	512,400	505,100
<b>Year on year growth rate</b>	0.0%	2.3%	4.6%	5.5%	1.2%	Target not achieved	



## Key factors driving performance:

Having achieved strong growth in 2015-16, we set a challenging growth target of 6.6% this year. While growth was delivered – with 103,566 new students recruited globally – it slowed to 1.2%

Most of this shortfall was on the recruitment side, with 17,069 fewer new students than targeted. Of this recruitment shortfall, 80% was across sub-Saharan Africa (and half of that from Nigeria alone, which suffered severe economic issues). Clearly, the regional economic situation and resultant currency affordability have been significant factors in the slowdown, but many of our markets have not reached the growth levels expected before the start of this year. Notable exceptions are UK, Ireland, India and Singapore which all delivered above-expected growth. China also delivered exceptional performance.

Because of the changing make-up of our student prospects and the opportunities available to them, we are focused on creating the conditions for domestic – as well as global – success across our markets.

On retention, we removed more students than originally expected, achieving 83% retention compared to the 85% targeted. We planned for a 0.5% year-on-year reduction but took additional action to remove students who either weren't able or willing to progress in order to stabilise our student file. We are also analysing our approach to recruitment so we are better able to target those with the desire and ability to progress to membership.

## Industry Shaper Attract

### Judith Fei FCCA

CFO, Balmain Asia

**Prestigious fashion label Balmain is world-renowned for its long history and pedigree, a favourite among the fashion set.**

A byword for luxury and style, it's perhaps no wonder that Judith Fei, the group's CFO for Asia, describes working for Balmain as her dream job.

She joined the company in 2012 and immediately felt right at home. Since then she's seen wealth in China grow, creating a vibrant marketplace for high luxury brands, with demand soaring in cities like Shanghai, Beijing and Hangzhou.

Fast-paced and always evolving, the luxury fashion industry demands a clear head and quick decisions.

'Retail is a day-to-day operation,' says Judith, who is based in Hong Kong. 'You can't delay decisions for too long; you have to react quickly.'

Her first job after graduation from Nanjing Audit University was with PwC as a senior auditor. She hit the ground running – she gained her ACCA Qualification at university, completing all the exams within three years.

'I was told ACCA would not be easy, but I'm very glad I did it,' she says. 'It's given me good returns and really accelerated my career development.'

Balmain first stores in Beijing and Shanghai were already established when she joined. Now the brand is growing even more. 'If you have high-quality goods, a special identity and are very stylish, there is a strong customer base,' adds Judith.

'We all love the brand and enjoy seeing the new designs come out each season.'



# Develop:

## grow our network to support our stakeholders to achieve their goals



**What this means in practice:** we develop members and students by investing in support that enables them to achieve their professional goals.



**Strategic measure:** 100% of our three student progression targets of: 13,000 new members; 70% of ACCA affiliates achieving membership in four years; 38% of students passing exams in the past year.



**Why we use this measure:** it gives a rounded picture of the main factors that affect progress to membership. Because examination entries are a critical measure of progression and an important income indicator, we will be replacing new member numbers with this element measure for 2017-18.

### Five year performance

	2012-13	2013-14	2014-15	2015-16	2016-17	2016-17	2017-18
	Actuals					Target	
<b>New members</b>	10,361	10,337	11,530	13,604	14,257	13,000	<b>Element being replaced by exams entered in the year - target 775,800 entries</b>
<b>% of affiliates achieving membership in four years</b>	70.3%	68.8%	68.5%	68.8%	66.1%	70%	<b>67.1%</b>
<b>% of students passing exams in the last year</b>	41.1%	38.4%	36.5%	35.3%	36.2%	38%	<b>36.2%</b>



### Key factors driving performance:

This measure continues to challenge us, with the exception of the number of new members created. While this latter element was comfortably exceeded again this year, we failed to meet our other two element targets. We aimed to have 38% of our students passing an exam during the year and achieved 36.2%. While this was an improvement on last year, it is arguably the most disappointing of the two elements not achieved as we expected a greater uplift in progression at all levels following the introduction of four exam sessions. Within this, we have

more dormant students than expected (42.6% not sitting an exam in the year, compared to 42.1% last year). But the proportion of students who attempted and failed an exam has fallen (22.1% failure rate this year, compared to 22.6% last year) – so students engaged in progressing are faring better. In addition to the removal of dormant students this year, the intended focus on sustainable recruitment will help mitigate this issue in the future. It also makes the emphasis we're placing on integrated learning support and guidance all the more important.

The proportion of affiliates achieving membership in four years also fell short of our target of 70%, declining from the 68.8% performance last year. As we'd this seen this percentage holding steady for the past three years, we could've reasonably expected the improvement we targeted. China, the Caribbean and Pakistan are notable amongst our larger markets that have seen reductions. This is related to different conditions and cohorts in these markets and we are building plans to address these.

## Industry Shaper Develop

### Teo Ee Sing FCCA

Founder and Executive Director Sunway-TES

#### **Is walking away from a Big Four firm role risky business, or the first step to global success?**

A promising career at a Big Four firm is often top priority for a modern accountancy professional. But Teo Ee Sing's eye was on a bigger picture – helping to mould the next generation of high fliers.

His extensive industry knowledge and links with the top accountancy businesses have helped to create one of the world's leading ACCA approved learning providers.

Sunway TES Centre for Accountancy Excellence – the TES part of the name reflects his initials - has held ACCA Platinum Approved status for 14 years in a row.

As well as playing a key role in the growth of the profession in Malaysia, Teo has helped mentor thousands of students to professional success. 'We arm them with research and presentation skills, critical thinking skills, and ensure they are proficient in the most relevant IT packages,' he explains.

'Because we're focusing on creating well-rounded, professionally capable people, employers value our students and want to employ them.'

He worked with UHY Hacker Young in London, and then as a senior associate at Pricewaterhouse in Malaysia, before moving into education in 1993. First he helped Emile Woolf launch its Malaysia and Singapore campuses, a year later he established Sunway College's financial courses division. Today Sunway-TES is now one of the world's top ACCA tuition providers.

Close links with big name employers including PwC, KPMG, EY, Deloitte and BDO, and access to the latest teaching models, mean students emerge equipped with the skills employers really need.

For Teo, there's been no looking back. He adds: 'It's been fantastic to help ACCA students benefit from this for 23 years – and counting!'



# Sustain:

## demonstrate the value of a lasting relationship with ACCA



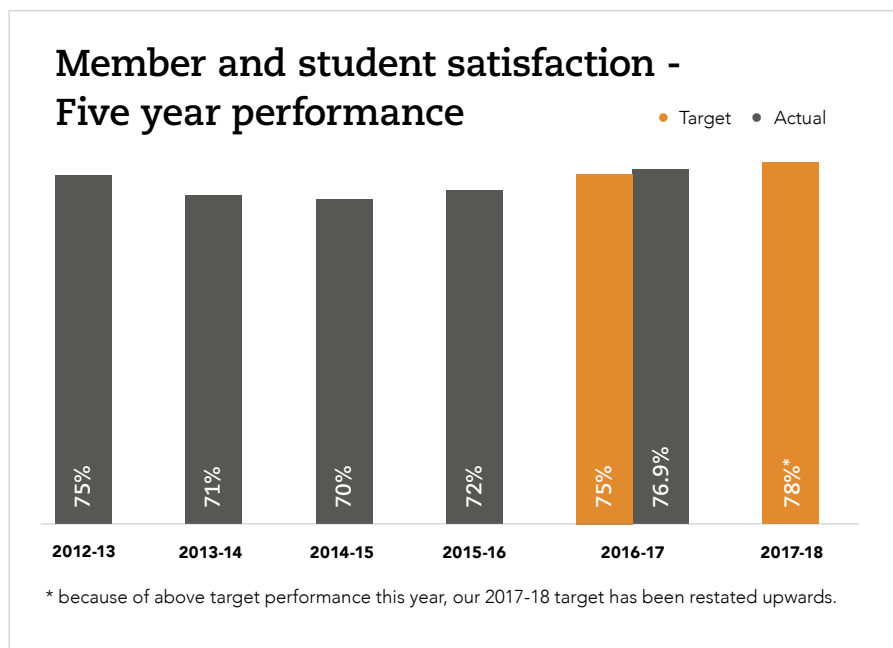
**What this means in practice:** we deliver and communicate the tangible value of a relationship with us to our members and students so that they remain committed to, and advocate for, ACCA.



**Strategic measure:** member and student satisfaction.



**Why we use this measure:** it shows the overall happiness of members and students with our brand and services.



### Key factors driving performance:

Having had a 'recovery' target of 75% for some years, we've been able to deliver a significant shift in sentiment through focused effort – especially through our member value priority and its associated coordinated initiatives across key markets.

Our final combined satisfaction score was 76.9%, an improvement of 3.9% on last year's result, with satisfaction increasing across all customer groups.

### Members

Member satisfaction saw the largest annual increase, up 5.4% to 76.4%, with improvement seen across all our markets.

Higher performance in how members perceive their relationship with ACCA has driven this score up as well as increased agreement that ACCA offers value for money (+5% to 64%) and that ACCA is an innovative and forward thinking organisation (+4%, to 71%).

Perceptions that ACCA is committed to high standards of qualification also rose (+7% to 82%), driven by positive reactions from members to our *Professional Accountants – the future work* and the launch of the seven quotients. An increase in agreement that ACCA shapes the agenda of the accountancy profession has also impacted the score (+4% to 64%).

**Sustain:**  
demonstrate the value of a  
lasting relationship with ACCA

## New developments for members in 2016-17 include:

### **Strategic alliance with Chartered Accountants Australia and New Zealand**

Giving members new CPD opportunities, access to additional research and insights and eligibility for CA ANZ membership.

### **CPD and specialist qualifications CPD skills webinars**

Free CPD skills webinar programme for members.

### **ACCA Learning Pathways**

Four new ACCA Learning Pathways: Entrepreneurship and SME growth; Building your professional skills; Mastering communication; and Performance management and leadership, delivering 20 weeks' structured learning.

### **Microsoft Office Specialist**

Expanding our Microsoft Office Specialist offering to include PowerPoint and Word, in addition to Excel training.

### **Professional Accountant – the future research and quotients**

Reviewing our CPD portfolio to align our content with this research and creating a self-assessment test so members can measure their skills: <http://thefuture.accaglobal.com/>

### **Partnerships**

A new registration process for ACCA members wanting to gain the CIA (Chartered Internal Auditor) designation

### **Communications**

Consolidation of emails and blending of relevant global and local content

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Redesigned welcome pack for new ACCA members.

### **Engagement**

New quarterly webinars hosted by Council members on ACCA developments

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Enhanced support for member advocates.

### **ACCA Careers**

Development of ACCA Careers jobs board, including new Chinese language site.

## **Students**

Our student satisfaction score was 78.1%, a 2.1% increase on last year.

Higher performance in value for money and affordability helped drive this increase, as well as improved perceptions of students' relationship with ACCA and increased ratings for ACCA resources and support. Affordability and value for money ratings increased the most (following the announcement of Brexit and the related fall in the value of Sterling), and scores remained at a higher level for the rest of the year.

## **Affiliates**

Seventy-one per cent of affiliates are satisfied with ACCA. This is a 4.3% improvement on last year's result, with higher performance in employability and relationship with ACCA measures driving this increase.

## Industry Shaper Sustain

### Matt Dolphin FCCA

Finance Director, Critical Services, Babcock International

**When Matt Dolphin left school at 16, the notion that one day he would be making multi-million pound decisions for a FTSE 100 business may have seemed improbable.**

But that's where he is today, thanks to the encouragement of accountants who urged the teenager to pursue a career as a financial professional.

Inspired by his mentors, he returned to education and worked through A Levels and onto his ACCA qualification. Having turned his prospects around, he focused on the transport and logistics industry, working for First Group, Go Ahead and British Airways.

Today he leads finance projects for global engineering and infrastructure giant, Babcock.

No-one can speak more knowledgeably about how effective being part of ACCA can be than our own members. And Matt has seized the opportunity to share his experiences to encourage the next generation.

While at British Airways, he sponsored new members for ACCA UK's Leaders of Tomorrow programme, giving them the benefit of his advice and experience.

As keynote speaker at ACCA's London recognition ceremony in October 2016, Matt shared his personal story of success to inspire the next generation of ACCA members.

And he's undertaken wide-ranging work for ACCA in Canada, telling his story and raising awareness of ACCA.

Sharing his experiences has had such an impact that Matt became the first winner of the ACCA UK Advocacy Award. It recognises the contribution he's made in promoting ACCA and the profession, and how he's inspired and supported others.





# Lead: use our pre-eminent brand and reputation to influence the market



**What this means in practice:** we aim to lead the profession in demonstrating the value professional accountants bring to society, which also relies on a strong, visible and credible brand.



**Strategic measure:** brand power, assessed through ten elements covering brand awareness, brand stature, brand reputation and global market share.



**Why we use this measure:** it gives us a rounded picture of brand resilience and impact across our main stakeholder groups.

Measure	2013-14	2014-15	2015-16	2016-17	2016-17	2017-18
	Actuals				Target	
Members who've recommended ACCA <sup>†</sup>	60%	60.6%	57.5%	60.2%	62%	63%*
Students who've recommended ACCA <sup>†</sup>	N/A	70.0%	71.1%	74.2%	71.5%	75%*
Affiliates who've recommended ACCA <sup>†</sup>	N/A	64.0%	65.4%	67.7%	66%	69%*
Approved Learning Providers recommending ACCA as first choice <sup>†</sup>	86.5%	90.3%	91.2%	89.1%	86%	90%
Key employers preferring to recruit and train ACCA members <sup>†</sup>	46%	44.0%	35%	39.2%	48%	40%
Members, students and affiliates agreeing ACCA is a visionary brand <sup>†</sup>	N/A	72.3%	71.1%	75.5%	73%	77%*
Members, students and affiliates agreeing ACCA champions the profession <sup>†</sup>	66.7%	70.0%	68.9%	71.5%	71%	73%*
Members agreeing ACCA promotes public value <sup>†</sup>	66.8%	67.5%	67.2%	70.9%	69.5%	73%*
Employers believing ACCA provides relevant skills for their business <sup>†</sup>	N/A	84.0%	88%	92%	86%	90%
Share of total members of ACCA, ICAEW, AICPA, CIMA and CPA Australia	18.4%	19.0%	19.5%	20.1%	19.5%	20.5%
<b>OVERALL BRAND POWER</b>	<b>N/A</b>	<b>80% of elements</b>	<b>80% of elements</b>	<b>80% achieved</b>	<b>80% target</b>	<b>80% achieved</b>

<sup>†</sup> survey measures are judged achieved if within +/- 1.5% of the target to allow for accepted survey variations. Member results based on 8,929 members surveyed globally; student results based on 17,752 students surveyed globally; employer results based on 622 employers surveyed globally; learning providers results based on 276 providers surveyed globally.

\* because of above target performance this year, our 2017-18 target has been restated upwards.



## Industry Shaper Lead

### Alan Johnson FCCA

Non-executive director and IFAC Board member

#### **A world of opportunity opened up for Alan Johnson when he chose to become an ACCA member.**

In a career that has spanned decades in high level roles, he has taken on challenges in eight different countries and worked on three continents, absorbing new cultures, discovering new perspectives on life, and simply enjoying what he calls 'a fantastic career'.

Now as ACCA's nominee on the Board of the International Federation of Accountants (IFAC), he's helping to shape the future for the entire profession, bringing to the role a wealth of experience gleaned in a career that has taken him to the top of his profession, to places he never expected.

'ACCA has provided me with a fantastic career, where I've been able to develop and refine a whole host of business, leadership and influencing skills that I can now call on,' he says. 'I'm focused on giving back, including to the profession that's given me so many opportunities.'

ACCA membership helped pave the way for his progress at global brand Unilever, taking him to CFO of the global foods business and then Chief Audit Executive advising the board and executive management on governance, risk, and controls.

And it's taken him around the world.

'The exposure that's given me to different cultures, perspectives and thought has enriched my life,' he says.

'It's made me internationally minded and versatile in ways I could never have imagined when I first qualified.'





## Key factors driving performance:

The strong improvement we've seen in sentiment from members, students and affiliates has pushed up all of our direct customer survey measures by a minimum of 3% (for all groups agreeing that ACCA shapes the agenda of the accountancy profession) and a maximum of 5.5% (for members who've recommended ACCA in the past 12 months). While this last element is still below our target for the year, we're pleased with such a strong improvement.

Ninety-two per cent of employers told us that they believe ACCA provides relevant skills for their business – the highest score in recent years. However, because all our research shows that employers are increasingly not preferring specific recognised qualifications, promoting the brand value of ACCA to this group will be increasingly important. In retrospect, our target of 48% of key employers preferring to recruit and train ACCAs – set before we received our prior year result of 35% – was overly optimistic. We nevertheless saw a 4.2% increase here, year on year.

Our ability to **lead** is driven by these areas of focus:

- **Delivering and enhancing the brand recognition of ACCA:**  
This year, we unveiled exciting innovations to the ACCA Qualification, tailored to meet the strategic challenges of the 21st century's disruptive economy, and maintain our members' reputations for excellence. This new ground-breaking design draws on an extensive, two-year review and consultation with members, employers and learning providers and will introduce:
  - **Strategic Business Leader** (introduced from September 2018) – an innovative case study exam, based on a realistic business scenario. This integrated approach will provide the skills and technical expertise required by modern business where decisions need to be made, measured and effectively communicated to all stakeholders.
  - **Strategic Business Reporting** (introduced from September 2018) – an enhanced exam exposing students to the wider context of finance and business reporting, giving them the vital skills needed to explain and communicate the implications of transactions and reporting.
  - **A new Ethics and Professional Skills module** (introduced from October 2017) – the first of its kind which focuses on developing the complete range of professional skills employers now need. It develops vitally important ethical behaviour and judgment, complementing this with the broader communications, commercial, innovation, analysis and evaluation skills vital for career success, all delivered through an interactive learning experience.

Detailed information on all these changes can be found at: [accaglobal.com/thefuture](http://accaglobal.com/thefuture).

- **Ensuring our reputation and influence are driven by our enduring commitment to public value and professionalism:** You can read more about how we fulfil these obligations in our independent Regulatory Board's report on regulation and our UN Global Compact report.
- **Promoting the value of an accountancy profession that is global but also responsive to national and regional needs:** During the year we agreed a number of important new partnerships including:
  - our new strategic alliance with Chartered Accountants Australia and New Zealand.
  - a reciprocal strategic pathway agreement with the Turkish professional accountancy body, TURMÖB.
  - a strategic partnership agreement with the Shanghai National Accounting Institute which will help support the development of a national management accountancy competency framework.
  - a strategic partnership agreement with the Instituto de Censores Jurados de Cuentas de España (ICJCE), the main national accountancy body in Spain.
  - a strategic partnership agreement with the Institute of Certified Public Accountants of Kenya (ICPAK).
  - a strategic partnership agreement with the Egyptian Society of Accountants and Auditors.



## Key factors driving performance:

We established a new permanent ACCA office in Turkey bringing our network of offices and centres to 101.

- **Strengthening relationships with governments, regulators and multilateral agencies:**

We have continued to build our influence around the world, with new engagement including:

- **European Commission:** we joined the EC's newly-established VAT expert group, the only UK-based body represented on this influential forum. The EC also asked ACCA to provide advice on the drafting of the non-mandatory guidelines for the EU non-financial reporting directive.
- **OECD:** we were invited to take part in the OECD's public consultation on BEPS and intervened to call for recognition of the impact on smaller business.
- **UK Government:** we continued to be a distinctive voice on UK policy issues and we were asked to provide the Secretariat for the new All-Party Parliamentary Group (APPG) for International Trade and Investment. We were also invited to present to the APPGs on ADR (Alternative Dispute Resolution) and Social Mobility, as a leader in these fields.
- **UN:**
  - **UNCTAD:** we presented at the 14th session of the United Nations Conference on Trade and Development (UNCTAD) in Kenya on sustainability reporting and how e-learning can accelerate skills development.
  - **UN PRI:** ACCA experts presented at the 10th anniversary of the United Nations Principles for Responsible Investment in Singapore.

- **Working to ensure ACCA is the international leader in contributing to capacity building:**

- **Ethiopia:** funded by the UK Government, we supported the development of the national body, AABE, through technical workshops and our regional conferences.
- **Indonesia:** under the UK Government's Prosperity Fund for Capacity Building, we're helping develop central government finance capacity through specialist ACCA qualifications.
- **Rwanda:** we won a major IFAC and UK Government project to support the building of the national profession by working to develop the Institute of Chartered Accountants of Rwanda (ICPAR).
- **sub-Saharan Africa:** we won a joint bid with the Institute of Certified Public Accountants of Kenya (ICPAK) to support the technology needs of national bodies, focusing on Ghana, Rwanda and Uganda.

- **Maintaining and enhancing educational recognition:**

- In addition to maintaining our existing recognition on important national frameworks, we achieved End-Point Assessment Organisation status for the new UK Trailblazer Apprenticeship scheme in Professional Accounting/Taxation Technician, becoming the first UK Chartered body to gain this awarding power.

- **Delivering a superior programme of Professional Insights, tailored to local needs and with public value at their core:**

- We published 30 Professional Insights reports across the year. Highlights included the three major global reports we published under our new *Professional Accountants – the future* series: *Drivers of change and Future Skills*; *Generation Next* and *50 drivers of change in the public sector*. Other key reports looked to the future of business – with *FinTech: transforming finance* and *Business models of the future: emerging value creation*. All our reports can be found on our new Professional Insights hub at <http://www.accaglobal.com/uk/en/professional-insights.html>
- A new Professional Insights App was launched to coincide with our annual Accounting for the Future online conference, attended by a record audience.
- In the field of culture and governance, we produced a culture check tool and advice for aspiring NEDS, both of which were published as practical tools through ACCA Careers.
- We also responded to 67 separate policy consultations this year.

# People: high performing people motivated to deliver our strategy



**Strategic measure applied:** Best Companies employment engagement index



**Why we use this measure:** it's a wide-ranging index which assesses how engaged and fulfilled our employees are and enables us to identify those drivers which have the greatest impact on their contentment and motivation.

Because it is also a widely used framework for assessing employee engagement, it means we can benchmark our performance against other employers.

## Five year performance

	2012-13	2013-14	2014-15	2015-16	2016-17	2016-17	2017-18
	Actuals					Target	
<b>Best Companies employee engagement score</b>	652.5	646.2	643.8	649.5	654.3	659.5 (One Star status)	659.5 (One Star status)
						<b>Not achieved</b>	

We moved our overall engagement score up by nearly five points to 654.3 – which is a 10 point improvement across two successive years – and therefore continue to make steady progress to our goal of reaching One Star status. It's pleasing that the key areas we've focused on improving over the past 12 months – such as perceptions of leadership and management – have seen real progress.

**People:**  
high performing people  
motivated to deliver our strategy

## 2016 results highlights

- We achieved our best ever response rate of 86.4%, nearly 20% higher than Best Companies average response for mid-sized companies.
- Overall managerial engagement has improved, especially at frontline manager level.
- There was strong improvement in perceptions of our leadership team (our Chief Executive, Executive Team and our directorate leadership teams) and people at all levels told us they're excited about where ACCA is going.
- Perceptions around ACCA giving something back increased and ACCA scored above the benchmark on making a difference to the world we live in – demonstrating that our people see and feel our commitment to public value.

During the year, we were awarded Living Wage accreditation in the UK.

## 2016 results lowlights

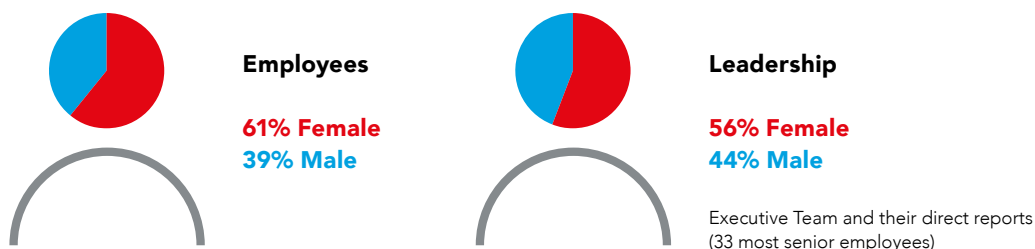
- We could still collaborate better across ACCA, despite some conscious interventions during 2016.
- Well-being is still a concern, but our people seem to be feeling a little more resilient than last year.

## Actions in 2017-18

In 2017-18, we'll focus on:

- improving the transparency and fairness of our reward strategy with the introduction of Global Grading and Contribution Based Pay.
- building a more collaborative culture, including the introduction of 360 degree performance feedback.
- strengthening our people management capability, including shared people management objectives for all our leaders and managers.
- being more disciplined in our focus to improve wellbeing.
- living our core values, role modelling the right behaviours and empowering others.

## Employee diversity



## Customer-centred solutions



**Strategic measure applied:** A basket of customer service measures (calls answered within 20 seconds, call abandonment rate, emails answered within 24 hours, web chats picked up within 30 seconds, web chat abandonment, online applications

processed within three days, year-on-year improvement applications completed, member customer experience, student customer experience) which provides a rounded picture of overall customer service

### Five year performance

	2012-13	2013-14	2014-15	2015-16	2016-17	2016-17	2017-18
	Actuals					Target	
<b>Customer experience SLA</b>	N/A	N/A	97%	87%	88%	80%	80%
						Achieved	

## Operational excellence across all aspects of our operations



**Strategic measure applied:** operating costs per student and member against benchmark, which shows the cost effectiveness of our service, compared to key competitors, and is taken as a proxy for the efficiency of our operations as a whole.

### Five year performance

	2012-13	2013-14	2014-15	2015-16	2016-17	2016-17	2017-18
	Actuals					Target	
<b>Cost per student and member</b>	£240	£246	£254	£260	£247	£249	£271
						Achieved	

# Flexible delivery: digitally-enabled and flexible delivery that is responsive to evolving customer needs

**Strategic measure applied:** 66% of digital experience SLA (a basket of measures comprising website availability, website response time and digital customer satisfaction), which provides time and quality metrics on our main digital services.

## Five year performance

	2012-13	2013-14	2014-15	2015-16	2016-17	2016-17	2017-18
<b>Digital experience SLA</b>	<b>Actuals</b>					<b>Target</b>	
	N/A	N/A	N/A	100%	91%	80%	80%
						<b>Achieved</b>	

## Commentary on customer centred solutions, operational excellence and flexible delivery:

We've continued to build our customer service capability and efficiency so we can deliver a responsive, high-quality service to members and students. Key developments delivered that helped support this all-round strong performance include:

- We developed and launched a new Customer Engagement Centre tool, giving ACCA's customer service teams access to unprecedented levels of information and enabling a higher level of customer care.
- We completed our programme of work around transforming the digital customer experience with our new members' site – co-created and tested by members – being successfully integrated into [www.accaglobal.com](http://www.accaglobal.com).
- We launched a new exam entry online booking system, allowing students in eligible countries to book computer-based exams from the December 2016 exam session.
- We moved to a new operational centre in Scotland, housing all our core global operations in one, modern location.
- We successfully established the infrastructure for flexible pricing capability, introducing geographic based flexible pricing for students in Nigeria, Kenya, Zambia, Pakistan and Bangladesh.

# Our focus for 2017-18

**Next year, we'll focus on these three over-arching strategic priorities:**

## **Attract and Develop: building greater market adoption**

We'll ensure the market's ready to embrace the changes to the ACCA Qualification. We'll also re-examine our student recruitment strategy and develop an integrated approach to learning support so we can help more of our current students reach their ACCA goals.

## **Sustain and Lead: delivering member value**

We'll continue our focus on enhancing our value and reputation to our members, demonstrating that we are an essential lifetime career partner. This will include building member pride in our brand, growing our network of ACCA member advocates, and demonstrating the value of our strategic alliance with CA ANZ.

## **Flexible delivery: digitally enabling our strategy**

We'll focus on a deeper digital transformation to 2020 and beyond so we can be agile and responsive to rapidly evolving member and student needs. This will include personalising products and services and using technology to deliver a leading-edge customer experience. We'll also leverage our information more successfully so we can make more effective data-driven decisions.

Our people focus will be on further building our leadership and management capability, enhancing well-being through being more disciplined in our planning, and improving the transparency and fairness of our reward strategy.

Through this combined emphasis, we're aiming to deliver even stronger progress for our members and other stakeholders next year.



# Our risks and their management

Our Corporate Risk Register records the most significant cross-cutting risks that the organisation currently faces, as agreed by the Executive Team, with oversight from the Audit Committee. These risks, should they crystallise, have been judged to pose a significant threat to the successful delivery of our strategy.

We also have directorate level risk registers. Risks on the corporate risk register are either escalated from the directorate level risk registers via the respective directorate governance and risk meetings or included as a result of recommendations from the Executive Team, Audit Committee or ACCA's Risk Manager.

These risks cover a range of issues, with 10 risks currently held on our corporate level risk register (14 for the year ending 31 March 2016).

Each corporate level risk is 'owned' by a member of the Executive Team with the entire Executive Team reviewing all corporate level risks every month to reflect any market, legislative and/or operational developments and adjusting mitigation and threat levels accordingly. As a result, new corporate risks are added and existing risks de-prioritised as appropriate.

## Key changes to our corporate risks in 2016-17

### Removals:

- Because of its stability and recognising the primary role our Governance team plays in its successful management, **risks around maintaining UK statutory recognition** have been moved to our underlying Governance directorate register.
- For the same reasons, risks around **customers' ability to transact online, inability to deliver the outcomes described in our strategy, contractor/supplier failure and inability of our operations to adapt to technological change** have been de-escalated to directorate risk registers.

### Merged risks:

- The risk of **net operating surplus being more difficult to predict** has been merged with **budgeting and forecasting becoming less predictable**, as the former is a consequence of the latter.

### Additions:

- The changes we have introduced – and plan to introduce – to the ACCA Qualification will necessitate significant adaptation from learning providers. A new risk reflects this challenge.
- We are also seeing our student body change in a way that is amplifying progression challenges, and a new risk has been included to capture this.

## Risk appetite

In line with our stated vision, we remain committed to a bold and innovative approach to market development, so that we can maintain our reputation for skills and demand responsiveness. Because the integrity of our qualification is at the heart of our brand, our corporate level risks have a strong focus on minimising threats to the standing and value of the ACCA brand, and we have a low tolerance of risk in this area.

### Risk appetite definitions:

**Hungry:** eager to be innovative and choose options offering potential higher rewards, despite greater inherent risk.

**Open:** willing to consider all potential options with a bias towards options likely to prioritise the certainties of successful delivery over potentially high reward strategies.

**Averse:** preference for safer options which have a lower level of residual risk but which may have more limited upside potential.

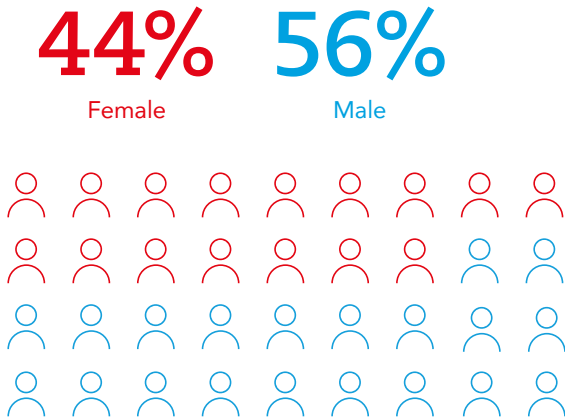
# Our strategic risks

Risk	Mapped to strategic outcome	Risk appetite	Mitigation
Inability to accurately forecast income and costs	Our difference	Open	Income governance in place; monthly monitoring of financial performance; global focus on plans to increase exam uptake and enhance student progression.
Failure to deliver the key elements of our Flexible Exam Delivery and Support Programme	Our vision for 2020	Hungry	Programme governance and management framework, including robust resource planning and strengthened collaboration between the programme and key ACCA teams, such as IT and Transformation.
Restrictions on our ability to operate	Attract	Hungry	Cross-organisation review group reports to the Executive Team monthly on recognition risks, which is provided to Market Oversight Committee, with specific mitigations taken on a market by market basis.
Increased competition attracting potential students to other career development paths	Attract	Hungry	Ongoing review of marketplace and alternative offerings through a programme of global competitor monitoring, with oversight from the Market Oversight Committee.
Failure to comply with legislation in countries where we operate	Lead	Open	Dedicated team of Regional Business Support Managers who actively manage ACCA's national and regional compliance risks, with guidance from ACCA's global Corporate Assurance team. Global delivery of employee training on compliance issues.
Loss of students to alternate qualifications	Vision	Hungry	Building in increased flexibility around products and offerings to cater for changing needs and investment in the ACCA brand.
Information security breaches	Flexible delivery	Open	Defined security strategy, encompassing a vulnerability management process and information security awareness training.
Failure of qualification operational processes, resulting in failure to comply with education regulator requirements	Operational excellence	Averse	A comprehensive range of physical and digital controls of the entire end-to-end process. Ongoing monitoring of compliance with primary educational recognition (Ofqual) and continuous engagement with education regulatory environment.
<b>NEW</b> ACCA's distribution network not ready, willing or able to support ACCA Qualification and business model changes	Develop	Averse	Ongoing relationship management with learning providers through Regional Heads of Education. Regular consultation with learning providers globally and communications and engagement plan in place around key changes.
<b>NEW</b> Changing ACCA student mix (geographies and demographics) leading to progression challenges	Attract	Hungry	Integrated Learning Support initiative being developed and recruitment strategy review in progress, as part of 2017-18 strategic priority of Attract and Develop: building greater market adoption

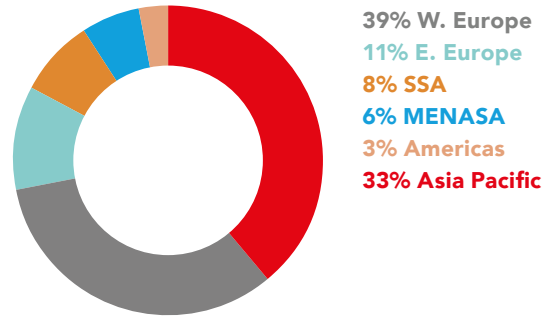
# Our governance and leadership

## Council demographics

### Council members by gender



### Council members by region



## Council

ACCA is governed by its Council - 36 ACCA members elected by our membership to safeguard ACCA's future and ensure it delivers the objects of our Royal Charter. To do this, ACCA's Council provides oversight of both ACCA's current strategy and its longer-term global development.

In keeping with our core values, a distinctive feature of ACCA's Council is its diversity. This allows it to draw on an especially wide range of views and experiences, giving a rounded global perspective. Council's composition also closely mirrors that of ACCA's overall membership.

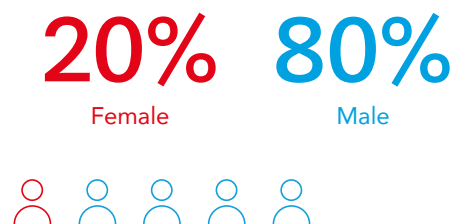
After one year's service, Council members are allocated to at least one of the six Council standing committees, based on their particular skills and experience. Council biographies – including the Committees they serve on – are at: [www.accaglobal.com/uk/en/about-us/who-we-are/our-leadership.html](http://www.accaglobal.com/uk/en/about-us/who-we-are/our-leadership.html).

## Executive Team

ACCA's Executive Team, led by the chief executive, is responsible for the delivery of ACCA's agreed strategy and leading ACCA's operations. The team consists of the chief executive, four executive directors and two non-executive advisers. Senior management is supported by a wider global Leadership Group of directors and other senior employees with significant operational and strategic responsibilities.

All ET members are currently based in the UK.

## Executive team demographics



Executive team biographies can be found at: <http://www.accaglobal.com/gb/en/about-us/who-we-are/meet-executive-team.html>

## Our governance and leadership

### Senior management remuneration

Council's Remuneration Committee agrees the KPIs which will determine the bonus payment for the Executive Team annually. This reward solution is structured to drive behaviour and performance that is appropriate for ACCA and includes all the measures and targets agreed by Council (all of which are externally audited). In 2016-17, ACCA achieved four of its six strategic KPIs, which triggered the release of the reward pool.

The total salary (including bonus and allowances) and benefits of the Chief Executive in the year ended 31 March 2017 was £383,915 (year ended 31 March 2016: £370,746). This includes a fixed non-pensionable allowance in lieu of pension benefits, introduced in August 2013 when the Chief

Executive agreed to vary her contract of employment following the closure of the defined benefit pension scheme and an additional allowance in lieu of pension contributions. Excluding the 'pension' allowances referred to above, and to give a 'like for like' comparison, the total salary and benefits for the Chief Executive in the year ended 31 March 2017 was £343,082 (year ended 31 March 2016: £330,284).

The two independent non-executive advisors receive remuneration on a fixed attendance fee basis.

When reviewing the salaries of the members of the Executive Team, the Remuneration Committee takes into account the salary increases applying to the rest of the work force and external

benchmark data. External benchmark data is obtained on pay in other professional membership associations (including a sub group of accountancy associations) and general industry data for organisations of a similar size.

The annual salary review for all staff occurs in April. The salaries of the Executive Team increased by 1.5%, in line with other employees. This came into effect from 1 April 2016.

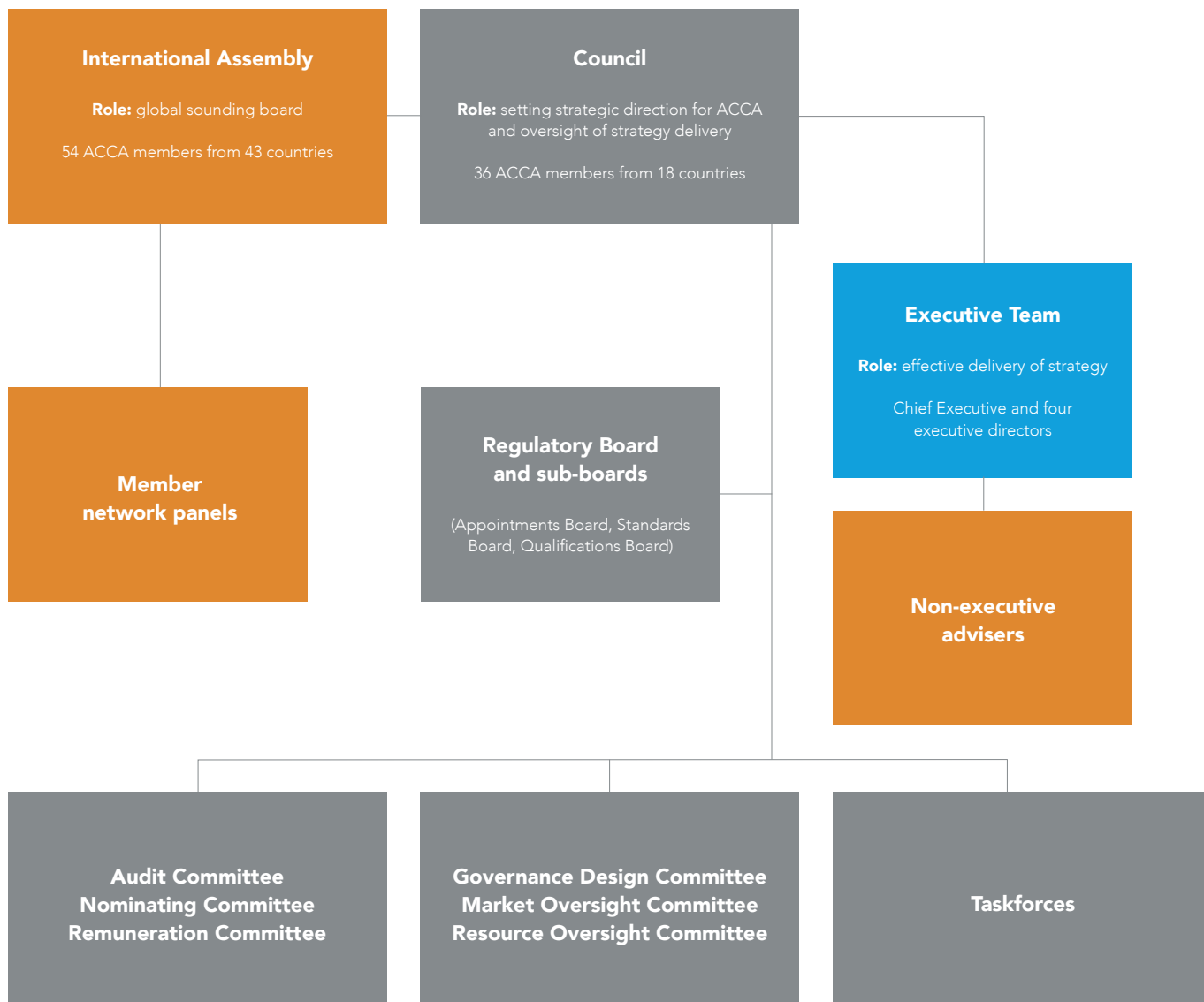
The base salaries of the Chief Executive and Executive Directors at 31 March 2017 are shown below on a banded basis:

	Number of employees (2016-17)	Number of employees (2015-16)
£280,000 - £309,999	1	1
£250,000 - £279,000	Nil	Nil
£220,000 - £249,000	Nil	Nil
£190,000 - £219,999	2	2
£160,000 - £189,999	2	Nil
£130,000 - £159,999	Nil	2

# Our governance and leadership

## Our governance structure

■ Governance remit ■ Operational remit ■ Advisory remit



## Annual Corporate Governance Statement

We also publish an annual Corporate Governance Statement. This contains further information on the extent to which our governance arrangements meet the UK Corporate Governance Code.

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