

**ACCA**

# 200,000 members, millions of connections

Integrated Report 2018



**Think Ahead**

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# About ACCA

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# About ACCA

ACCA (the Association of Chartered Certified Accountants) is a global professional accountancy body, incorporated by Royal Charter in the UK. With 208,549 members and 503,262 students in 179 countries at 31 March 2018, 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 our distinctive **core values**:

**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 interest 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 and the European Union – ACCA has the legal authority directly to license and regulate its members to work in a number of regulated areas, including public practice.

# ACCA in numbers

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ACCA is one of the world's foremost professional bodies. A leader in the international accountancy profession, we're proudly global. What makes us special is the unique combination of our:

- **reach** – our global network, outlook and ambition with 208,000 members and 503,000 students across 179 countries
- **relevance** – our ACCA Qualification, designed to be relevant across sectors and geographies and equipping members with the skills they need to thrive now and in the future
- **resources** – our scale and ability to generate, leverage and deliver value on behalf of our members, through 104 offices and centres across 52 countries and 1,338 employees.

**208,549**  
members

**503,262**  
students

**7,384**  
approved employers

**323**  
approved learning providers

**104**  
offices and centres

**52**  
countries

# About this report

This is our seventh annual integrated report and the fourth prepared in accordance with the international <IR> framework (published by the IIRC in 2013). It's designed to give readers – and especially anyone whose success is dependent on ACCA, such as our members, students, learning providers and employers – an insight into the strategic thinking that drives ACCA forward, encompassing our strategy, governance, performance and prospects in the context of our global environment.

This year, we have referenced those aspects of our strategy that make an explicit contribution to the UN Sustainable Development Goals to 2030, recognising our responsibility towards, and contribution to, these goals.

# Assurance

## Oversight and responsibility

The Audit Committee of Council scrutinises this report in detail, which Council then approves. In this way, Council is ultimately responsible for ensuring the report's integrity. The 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.

### Want more detail?

To try and 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 current version of 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)**

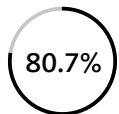
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# Our 2017-18 highlights

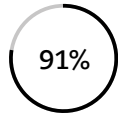
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# Our 2017-18 highlights



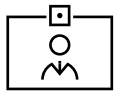
80.7% overall member and student satisfaction, up 3.8% year on year to highest level ever recorded



91% employer satisfaction, up 5.3% year on year to highest level ever recorded

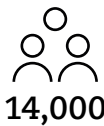


More groundbreaking ACCA Qualification changes, including the launch of our innovative Ethics and Professional Skills Module

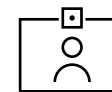


+1,000

Training over 1,000 lecturers globally to deliver our new ACCA exams in our largest ever outreach to ACCA tutors



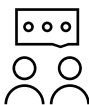
A record **14,000** members voting in our Council elections



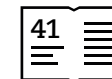
Members approving important changes that allow us to modernise and future-proof our governance



Receiving UK approval for members to provide probate services



Strengthening our strategic alliance with CA ANZ through joint research and plans for the World Congress of Accountants 2018 in Sydney



41 new Professional Insights reports



Achieving 8 of 10 KPIs – our best performance yet on our journey towards our Strategy to 2020

# Awards

## Five major industry awards:



Best Association – Association Excellence Awards 2017



Accountancy Body of the Year – PQ magazine Awards 2018



Best training initiative (for ACCA-X) – Association Excellence Awards 2017



Best use of digital from the education sector – Digital Impact Awards 2017



Best education initiative in the Innovation in Accountancy category (for Ethics and Professional Skills Module) – PQ magazine Awards 2018

## Challenges

### Our challenges in 2018-19

- Making sure our ACCA Qualification changes are adopted and championed by the marketplace
- Ensuring we understand and address – where possible – declining member retention

# President's message

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I became ACCA president at the end of November 2017. Less than a week later, I was off to Addis Ababa, Ethiopia, for my first presidential engagement: the ACCA Africa members convention.

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# President's message

If 2017-18 has been a year of celebrating connectivity, I can't think of any better way to have started. More than 700 ACCA members from 31 countries across Africa convened in Addis Ababa's prestigious United Nations Conference Centre to discuss topical issues facing the profession – from innovation to leadership from the global economy to regional growth – and, even more importantly, to connect with, and learn from, each other.

It was my honour at this event to unveil our 200,000 Members' Wall – an impressive canvas spanning 21 metres to accommodate 200,000 ACCA members' names: the physical manifestation of our global family.

It is breathtaking to see our connections made physical. ACCA's strength lies in our connections, and there are so many opportunities for our global network of members, students, employers, learning providers and other stakeholders to work, and exchange knowledge with, each other.

Connections between countries boost trade, investment, jobs and economic growth. Connections between people facilitate cultural and academic cross-fertilisation, increasing individuals' mobility and global prospects. And connections between businesses create mutual opportunities.

**It is ACCA's job to be a super-connector: to facilitate these opportunities for our members and stakeholders, working as the conduit that can connect you all.**

And when I think back on my presidential year, it is the sheer breadth and depth of the connections I have seen, and made, that I remember most.

I remember the enthusiasm of those 700 members, attending the first ever Africa members convention and being the first to sign the 200,000 Members' Wall.

I remember the following visit to Warsaw, where I met a new member who told me that her younger sister had been inspired by her to study ACCA and who had become a member herself last year.

I remember meeting two more pairs of ACCA-qualified sisters in Kazakhstan and in Indonesia: we truly can speak about being a global 'family'!

I remember speaking to an affiliate in Guangzhou, China who said that the support of the ACCA network – members, other students and the regular visits from senior staff and Council – had been the inspiration he needed to finish his studies and take up a graduate job.

# ‘If you want to go fast, go alone. If you want to go far, go together’

I remember visits to major employers, associations, governments and other institutions to promote awareness of the ACCA Qualification and ensure that there are high-quality employment opportunities for our members and students – and finding that many of them already saw ACCA as the most forward-looking qualification for the workforce of the future.

I have hundreds of examples of seeing, first-hand, ACCA connecting those with ability with the path towards becoming a professional accountant. And, of course, ACCA did exactly that for me.

It has been a pleasure to spend a year giving back to the organisation that opened so many doors for me throughout my career. And I am so proud to have held this role during such a strong performance year; a year when our overall member and student satisfaction is at a record level. I can certainly attest to the high levels of enthusiasm and dedication of the many thousands of ACCA members I have met around the world. And I can't wait to see what we can all achieve as we work together to move forward into the future.

There is an old African proverb that I have used often this year in summarising the journey that ACCA, together with all our members and partners, is on.

It says: ‘If you want to go fast, go alone. If you want to go far, go together.’

I have no doubt that ACCA and our members will continue to go far as we work together to develop the accountancy profession the world needs.



**Leo Lee FCCA**  
President

## Case study

# Connecting the global public sector – ACCA International Public Sector Conference

**Our eighth annual ACCA International Public Sector Conference in Singapore was our biggest and most successful yet. Focusing on the digital public sector, the conference brought together nearly 400 public sector experts from 30 countries. We welcomed VIP delegates from across ASEAN and beyond, including the secretary general of the Vietnam Association of Certified Public Accountants, Dr Khanh Lam Tran.**

We also had a fantastically supportive conference partner in the Singapore Accountancy Commission (SAC) with **Chaly Mah, SAC's chairman** and his team closely working with ACCA to scope out the programme and engage with the wider Singapore public sector. Chaly also delivered an inspiring keynote address focusing on Singapore's ambitions to develop itself as a global centre for technology, innovation and enterprise and how digital innovation is making this possible.

Our roster of speakers reflected ACCA's truly international perspective, with presenters from as far afield as Australia, Estonia, Nigeria, Ireland, Uganda and Zambia. They included senior ACCA member **Karen Sanderson FCCA, Executive Director, Industry and Government Services, NSW Treasury and member of the IPSASB Consultative Advisory Group**, a leading figure in the international public sector, who provided an update on the IPSASB's current work and priorities.

Given the shared challenges the sector is facing globally, being able to draw on so many informed inputs from around the world – especially from our own members – made this year's public sector flagship event even richer.

**Our eighth annual ACCA International Public Sector Conference was our biggest yet, bringing together nearly 400 experts from 30 countries.**



Chaly Mah  
Singapore



Karen Sanderson  
FCCA  
Australia



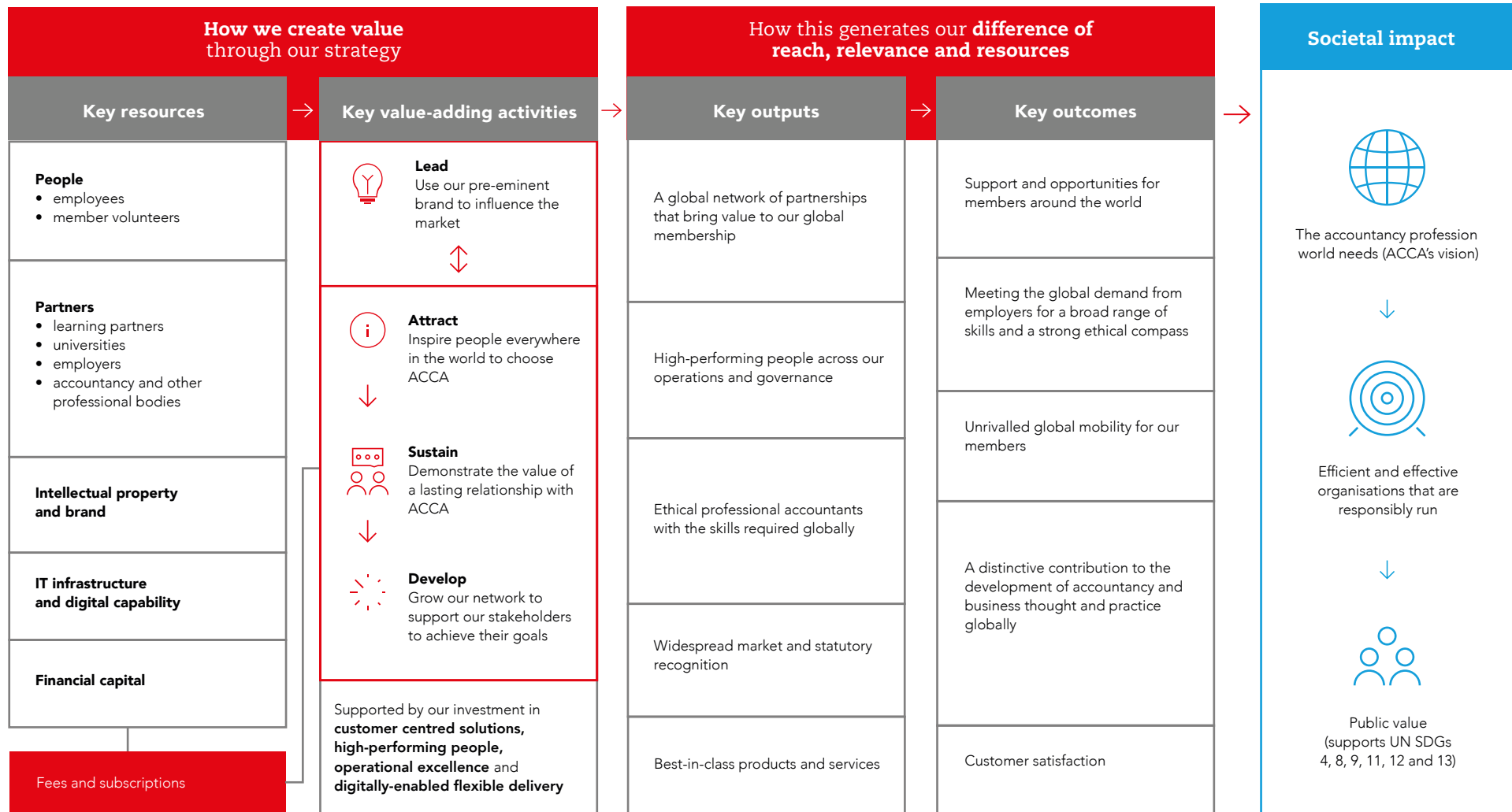
Dr Khanh Lam Tran  
Vietnam



# Value creation model

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## Case study

# Connecting to build the profession in Afghanistan – supporting CPA Afghanistan’s development

It’s been a truly historic year for the accountancy profession in Afghanistan. With ACCA’s support, the new national professional body, CPA Afghanistan, was established and held the country’s first national accountancy conference in December 2017. For a nation seeking to rebuild after years of paralysing conflict, it’s a remarkable achievement.

**Brian McEnergy, ACCA’s immediate past president** made the first ever visit to the country by an ACCA Council member to take part in this landmark conference. Brian also hosted the country’s first ACCA new member and high achiever event, where 24 newly-qualified ACCA members received their certificates. Some of these new members completed all their ACCA exams under Taliban occupation without access to tuition or books, relying instead on YouTube clips for guidance.

ACCA has been working closely towards these inspiring achievements with CPA Afghanistan since 2015. Today, we have 1,000 ACCA students whose studies are being supported by CPA Afghanistan with funding from The World Bank. This year, we signed a new agreement which focuses on strengthening CPA Afghanistan’s role as the national professional accountancy organisation.

Our partnership is helping fast-track the development of a sustainable accountancy profession in Afghanistan.

**Muhammad Zarif Ludin, programme manager and in-charge, CPA Afghanistan** is leading his dynamic team to develop the body’s structure and influence across all sectors of government and industry, supported by ACCA every step of the way, including knowledge and information-sharing to build capacity in the CPA Afghanistan team. Now that the profession is becoming established, CPA Afghanistan is working with Kabul University on re-launching its accountancy programme after a 40 year absence – and this will be modelled on ACCA’s Fundamental level papers.

**Lucia Real-Martin, ACCA’s director – emerging markets** is the proud ACCA co-sponsor of this initiative and says: ‘This partnership is helping fast-track the development of a sustainable profession for the country and all the benefits of financial stability that flow from it. Through this initiative, we’re truly living up to our promise of developing the accountancy profession the world needs – and achieving this through the power of connections and collaboration.’



**Brian McEnergy FCCA**  
Ireland



**Lucia Real-Martin**  
Australia



**Muhammad Zarif Ludin**  
Afghanistan

# Chief executive's strategic report



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**We improved our strategic performance again this year, delivering our best set of results to date under this strategy.**

**For the second year in succession, we met four of the six strategic targets set by Council and, for the first time, we met all four of our capabilities targets (2016-17: three of four met). Equally importantly, we've seen improved performance, year-on-year, across all our measures.**

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# Chief Executive's strategic report

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## Performance highlights

The most satisfying aspect of our performance is the continued increase in member, student and affiliate satisfaction levels. We achieved our highest overall satisfaction score (80.7%) under both this and our previous strategy – our strongest result since we began measuring satisfaction in this way – with significant improvement across members, students and affiliates. We've listened closely to what our members and future members are telling us they need from ACCA in their markets and acted on that feedback with speed and focus. For members, our celebrations around reaching 200,000 members in particular have enhanced engagement with, and pride in, ACCA.

For students, we're seeing more rapid progression to membership, helped by investment in better and wider qualification support and guidance. All our progression

measures improved this year, with 41,000 more exams entered than expected and the percentage of students passing exams during the year also improving. During the year, we moved to computer-based exams (CBE) entirely for our Fundamentals exams across nine countries – including three of our largest markets. Following this successful implementation and with pass rates holding up well, we'll be extending CBE to a further 65 markets in the coming year.

Similar confidence is reflected across all our stakeholders and is most clearly demonstrated by an exceptional set of brand power scores. 2017-18 was the first year we achieved all ten elements that make up our Lead measure. Seven of these ten element scores have improved year-on-year by at least 1.9 percentage points, with the other elements remaining at very high levels. Aligned to this, we saw our highest overall employer satisfaction score to date of 91%, a rise of 5.3 percentage points year-on-year.

Although we didn't achieve our student growth target, we increased our overall student and affiliate file by 3.4%, compared to 1.2% last year. At the same time, recruitment grew by 2.4% on prior year, demonstrating the strong value of the ACCA brand in the marketplace.

Student retention, at 84.7%, was 0.8% ahead of expectation. Having invested in specific initiatives around sustainable recruitment policy and learning support in the past year, it is pleasing to see these having a demonstrable effect on progression to membership.

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**We achieved our highest overall satisfaction score (80.7%) under both this and our previous strategy – our strongest result since we began measuring satisfaction in this way – with significant improvement across members, students and affiliates**

## **Strategic challenges and our response**

We're continuing to roll out our ACCA Qualification innovations and working more closely than ever with learning providers to bring them on this journey with us. The changes we're making are necessarily revolutionary – because this is what employers and the market have told us is demanded – and we therefore don't underestimate the effort and commitment required by learning providers to implement them. This year, we worked in partnership with our learning network around the world to provide them with the specific skills needed to teach our new generation exams. At the core of this has been our largest ever outreach to tutors through an expanded

programme of 'train the trainer' sessions led by some of the most respected ACCA lecturers in the world. We've also begun working with our most significant learning partners in a more strategic and collaborative way so they have a greater input into our plans. As a result, we're excited about the next ACCA Qualification milestone – the first sitting of our new Strategic Professional exams in September 2018.

Although we had another record intake of new members, we continued to see falling member retention. We ended the year 0.5% behind our target, with overall retention of 97.4%. Satisfaction levels tell us that we are increasingly in tune with members' needs but we will look specifically at our member retention drivers in the coming year.

## **Our future focus**

With the significant changes we're bringing to the market through our ACCA Qualification innovations, we'll need to continue to work hard with all our stakeholders – especially our learning partners and employers – to ensure they are adopted successfully. The whole organisation will therefore be focusing on this single shared strategic priority during 2018-19.

We've also reorganised our global markets portfolio for 2018-19, moving from five to six key portfolios. This includes new expanded regions of Greater China, ASEAN and ANZ, and Africa, better reflecting regional economic links and synergies.

And to reinforce our leadership position and our commitment to shaping the profession and delivering value to society, we've broadened our strategic vision to be #1 in developing the profession the world needs for the remainder of our current strategy.

In addition to our strong performance foundations, we believe we have better tools than ever to help us plan for ACCA's future. We've now mapped out the entirety of our strategic change to 2021-22, so we have a clear view of the complete transformation we need to deliver in the medium term. Our immediate future will include developing our next strategy to 2025 and work on this will begin in earnest in the coming year. We'll also begin the reforms to our Governance structures which will give us even greater agility – a key imperative for the global environment of today and tomorrow.

Our strong foundations have been built as a result of powerful connections. ACCA's continued progress relies on the success of our members, students, learning providers, employers and many other key stakeholders. We thank every part of this incredible global network for making 2017-18 such a landmark year for ACCA.



**Helen Brand OBE**  
Chief executive

## Case study

# Providing member input direct to the UK government

ACCA took up the Secretariat role of the UK government's All Party Parliamentary Group (APPG) for International Trade and Investment this year. As part of our organising role, we've established nine sector-specific Sector Advisory Groups, comprising 10-15 senior business representatives, to identify barriers to trade in their industries. These representatives include ACCA members with related sector expertise who are providing direct input into government strategy – demonstrating the insight ACCA members across the UK have into the varied motivators or barriers to international trade.

**Alex Falcon Huerta FCCA, CEO and founder, Soaring Falcon** sits on the Smart Technologies and Digital Services Advisory Group, offering insight from her extensive experience in practice. The output from this Group has been a 'Challenge Paper' presented to the Secretary of State for International Trade, Liam Fox MP, that called on government to reduce bureaucracy around international data transfer and protections, introduce business registration packages to encourage innovative tech companies to set up in the UK and align EU regulation to safeguard continued private investment.

**Rhonda Best FCCA, director, Alexander Bain** is an ACCA Council member who sits on the Professional Services Advisory Group. This Group was set up to identify both the obstacles faced by professional services firms when expanding operations overseas as well as the way that professional services such as accountancy advise UK businesses currently trading internationally. In March 2018, the group presented their paper at a meeting with the Secretary of State for International Trade.

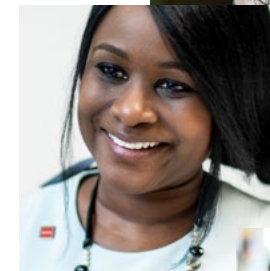
**Through their involvement in APPG sector groups, ACCA members in the UK are providing direct input into government thinking on trade.**

**Dermot King FCCA, managing director - Butlins and director - Bourne Leisure** sits on the Hospitality, Tourism and Leisure Advisory Group, led by the British Hospitality Association. The Group has produced a full report which was sent directly to the Secretary of State's office.

They – and all the ACCA members involved – are making a significant contribution to national trade and investment policy at a critical time for the UK.



Alex Falcon Huerta FCCA  
UK



Rhonda Best  
FCCA  
UK



Dermot King FCCA  
UK




# Our global context

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**Our ability to anticipate the future is critical to our success – and the success of our members, future members and partners. Our wide-ranging research on the future economic, professional and social landscape draws on the expertise across our global network. Through this, we’ve identified the main factors expected to have the greatest impact on the accountancy profession over two timelines – to 2025 and beyond 2025.**



## External factors with greatest impact to 2025

	<p>Development of intelligent automated accounting systems (including fintech and blockchain)</p>	<p><b>Threat:</b> Disappearance of lower-level roles and skills  <b>Opportunity:</b> Further movement of accounting professionals up the value chain</p>
	<p>Rate of change and economic volatility</p>	<p><b>Threat:</b> Challenges in forecasting and greater uncertainty for entities and individuals  <b>Opportunity:</b> Greater demand for analysis and interpretation skills to mitigate the threat</p>
	<p>Broadening measurement and expectations of business value and demands of external stakeholders</p>	<p><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</p>
	<p>Greater harmonisation of accounting and business standards</p>	<p><b>Threat:</b> More and wider choice of employees for organisations leading to increased competition  <b>Opportunity:</b> Greater mobility and one clear language for the profession</p>
	<p>Cloud computing</p>	<p><b>Threat:</b> Increased cyber and data security risk and inability of the profession to adapt quickly enough to this  <b>Opportunity:</b> Unlimited virtual storage gives more entities and individuals greater competitive advantage</p>
	<p>Different aspirations and expectations of next generations</p>	<p><b>Threat:</b> Lack of appeal of traditional professions  <b>Opportunity:</b> Chance to reshape the role of professional accountants for a new age</p>

From *Professional accountants – the future global research* (2016)

Addressing these medium-term factors has fed directly into our ACCA Qualification innovations such as the extension of computer-based exams, our Ethics and Professional Skills Module (launched in October 2017) and our Strategic Business Leader integrated case study exam (to be launched in September 2018). They are also informing our CPD offerings for members.

### External factors with the greatest impact after 2025

 <p>Changes in direction for global governance and roles, and the influence of emerging global powers and regional and global institutions</p>	<p><b>Threat:</b> The profession and its members fail to keep up with the changes, especially in relation to cross-border regulation and trade</p> <p><b>Opportunity:</b> If the profession works together, it can be instrumental in building a more connected and stable global financial system</p>
 <p>Changing societal expectations and evolving scope and nature of the professional accountant's role</p>	<p><b>Threat:</b> If the profession fails to adapt, it risks becoming obsolete</p> <p><b>Opportunity:</b> Chance to reinvent the profession for a new age</p>

From *Professional accountants – the future* global research (2016)

Thinking about the longer term, we're starting to develop our Strategy to 2025. In 2018-19 we'll be engaging again with ACCA's global network as we analyse the trends that are most likely to shape our future.

### The immediate economic outlook and our response

In 2017 there was strong growth in all the world's major economies and the outlook for 2018-19 remains promising.

According to the latest World Economic Forum annual economic report, growth in China is set to slow slightly over the next year (but will still be comparatively strong) and the future looks bright for other emerging markets. India, with its government reforms and buoyant private consumption, seems likely to retain its spot as one of the fastest-growing economies in the world. Growth in the rest of Asia should also hold up well, with exports likely to be the main engine of growth. The outlook for developed markets is also broadly positive. Our global network and our continued investment in talent and infrastructure in markets will enable us to help sustain initiatives and create sustainability through financial capability and connections, especially in relation to international trade developments such as China's Belt and Road Initiative.

We keep a watching brief on political developments that might affect ACCA. Our widespread market portfolio means risks around Brexit are somewhat mitigated, with the most significant threat being the potential of decreased regulatory recognition for UK professional bodies. We have, however, included risks around Brexit in our corporate risk register. As political tensions between Russia and the West intensify, we see no immediate threat to our ability to operate in the country but are alert to unfolding developments.

Our connected global network remains critical in anticipating what developments most affect our members and our partners and adapting to realise opportunities and manage challenges.

## Case study

# Drawing on fintech expertise to keep members ahead

Advances in technology are challenging established businesses and business models, with organisations in a race to remain relevant to their customers and communities.

A new ACCA insight report, *Race for relevance: technology opportunities for the finance function*, was published in December 2017 and explores the opportunities and challenges that current and emerging technology presents for finance leaders in the face of extraordinary digital change. It shares expert perspectives from leading executives across the globe – from within the profession and beyond – on the technologies changing the face of the finance function and how business is run.

**Sanjay Rughani ACCA, CEO, Standard Chartered Tanzania and deputy chair of IFAC's Professional Accountants in Business committee** highlights how CFOs can use technology to inform and actively shape the business's strategic direction. saying 'analytics helps you to look at macro data, human behaviour and your own performance, you combine everything towards good decision making. It enables you to think forward, think strategically, about business goals and solutions'.

**Tamara Littleton, CEO, The Social Element and Polpeo**, shared her social media expertise for the report, highlighting the opportunities it presents and pitfalls to avoid, including the need to plan effectively for crises and simulate how to manage reactions. Sanjay and Tamara showcased their knowledge in greater depth as part of our 2017 Accounting for the Future online conference.

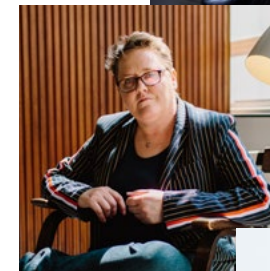
**Rashika Fernando FCCA, director, enterprise project management at Scotiabank** has led events in his market – Canada – on insight from the research, bringing it alive for our members.

We'll be continuing to showcase these technology topics around the world throughout the coming year, including at the World Congress of Accountants in Sydney during November 2018: [www.accaglobal.com/insights](http://www.accaglobal.com/insights)

**Our *Race for relevance* report shares expert perspectives on technologies transforming the finance function.**



**Sanjay Rughani ACCA**  
Tanzania



**Tamara Littleton**  
UK






**Rashika Fernando FCCA**  
Canada







# Stakeholder engagement and materiality

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ACCA actively manages a wide range of stakeholder relationships, recognising that our success and sustainability depends on their input and involvement:

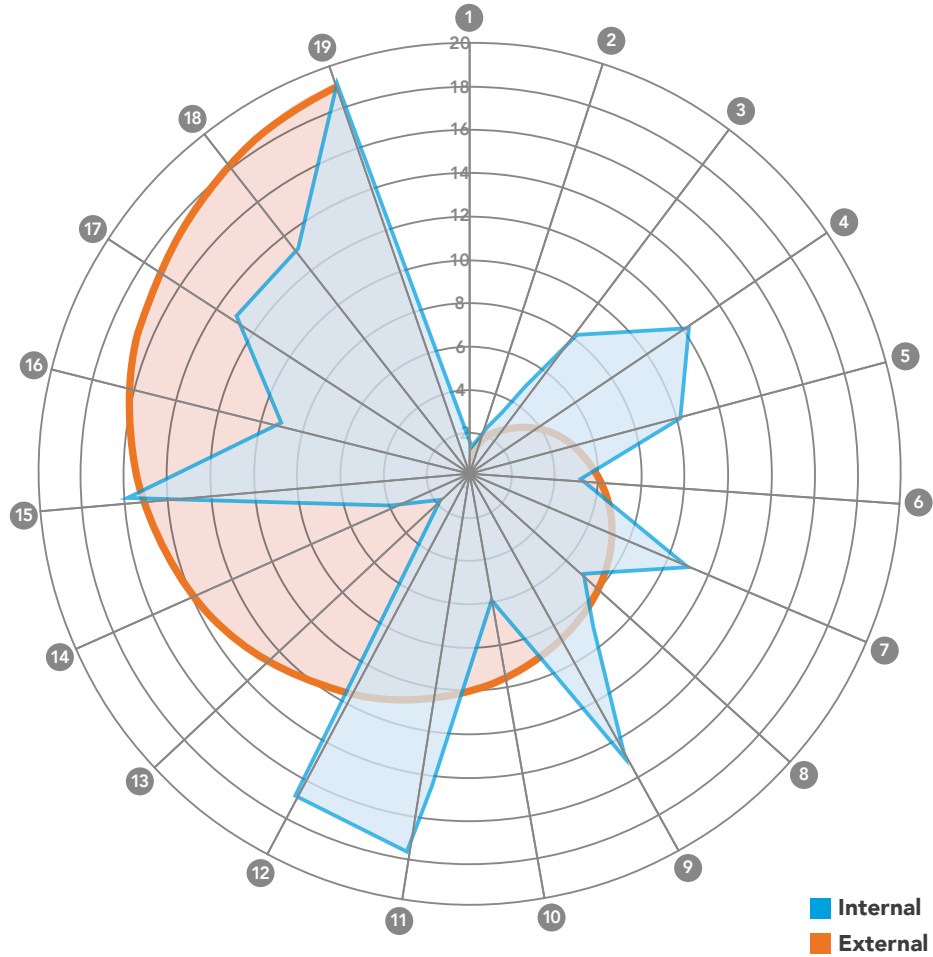
Our main stakeholders	Why they're important	How we engage with them
 <b>Members</b>	<p>Members are core to ACCA's existence. We work to protect and enhance the value of the ACCA designation and aim to help members maintain and develop their employability by supporting them through their careers, on a global basis.</p>	<p>We have a network of member panels across the world which bring members together and allow them to feed into our strategy and governance, both independently and via ACCA's International Assembly. Our main governance body is composed entirely of elected ACCA members. We also engage and inform members through regular communications, including our monthly <i>Accounting and Business</i> magazine, email campaigns and quarterly seminars delivered by Council members and connect members to opportunities through our global ACCA Careers online jobs portal.</p>
 <b>Students and affiliates*</b>	<p>We support students and affiliates by promoting the value of the qualification to employers and, in partnership with learning providers, developing the support and information they need to achieve the qualification.</p>	<p>In addition to what is delivered through our learning providers, we have built up a wide range of student and affiliate qualification support and services, including an ACCA Learning Community, free webinar and digital support and support products such as ACCA-X. We connect students and affiliates to opportunities through our global ACCA Careers jobs portal. We also engage in-market with students and affiliates to offer targeted, face-to-face support.</p> <p>Our investment in closer working relationships and support for learning providers also directly benefits students.</p>
 <b>Learning providers</b>	<p>Learning providers are an essential partner. They provide the examination training needed by students and it is important that ACCA works closely with them so that we have a shared understanding of the current and future learning landscape. As we introduce significant innovations to the ACCA Qualification, we recognise that supporting learning providers to adopt them is critical to our future success. Creating this readiness to embrace and champion the changes remains a critical part of our focus in 2018-19.</p>	<p>We have dedicated employees around the world who manage our relationships with learning providers and ensure there is two-way dialogue. We also hold regular global and regional conferences for ACCA learning providers. In the past year – and to support the further roll-out of our ACCA Qualification innovations – we have introduced more targeted training for ACCA tutors, delivering training to over 1,000 tutors globally. We have a dedicated support section for learning providers on our website.</p>

Our main stakeholders	Why they're important	How we engage with them
 <b>Employers</b>	<p>Employers are key stakeholders because their current and future skills needs determine the shape of the ACCA Qualification, how we train members and how we ensure their skills remain relevant. They are the primary users of the skills of ACCA accountants and provide students with the workplace experience needed for qualification. In this, they play a central role in determining demand for the ACCA designation. Without their support and buy-in, members cannot pursue the careers to which they aspire.</p>	<p>These relationships have dedicated relationship management within ACCA at a national, regional or global level.</p>
 <b>National and international body partners</b>	<p>Through inclusive partnerships, we are able to extend the range of services and recognition available to our members. We also have a supplier relationship with many of these organisations, where we provide contracted services (such as practice monitoring).</p>	<p>These partnerships have dedicated relationship management within ACCA at a national, regional or global level.</p>
 <b>Governments, donor agencies, standard setters and regulators</b>	<p>We engage with regulators and standard setters around the world to ensure we have the opportunity to influence the development of standards and regulation, with ACCA members and senior employees serving on influential forums and boards across the international profession. We work with governments to ensure they understand and value the contribution ACCA makes to national economies and support donor projects that encourage capacity building.</p>	<p>These relationships have dedicated relationship management within ACCA at a national, regional or global level.</p>
 <b>Suppliers</b>	<p>We rely on a number of key suppliers and providers to deliver services and support, particularly IT services and our international examining network.</p>	<p>All key suppliers have dedicated relationship management at a team, directorate, market office or global level, depending on the scope and nature of the supplier arrangement.</p>

\*affiliates are students who have completed all ACCA's examinations but have yet to apply for membership, most commonly because they are still working towards the practical experience requirement.

# Materiality matrix

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



In addition to seeking regular feedback from stakeholders on ACCA and the services we provide, we also ask them for input on this report. Since adopting integrated reporting in 2011, we've consulted annually with stakeholders across 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 meeting the requirements of the International <IR> Framework.

This year, we've taken the opportunity to bring our future strategy development work and our materiality assessment closer together. We asked International Assembly (IA) members – as the appointed representatives of all our member networks around the world – to provide an external view on materiality and future strategy. We invited IA members to rank our 19 potential material issues – arrived at through detailed analysis of the profession and key global competitors – and input on the drivers that might shape ACCA's future strategy.

ACCA's employees on our Leadership Group also undertook the same exercise to provide the internal view of material issues.

## Material issue

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



## Case study

# Connecting to support the accountancy profession in Rwanda

ACCA has been working in partnership with the Institute of Certified Public Accountants of Rwanda (iCPAR) since 2016, under a joint capacity building project with the UK's Department for International Development (DfID) and the International Federation of Accountants (IFAC). This year, we've continued to work closely with iCPAR to embed and advance their strategy to 2021.

It's a textbook example of national and international accountancy organisations combining expertise, with the support of government, to create lasting economic benefit. Rwanda defined its long-term development goals in its Vision 2020 programme, which aims to transform the agriculture-based economy into a knowledge-based, service-oriented one by 2020.

**ACCA is privileged to be working with iCPAR on its journey towards supporting the Rwandan government's vision for the future.**

**Bosko Karake Mkombozi, iCPAR's president** and the body's leadership team are implementing impressive developments through this work, including strengthening the capabilities of the institute itself and enhancing core offerings in CPD and technician level skills. This work acknowledges that the government's Rwanda Vision 2020 is dependent on the establishment and development of ethical organisations that adopt good governance practices and provide financial information based on international standards. A certified accounting technician qualification for Rwanda is under development and policy and content for member development offerings are also being scoped out.

**Alta Prinsloo, IFAC's executive director, quality & development** is responsible for global accountancy profession development initiatives at IFAC, including accountancy capacity building, and has been instrumental in bringing this and many other international projects ACCA supports to life. ACCA is a proud IFAC member – and we're most proud of the capacity-building work our membership enables us to undertake.

**Jamil Ampomah, ACCA's director – Africa** says: 'ACCA is privileged to be supporting iCPAR on this journey. Our work together is multi-faceted and will deliver for Rwanda on numerous levels, helping drive regional and international competitiveness and ultimately enhancing investor confidence and supporting economic growth'.



**Bosko Karake Mkombozi**  
Rwanda



**Alta Prinsloo**  
USA



**Jamil Ampomah**  
Ghana



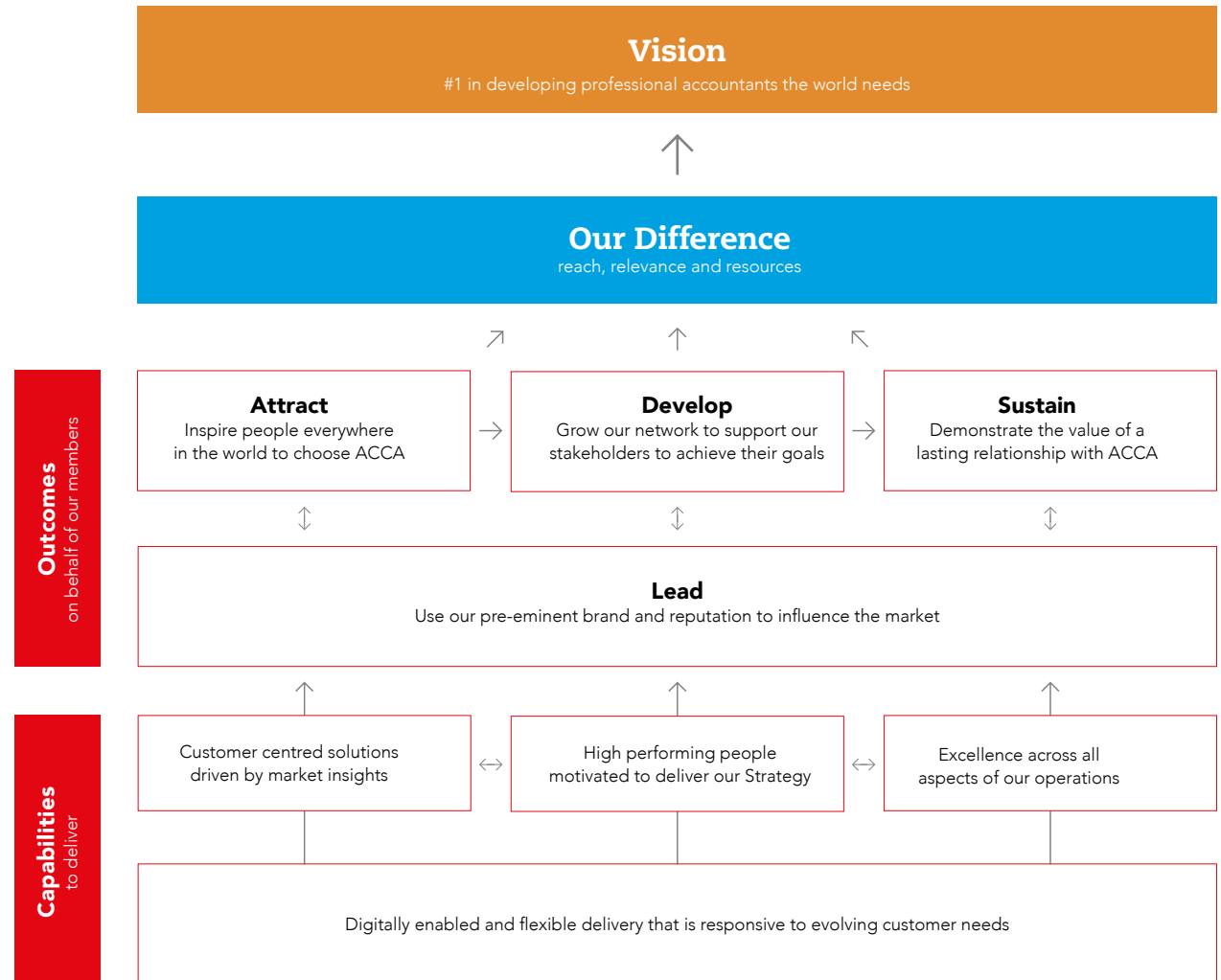
# Our Strategy to 2020

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Although our Strategy to 2020 remains valid, we have taken the opportunity to broaden our vision definition for the coming and successive years.

Our revised vision is to be **#1 in developing the accountancy profession the world needs** and our measure of success remains the number of ACCA members globally. The change in our vision statement recognises the greater emphasis we will be putting on aspects of our strategy that support the accountancy profession as a whole, allowing us to both widen our opportunities and emphasise our focus on delivering value to the wider profession, alongside supporting our members.

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 vision of being #1 in developing the accountancy profession the world needs** recognises ACCA's critical role to shape and lead the profession. Through our global network of members, future members and partners we will deliver value to the public by:

- acting in the public interest
- promoting ethical business
- supporting economic growth.

*This links explicitly to UN Sustainable Development Goals 4 (Quality education) 9 (Industry, innovation, infrastructure), 10 (Reduced inequality), 11 (Sustainable cities and communities), 12 (Responsible consumption and production) and 13 (Climate change).*

#### **Our difference**

**ACCA's reach, relevance and resources** combined are what make us so different and are at the heart of our success; this is our great source of competition:

- Reach – our global network, outlook and ambition, which is at our core
- Relevance – our comprehensive, flexible and accessible qualification which enhances employability
- Resources – our scale and ability to generate, leverage and deliver value on behalf of our members.

#### **Our outcomes on behalf of our members:**

We will **attract** a diverse range of talent to the profession through offering an accessible and flexible qualification which provides a broad range of skills and the ethical compass demanded by employers in every sector around the world.

*This links explicitly to UN SDG 4: Quality education: ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.*

We will **develop** complete finance professionals who are supported, trained, examined and regulated to the same high standard globally.

*This links explicitly to UN SDG 4: Quality education: ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.*

A vibrant future for ACCA and our members will be **sustained** through growing our presence in existing and emerging markets.

*This links explicitly to UN SDG 9: Industry, innovation, infrastructure: build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation.*

We will **lead** the profession in demonstrating to policy makers, employers and the public the value professional accountants bring to society by creating successful businesses and sustainable economies.

*This links explicitly to UN SDG 9, 11 (Sustainable cities and communities), 12 (Responsible consumption and production) and 13 (Climate change).*

#### **Our capabilities to deliver:**

**Customer-centred solutions** driven by market insights. We will lead the development of the profession by anticipating and understanding market needs to develop a relevant, rigorous and high-quality qualification that our customers need and value.

**High-performing people** motivated to deliver our strategy. Our people, diversity and values are at the heart of what makes ACCA unique and successful. We will be outcome and performance focused, energising and empowering our people to deliver their best for ACCA.

**Excellence across all aspects of our operations.** We will be operationally excellent, delivering maximum value and focusing the organisation towards continuous improvement.

**Digitally enabled and flexible delivery** that is responsive to evolving customer needs. We will be proactive and responsive, delivering efficiently through our digital capabilities and global, regional and local relationships.

#### **Beyond 2020**

We have started working on our Strategy to 2025 development and progressing this will be an important part of our programme of work in 2018-19.

## Case study

# Connecting learning providers across the Indian subcontinent

By collaborating closely across our ACCA markets network, we're able to identify ways our partners can work together for mutual benefit. And as we've worked ever more closely with some of our most forward-looking strategic learning partners in the past year, we've been able to tap into their innovation and expertise to support our wider network.

Helping two of our strategic partners in India and Pakistan connect is a great example of the sort of work we're doing.

### **Dr R S Murali, director and senior tutor at ANSA**

in Chennai, India and his team were looking to access CBE practice for their ACCA students and we knew SKANS, a highly innovative and entrepreneurial strategic learning partner headquartered in Lahore, Pakistan, could provide valuable support.

We helped enable shared access to a CBE practice platform between SKANS and ANSA and set up a WhatsApp group for the two colleges to talk and collaborate. Following a demo, SKANS developed a bespoke online 'campus platform' for ANSA to meet their requirements, working closely with ANSA to set this up. The new platform enables ANSA to upload their own questions, create their own tests and evaluate their students.

### **Sajid Hussain, CEO, SKANS Education (Pvt) Limited**

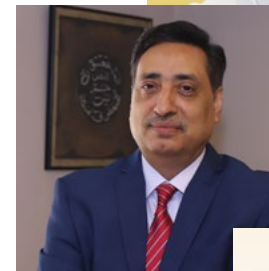
says: 'In the context of emerging Pakistan, we are in partnership with ACCA and are producing strategic thinkers that can steer the country in the right direction. We are also moving these efforts beyond the borders as we believe in providing effective support to new ALPs across the globe for them to successfully implement the qualification'.

**Sayee Rakshith** is just one of ANSA's students who is benefitting from this inspired piece of collaboration between two truly committed ACCA learning providers.

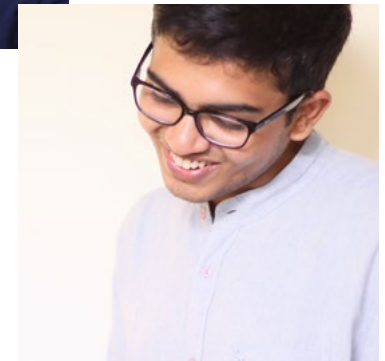
**Connecting two of our learning partners in India and Pakistan is a great example of the sort of collaborative work we're enabling.**



**Dr Murali**  
India



**Sajid Hussain**  
Pakistan



**Sayee Rakshith**  
India

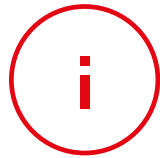


# Our strategic performance in 2017-18

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# Vision

#1 in developing professional accountants  
the world needs (widened from 2018-19  
to become developing the accountancy  
profession 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:**  
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.

## Five year performance:

	2013-14	2014-15	2015-16	2016-17	2017-18	2017-18	2018-19
	Actuals					Target	
# of members	169,602	178,169	188,837	198,614	<b>208,549</b>	207,600	218,000
Year on year growth	4.7%	5.1%	5.9%	5.5%	<b>5.0%</b>	<b>Target met</b>	5.0%

### Commentary

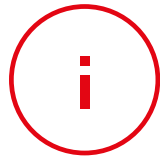
We had another strong year of member growth, reaching 208,549 members globally and exceeding our growth expectations. We welcomed record numbers of new members during the year, with 15,249 members joining our ranks from 120 countries, over 1,000 more than we expected.

This strong intake is contrasted with a pattern of falling member retention. While retention remains relatively high at 97.4% globally, we've seen it decline over the past few years. Part of this trend is the natural result of a maturing membership, but there are challenges we need to address in explaining and promoting our revised reduced subscription policy and in markets where members routinely hold more than one professional accountancy qualification. Our global and country-specific member retention activity will continue in 2018-19 and we'll also be undertaking detailed work to better understand retention drivers by market. Nevertheless, our member satisfaction and brand perception scores indicate that the value of ACCA provides is well understood and appreciated by members and so we believe we have strong fundamentals to build on.



# 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/deficit.



## Why we use this measure:

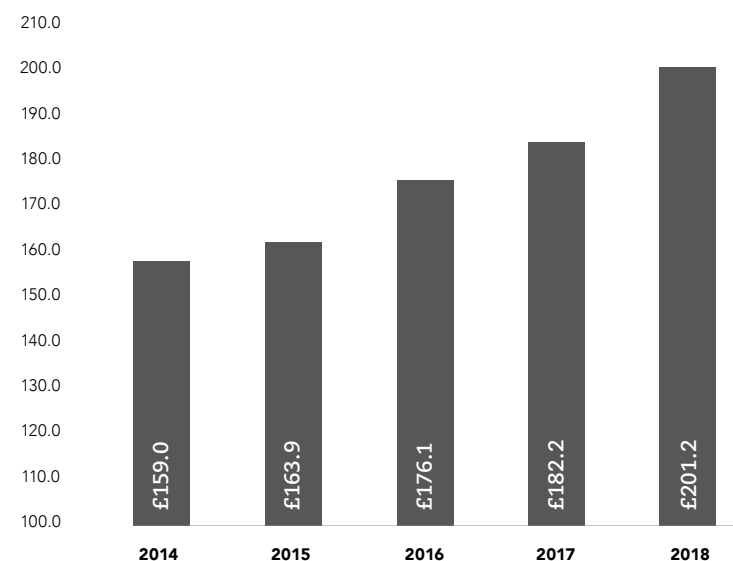
this measure is used to demonstrate the extent to which we have exercised good financial discipline and also how we have invested against our strategy during the year. This KPI measure is consistent with the operating surplus reported in our statutory accounts, net of finance costs.

## Financial performance in 2017-18

On a like-for-like basis, our financial performance was well ahead of expectations for the year, delivering a net operating deficit of £8.6m. One-off gains on the disposal of investments, which were subsequently reinvested, amounted to £33.4m and resulted in a net surplus for the year after tax of £16.7m.

The financial year 2017-18 saw us breaking through the £200m barrier for the first time. Total revenue was £201.1m, which represented a 10.4% increase on the prior year. This was achieved by a combination of strong growth in our student and member population; increased student activity in the number of exams sat as a result of the four exam sessions now fully embedded; and increases in the number of exemptions awarded, representing an improvement in the quality of student acquisition.

### Revenue (£ million)

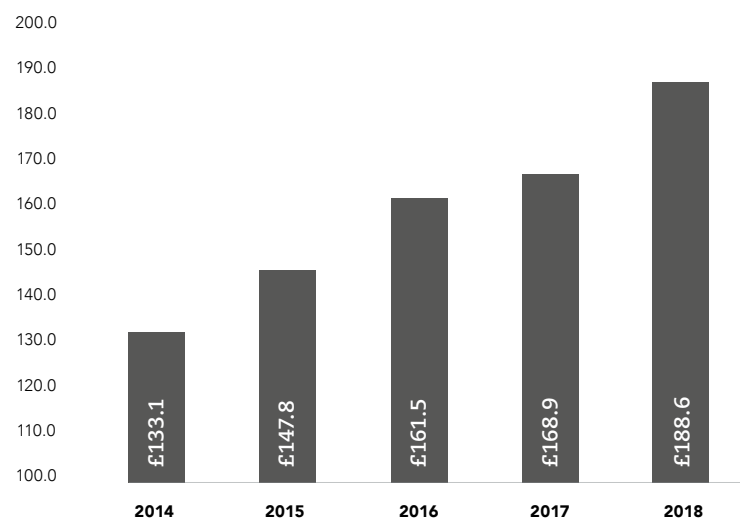


Despite an increasingly competitive marketplace which has seen new market entrants and new product offerings, our continued focus on strategic pricing initiatives and commercial relationships in key markets has ensured that our offering remains competitive and affordable.

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.

## Operating Expenditure (£ million)



The rate of increase of 11.7% in operating expenditure exceeded the growth in revenue during 2017-18, although it should be noted that it was broadly in line with the original budget (0.5% favourable). Much of the increase resulted from ongoing investment in activity to ensure that we continue to attract and develop a customer base which delivers sustainable growth. This includes enhancing ACCA's presence in various markets through office relocations, moving to SaaS solutions for IT and investment in strategic initiatives to move to the computer-based exam model, ensuring that we continue to lead the profession in terms of content and method of delivery. We also continue to invest in member-focused activity, which is borne out by the increased customer satisfaction metrics delivered during the year. Focused investment in strategic initiatives, including the ongoing improvement to our core infrastructure, will ensure that we are well positioned to maximise opportunities in future years.

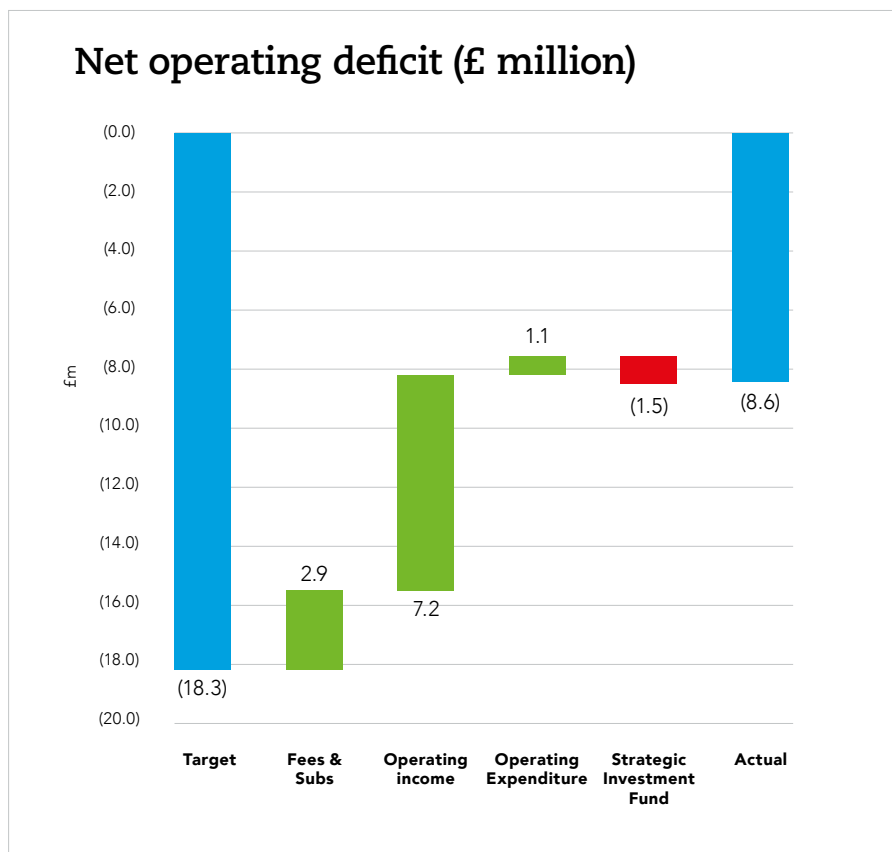
Going forward, our Budget for 2018-19, which was approved by Council in March, contains specific efficiency targets that will ensure that we maintain our cost focus and obtain value for money from our resource utilisation.

Our expenditure on strategic investment, including the exam portfolio and IT infrastructure, amounted to £21.2m. This was against an original budget of £19.5m. During the year, it became clear that additional funding would be required to ensure our key markets and supply chain were aware of, and supported, the changes to the syllabus and exam delivery. A programme was established to undertake the necessary marketing, tuition support, business readiness and partner incentivisation across our key markets. The main aim was to improve the exam uptake and to ensure that the change to deliver F5 - F9 papers by computer-based-exam (CBE) was accepted.

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.



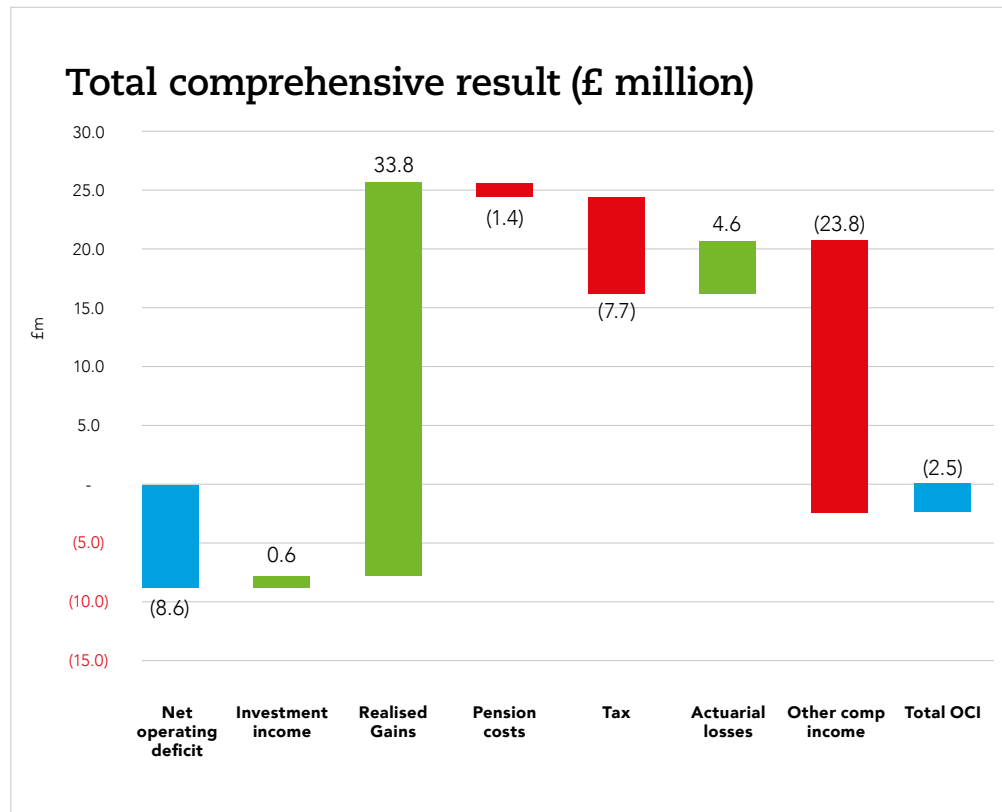
Our revenue growth was much higher than target and our ongoing strong cost control enabled operating expenditure, including budgeted contingency, to be released into net operating deficit.

## 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 2018 amounted to a deficit of £2.5m. Realised gains on the disposal of investments of £33.8m were recognised in the profit and loss account

and previously recognised net unrealised gains of £27.1m were recycled through other comprehensive income under IAS1 and subsequently reclassified. Other comprehensive income also included unrealised gains on investments and currency reserve movements.



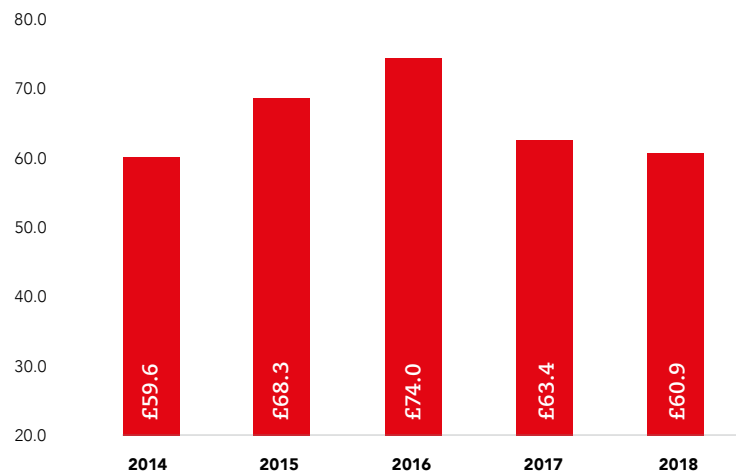
During the year, ACCA revised its investment strategy to seek further diversification of the portfolio with reduced volatility. As a result over £80m of investments were realised in the first quarter of the year and reinvested in new funds. This crystallised gains of £33.8m due to the strong performance in previous years. The value of our investment portfolio at March 2018 was £106.2m, an increase of £7.7m, and demonstrates another year of good performance, following the reinvestment.

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 gains amounted to £4.6m, which was driven by a change in the financial assumptions e.g. small increase in the discount rate and a fall in the inflation rate.

In the ordinary course of business ACCA undertook a review of its various income streams and ascertained during the year that there was additional income chargeable to corporation tax. This was disclosed and agreed with the UK tax authorities and the liability settled in the year.

The balance sheet remains very strong and provides ACCA with a platform to continue to deliver sustainable growth.

## Funds and reserves (£ million)



Council has a long-term target to build the Accumulated Fund to 60 days of operating expenditure. At March 2018, the Accumulated Fund represented 77 days of operating expenditure.

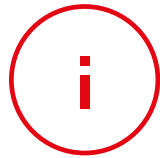
Council also monitors balance sheet liquidity, measured as the number of days of operating expenditure held in liquid assets (investments and net current assets). At March 2018, the liquidity measure was 205 days compared to a long-term target of 120 days.

Total assets have grown from £202.2m to £208.0m. At March 2018, our investment portfolio including short-term cash funds was £131.2m and our cash balances were £17.2m.

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

# 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 measure:

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:

	2013-14	2014-15	2015-16	2016-17	2017-18	2017-18	2018-19
	Actuals					Target	
<b>Total students and affiliates</b>	435,824	455,778	480,813	486,514	<b>503,262</b>	505,100	<b>521,200</b>
<b>Year on year growth rate</b>	2.3%	4.6%	5.5%	1.2%	<b>3.4%</b>	<b>Target not achieved</b>	<b>3.6%</b>

### Commentary

Although we did not hit the ambitious global student target we set, we saw a significantly improved overall growth rate, driven by strong demand for ACCA across our global market portfolio and stronger retention than in previous years.

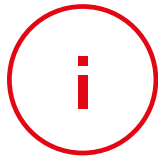
We achieved our objective of improving student retention this year, moving this up by 1.7% on last year to 84.7%. This was driven by both developing and promoting more and wider student support and our focus on recruiting students who are informed, motivated and supported to progress. On the recruitment front, we welcomed 106,021 new students from 160 countries – a 2.4% increase on the prior year – with China, the UK and Nigeria performing especially well.

Through continued investment in our markets network and more defined operating models for our key markets, we expect to slightly improve our rate of growth in 2018-19.



# 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: 775,800 exams entered during the year; 67.1% of ACCA affiliates achieving membership in four years; 36.2% 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.

## Five year performance:

Student progression factors	2013-14	2014-15	2015-16	2016-17	2017-18	Achieved	2017-18	2018-19
	Actuals					Target	Target	Target
# exams entered during the year	816,898	762,347	837,192	774,911	<b>817,058</b>	Target achieved	775,800	786,000
% of affiliates achieving membership in four years	68.8%	68.5%	68.8%	66.1%	<b>66.9%</b>	Target not achieved	70.0%	66.9%
% of students passing exams in the past year	38.4%	36.4%	34.7%	36.2%	<b>36.9%</b>	Target achieved	36.2%	38.0%
Overall achievement						Target not achieved		

### Commentary

During the year, we saw improvement in performance across all the three elements that make up our Develop target.

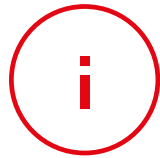
Having included the number of exams entered as an element measure last year – because of its link to our financial sustainability and recognising the extent of the exam change we have been introducing – we were pleased to outperform the target we set, with over 41,000 more exams entered than we originally anticipated.

We also saw improved progression, with a 0.7% increase in the percentage of students passing exams in the past year. We worked hard to widen the range of exam support available and the way we promote it, so it's pleasing to see this reflected in better student progress.

Although we were able to increase the percentage of affiliates achieving membership in four years by 0.8% year-on-year, we narrowly failed to achieve our overall element target. Because achievement of this outcome measure relies on us meeting all three elements, we therefore failed the measure overall. However, we believe we have good progress to build on for next year.

# 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.

# Five-year performance:

	2013-14	2014-15	2015-16	2016-17	2017-18	2017-18	2018-19
					Actuals	Target	
<b>Member and student satisfaction†</b>	71%	70%	72%	76.9%	80.7%	78%	80%

† survey measures for students, members and affiliates are judged achieved if within +/- 1.5% of the target to allow for accepted survey variations. Based on 35,194 members, affiliates and students responding globally.

<b>Breakdown of 2017-18 actual figure</b>	Members:	Students:	Affiliates:
	79.5%	82.5%	75.7%

## Commentary

We're delighted to see satisfaction rising again this year, reflecting increases across our member, affiliate and student categories. Our final combined satisfaction score was 80.7%, an increase of 3.8 percentage points on last year's result, meaning that overall satisfaction is at its highest level since 2010.

## Members

Member satisfaction rose to 79.5%, an increase of 3.1 percentage points on last year – its highest level since 2012.

Our focus on delivering member value in 2018-19 has been a driving factor behind these improved scores.

In addition to further developing member services and support, we believe sustained engagement – particularly around our global 200,000 members celebrations and our *ACCA Qualification – the future* innovations – has increased pride and confidence amongst members. We're aiming to maintain this high level of satisfaction in the coming year, with our customer journeys work enabling us to further improve members' ACCA experience.

## Students

Our student satisfaction stands at 82.5%, up 4.4 percentage points on last year.

This has been driven by significant improvements in value for money/affordability metrics across the year – the number one driver of satisfaction for students – and perceptions around ACCA's commitment to helping students succeed. The investment we've made in ACCA resources to support students through their exams and our indirect support through better and deeper engagement with learning providers have been significant factors in driving improvement.

## Affiliates

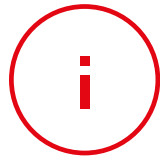
Affiliate satisfaction has increased to 75.7%, which is an increase of 5.1 percentage points on last year. Of these, 48% report that they are very satisfied (the highest level of endorsement), up 7 percentage points on last year.

Employability and career progression is the top driver of satisfaction for affiliates and all measures relating to this have increased in the past 12 months. Strong progress has also been seen in satisfaction with ACCA's support and assistance in gaining relevant work experience.

Although we've seen the largest increase in overall satisfaction amongst affiliates, the fact that this remains at a lower level than that of members and students means we need to continue to focus on supporting this group through the specific challenges they face.

# 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 10 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.

# Performance:

	2014-15	2015-16	2016-17	2017-18	2017-18	2018-19
Measures				Actuals	Target	
Members who've recommended ACCA†	60.6%	57.5%	60.2%	<b>63.5%</b>	63.0%	66.0%
Students who've recommended ACCA†	70.0%	71.1%	74.2%	<b>78.1%</b>	75.0%	80.0%
Affiliates who've recommended ACCA†	64.0%	65.4%	67.7%	<b>71.5%</b>	69.0%	70.0%
Approved learning providers recommending ACCA as first choice†	90.3%	91.2%	89.1%	<b>88.0%</b>	90.0%	90.0%
Key employers preferring to recruit and train ACCAs†	44.0%	35.0%	39.2%	<b>43.0%</b>	40.0%	41.0%
Members, students and affiliates agreeing ACCA is an innovative and forward-thinking organisation†	72.3%	71.5%	75.5%	<b>77.4%</b>	77.0%	80.0%
Members, students and affiliates agreeing ACCA shapes the agenda of the accountancy profession†	70.0%	68.5%	71.5%	<b>74.8%</b>	73.0%	75.0%
Members agreeing ACCA promotes public value†	67.5%	67.2%	70.9%	<b>73.4%</b>	73.0%	75.0%
Employers believing ACCA provides relevant skills for their business†	84.0%	88.0%	92.0%	<b>91.0%</b>	90.0%	88.0%
Share of total members of ACCA, ICAEW, AICPA, CIMA and CPA Australia**	18.3% (restated result)	18.7% (restated result)	19.3% (restated result)	<b>19.7%</b> (restated result)	19.6% (restated result)	19.9%
<b>Overall Brand Power</b>	80.0% of elements	80.0% of elements	80.0% achieved	<b>100.0% achieved</b>	80.0% target	80.0% achieved

† Survey measures for students, members and affiliates are judged achieved if within +/- 1.5% of the target to allow for accepted survey variations. Survey measures for employers and learning providers are judged achieved if within +/-2.5% of the target. Member results based on 11,343 responses from all surveyed globally; student and affiliate results based on 23,851 responses from all surveyed globally; employer results based on 659 surveyed globally; learning provider results based on 208 providers surveyed globally.

\*\* AICPA did not disclose voting members separately in 2017, only total members (including non-voting members). With the agreement of Council, we have therefore restated market share based on total AICPA members for this year and prior years.

## Key factors driving this performance

The continued improvement we've seen in sentiment from members, students and affiliates has again boosted performance in elements based on their opinions and perceptions. All elements based on their opinions of ACCA and our brand increased (from between 1.9% to 3.9%).

Given our focus on explaining how our ACCA Qualification innovations are meeting the needs of the current and future market, the increase in members, students and affiliates believing ACCA shapes the agenda of the accountancy profession (up 3.3% on last year) is very pleasing. This also translated into improved recommendation scores, with the percentage of members who've recommended ACCA in the past year up by 3.3% (3.9% up for students and 3.8% up for affiliates).

We maintained a high level of endorsement from employers, with 91% saying ACCA provides relevant skills for their business (down 1% from last year but remaining at a very high level). Approved learning providers also remain highly engaged with 88% recommending ACCA as their first choice qualification (down 1.1% from last year), which is especially pleasing in view of the significance and scope of the ACCA Qualification changes we are supporting them through.

Although establishing a preference for specific professional qualifications amongst key employers remains competitive in a crowded global market, it's encouraging that we've seen a further 3.8% increase over the past year to 43%. This means we have improved this element measure by 8% over the past two years.

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

- **Delivering and enhancing the brand recognition of ACCA**

This year, we introduced further important innovations to how we educate and train ACCA members with a **new Ethics and Professional Skills module** (introduced from October 2017) which focuses on developing the complete range of professional skills employers need, now and in the future. The module was named as best education initiative in the 2018 PQ magazine Innovation in Accountancy awards.

Plans to examine our new breed of Strategic Professional exams from September 2018 are on track. This includes the launch of Strategic Business Leader, our innovative case study exam, based on a realistic business scenario. This integrated approach gives students the skills and technical expertise required by modern business where decisions need to be made, measured and effectively communicated to all stakeholders. The new exams also include Strategic Business Reporting, an enhanced exam exposing students to the wider context of finance and business reporting, giving them the vital skills needed to explain and communicate to stakeholders the implications of transactions and reporting. We've been working closely and collaboratively with our major learning providers around the world to build capacity and expertise amongst tutors.

We've continued to build powerful relationships with employers, including signing a new Memorandum of Understanding (MoU) agreement with global accounting network DFK International.

- **Ensuring our reputation and influence are driven by our enduring commitment to public value and professionalism**

In addition to continuing to produce this integrated report, we also voluntarily reported our UK gender pay gap this year (see page 59). We've also ensured that we comply with the forthcoming General Data Protection Regulations across our operations.

You can also 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**

In October 2017, we held our first ever global summit on regulation, helping share strategies and best practice across growing economies. This brought together regulatory leaders across the world including senior representatives from the National Accountancy Council of Cambodia, the supreme audit institutions of Nepal and Myanmar, and the Indonesian Ministry of Finance.

We also held our first ever regional ACCA Africa members' convention in Ethiopia in December 2017. More than 700 members from over 30 countries across the continent gathered for three days to discuss professional issues.

- **Strengthening relationships with governments, regulators and multilateral agencies and being a leader in capacity building**

Important new projects during the year include:

- A partnership agreement with CPA Afghanistan (Certified Professional Accountants Afghanistan) to continue joint work in building the profession in Afghanistan. This builds on the strong connection between the two organisations, which was created in 2015 under a Memorandum of Understanding (MoU) and will focus on a number of capacity building projects, including supporting CPA Afghanistan to grow the pipeline of professional accountants, advising and supporting research and thought leadership developments to advance the accounting and finance profession in Afghanistan, and mentoring CPA Afghanistan for IFAC membership.
- A new agreement with the Ministry of Industry and Commerce in Laos to further develop and sustain the accountancy profession in the country. This multi-donor funded World Bank project aims to build on the existing relationship between ACCA, Laos Ministry of Finance (MoF) and the Laos Chamber of Professional Accountants and Auditors (LCPAA) to strengthen the accounting profession in Laos.

- **Delivering a superior programme of professional insights, tailored to local needs and with public value at their core**

During the year, we produced 41 separate Professional Insights (PI) reports across our five key themes: global economics; *Professional accountants – the future*; risk; technology; and supporting the global profession. These included a range of reports exploring China's Belt and Road Initiative from a number of country and regional perspectives, reports setting the tenets of good corporate reporting and the tenets of audit quality, and a major new report, *Purpose and the profession*, which explores social mobility issues and has been nominated for a 2018 MemCom member communications award. Our online PI presentation – including our PI hub and PI app – was awarded 'Best use of digital from the education sector' at the Digital Impact Awards 2017.

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# Our capabilities

People: high performing people motivated to deliver our strategy



## Strategic measure applied:

Best Companies employee engagement index



## Why we use this measure:

it is a wide-ranging index which assesses how engaged and fulfilled our employees are and enables us to identify those drivers which are likely to affect their contentment and motivation. This is also a widely used framework for assessing employee engagement which means we can benchmark our performance against leading employers.

# Five year performance:

	2013-14	2014-15	2015-16	2016-17	2017-18	2017-18	2018-19
	Actuals					Target	
<b>Best Companies employee engagement score</b>	646.2 (One to Watch status)	643.8 (One to Watch status)	649.5 (One to Watch status)	654.3 (One to Watch status)	666.1% (One Star status)	<b>659.5</b> <b>(One Star status)</b>	659.5 (One Star status)

Based on 84.4% global response rate

We've seen another increase in engagement across the organisation this year, meaning we achieved our target of One Star status on the Best Companies index, with our largest increase (11.8 points) to date. Six of the eight work factors the survey measures improved, with Personal Growth showing no change and My Team dropping by one percentage point. We aim to maintain and build on this level of engagement in the coming year.

In 2018-19, we'll be continuing to focus on Leadership – setting the tone from the top, inspiring, focusing and connecting employees to achieve our priority for the year and our Strategy to 2020. The second focus is on people management, with exciting developments in people manager development and recognition coming in the new financial year. We believe this focus will also support stronger employee wellbeing, collaboration and personal growth.

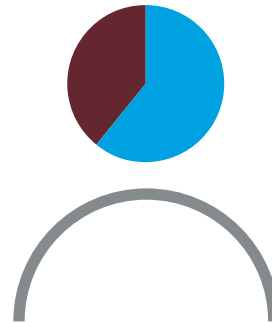
# Employee diversity

## UK gender pay gap

The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 require relevant UK employers with 250 or more employees to publish information on their gender pay gap. Although ACCA does not fall into the category of UK employers required to publish their gender pay gap, we welcomed the opportunity to voluntarily report and we published these figures for the first time this year as a visible sign of our commitment to equality and diversity.

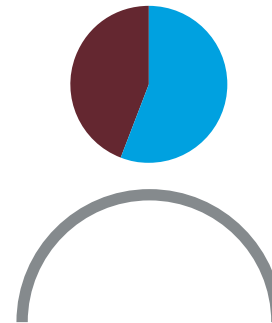
At the snapshot date of 5 April 2017, ACCA's mean gender pay gap was 8.8% (compared to the UK national mean of 17.4%) and ACCA's median pay gap was 9.3% (compared to a UK national median of 18.4%). Whilst our gender pay gap is favourable compared to the UK's national statistic, we recognise that the reasons behind any gender pay gap need to be understood and that it may be possible to reduce our gender pay gap by undertaking specific actions.

ACCA also operates an annual merit award, which would be considered a 'bonus' under the regulations. In the snapshot reference year, female employees received higher bonuses, on average, than male employees, as indicated by ACCA's mean gender bonus gap of -6.5% and ACCA's median gender bonus gap of -12.0%. The proportion of males (70%) and females (72%) in receipt of a merit award were broadly similar and we are confident that our merit award programme provides equal opportunity to both genders. Our full gender pay report can be accessed at: [http://www.accaglobal.com/content/dam/ACCA\\_National/uk/aboutus/uk-gender-pay-gap-report.pdf](http://www.accaglobal.com/content/dam/ACCA_National/uk/aboutus/uk-gender-pay-gap-report.pdf)



### Employees

■ 61% Female  
■ 39% Male



### Leadership

■ 55% Female  
■ 45% Male

Executive Team and their direct reports (33 most senior employees)

## Modern Slavery Act commitment

We are committed to acting ethically and with integrity in all our business dealings and relationships. We act on this commitment by implementing and enforcing effective systems and controls to ensure that modern slavery is not taking place in our organisation or in any of our supply chains.

We expect the same high standards from our suppliers, contractors and other business partners and as part of our contracting process we include prohibitions against the use of forced, compulsory or trafficked labour or anyone held in slavery or servitude. We expect that our suppliers will hold their own suppliers to the same high standards.

Our Executive team has overall accountability for ensuring that our organisation complies with this policy and for monitoring its use and effectiveness, as well as the auditing of internal control systems and procedures.

## Customer-centred solutions

**Strategic measure applied:** a basket of customer service measures (calls answered within 20 seconds, call abandonment rate, emails answered within two days, 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.

	2013-14	2014-15	2015-16	2016-17	2017-18	2017-18	2018-19
	Actuals					Target	
<b>Customer service SLA</b>	N/A	97%	87%	88%	<b>96%</b>	80%	80%
						<b>Achieved</b>	

Our performance reflects our continued investment in strong customer service as a key underlying component of satisfaction.

# 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:

	2013-14	2014-15	2015-16	2016-17	2017-18	2017-18	2018-19
	Actuals					Target	
Cost per student and member	£246	£254	£260	£247	£265	£267	£263
						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:

	2013-14	2014-15	2015-16	2016-17	2017-18	2017-18	2018-19
	Actuals					Target	
Digital experience SLAs	N/A	N/A	100%	91%	100%	80%	80%
						Achieved	

During the year, we've continued to strengthen our digital offerings, investing in new capabilities and making small but significant improvements to digital services (such as enabling members and students to automatically print letters of good standing). We are also allocating a significant portion of our strategic investment fund to create a set of customer journeys that will inform the development of blended customer innovations across our website, online services and apps.

# Our focus for 2018-19 and beyond

Next year, we'll focus on one key priority as an organisation – maximising the global impact of the ACCA Qualification – working with our partners, members and future members to deliver our promise and ensure shared success.

This will see the entire organisation working together to make sure everyone we rely on to deliver the ACCA Qualification alongside us can adopt and champion our innovations. In focusing on this, we're recognising that the successful delivery of the ACCA Qualification is central to everything we do and everything we stand for.

This will include:

- introducing our Strategic Professional examinations – including the new integrated case study exam, Strategic Business Leader, in September 2018
- withdrawing paper exams across 65 markets and continuing to roll out computer-based exams for papers F5 – F9
- aligning our competency framework and CPD offering to the qualification changes and our seven professional quotients
- delivering a wide range of support and guidance to learning providers and students to ensure they are engaged and supported through the changes
- creating even greater visibility of the ACCA brand, including our sponsorship of the World Congress of Accountants 2018 in Sydney.

We'll also be working on our Strategy to 2025, engaging our whole global network to gather and analyse trends that are likely to shape our future.

## Case study

# Sharing ACCA tutoring expertise across the world

Helping ACCA's global family of learning providers prepare for our new generation of exams has been a major focus over the past 12 months.

This year, we conducted our largest ever outreach to ACCA tutors by providing a busy international programme of 'train the trainer' sessions – all geared around developing the expertise needed to teach our new session computer-based exams (CBEs), strategic business reporting exam and strategic business leader case study.

Our truly global connections enabled us to identify leading experts to deliver these all-important workshops. **Steve Willis ACCA, head tutor for management accounting papers at PwC Business Academy**, an ACCA Platinum Approved Learning Provider in the Czech Republic, visited India, Nepal and Myanmar during the year to share his expertise with fellow ACCA tutors.

**Ms Nischitha K from Joseph College of Commerce, Bangalore**, a university partner, benefitted from Steve's insight at the Bangalore session in July 2017 which focused on teaching toward our new session CBEs. With over 100 very enthusiastic ACCA tutors from different parts of India, the sessions were also a great way to connect ACCA learning providers with each other and strengthen the ACCA learning community.

February 2018 saw Steve in action in Myanmar where **Su Mon Phyo, ACCA from NLA** took part in the sessions along with other fellow ACCA providers. Sharing a range of tips and techniques on successfully teaching towards CBE exams with Su Mon Phyo and other learning providers and university partners helped build huge confidence and excitement around the changes to the ACCA Qualification.

Afra Sajjad, ACCA's building learning providers network – lead says: 'Being able to tap into best practice within our learning provider network to share knowledge and expertise around the world has been invaluable. The fact that Steve and so many of our other 'tutor gurus' are ACCA members themselves is also fantastic!'

**This year, we conducted our largest ever outreach to ACCA tutors through our global 'train the trainer' programme.**



**Steve Willis ACCA**  
Czech Republic



**Nischitha K**  
India



**Su Mon Phyo ACCA**  
Myanmar



# 10

Our risks and  
their management

**Our corporate risk register records the top cross-cutting risks and uncertainties we believe ACCA faces. These risks, should they crystallise, have been judged to pose a significant threat to the successful delivery of our strategy and our longer-term sustainability.**

We continually assess risks and opportunities relating to our strategic outcomes and revise our risks accordingly. Risks on the corporate risk register are either escalated from the directorate level risk registers through 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 recorded on our corporate level risk register (compared to 10 for the year ending 31 March 2017).

#### **Ownership and oversight**

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.

Audit Committee exercises independent oversight of both all ACCA's corporate risks (undertaking detailed review of each risk on a rolling basis) and our Enterprise Risk Management Framework.

# Key changes to our corporate risks in 2017-18

## Removals:

Because we have developed stronger governance over pricing strategies and been able to manage greater flexibility successfully, the loss of students to alternate qualifications as a result of pricing strategies has been de-escalated to our Market directorate risk register.

## Additions:

We added one risk in 2017-18, which recognises the potential impact of the UK's decision to leave the EU and the need to keep both risks and opportunities under continual review so we minimise any adverse impact on ACCA.

## Risk appetite:

In line with our vision, we are committed to a bold and innovative approach to market development so that we can maintain our reputation for being at the forefront of responding to market needs. 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.

## 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.

# Corporate risks

Risk	Date raised	Relates to strategic outcome	Risk appetite	Mitigation
Inability to accurately forecast income and costs	2014	Sustain	Open	Income governance group in place; monthly monitoring of financial performance; global focus on plans to increase exam uptake and enhance student progression.
Restrictions on our ability to operate	2014	Attract	Hungry	Cross-organisation review group reports to the Executive team monthly on recognition risks, which is provided to the Market Oversight Committee, with specific mitigations taken on a market-by-market basis.
Increased competition attracting potential students to other career development paths	2014	Attract	Hungry	On-going 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	2014	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.
Information security breaches	2014	Flexible delivery	Open	Defined security strategy, encompassing a vulnerability management process and information security awareness training.
Operational failures in our end-to-end exam processes	2014	Operational excellence	Averse	Exam contingency group in place to monitor potential disruption to exams with plans reviewed for each session. Robust exam results and processes and controls in place and strategic supplier governance model in place.
Regulatory action resulting from control failures in the end-to-end qualification process	2014	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.
ACCA's network not ready, willing or able to support ACCA's Qualification and business model changes	2016	Sustain	Open	Market adoption change programme and leadership in place, with a cross-organisational focus on maximising the impact and adoption of the ACCA Qualification changes for 2018-19.
Changing ACCA student mix (geographies and demographics) leading to progression challenges	2017	Develop	Hungry	Full suite of learning support provided through ACCA's website, which is being continually reviewed and expanded. Analytical tool developed and employed to identify student progression challenges and plan interventions.
<b>NEW</b> Challenges and opportunities arising from Brexit	2017	Sustain	Open	Brexit Oversight and Working Groups established. Links with UK Government strengthened, including providing support for the All-Party Parliamentary Group on International Trade and Investment.

## Case study

# Connecting ACCA members across Africa

We held our first regional convention for members in Africa in December 2017, bringing together 700 delegates from 31 countries across the continent.

Held over two days in Addis Ababa, Ethiopia, the event connected stakeholders across the public and private sectors – including government policy representatives, regulators and finance professionals – to discuss the future of the profession and business in Africa.

The convention's theme was the impact of socio-economic trends on the future of finance and business in Africa – wide territory that was explored by a diverse group of speakers from the region and across the globe. Some of Africa's most illustrious finance and business leaders joined us for discussions covering innovation, ethics in the digital age, and the future of business and the professions across key sectors of the economy.

A landmark African event on the ACCA calendar this year, we welcomed members from all spheres of finance and business to tap into a wealth of resources, know-how and inspiration. In addition to attending as delegates, many of our members also took to the convention stage to share their expertise.

**Jide Ibrinke FCCA, chairman of the ACCA Nigeria advisory committee** led a strong member representation from Nigeria and chaired a lively plenary session on leadership and future skills.

**Kholeka Mzondeki FCCA**, an award-winning CFO from South Africa and former ACCA Council member, used her expertise to steer a thought-provoking session on corporate governance.

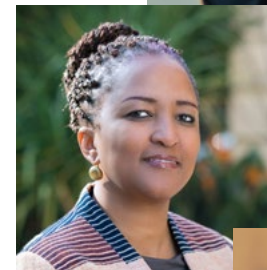
In addition to leading business figures from across the region, members also benefitted from expert academic viewpoints. **Dr Winnie Tarinyeba from Makerere University School of Law** in Uganda was one of a number of distinguished speakers bringing the latest corporate governance thinking and research to the convention.

Just as important as the wealth of learning and unparalleled insights, the convention was a fantastic opportunity for our members across Africa's diverse nations to connect, share experiences and come together as a regional ACCA family.

**This year, we held our first regional convention for ACCA members in Africa, bringing together 700 delegates from 31 countries across the continent.**



Jide Ibrinke FCCA  
Nigeria



Kholeka Mzondeki  
FCCA  
South Africa



Dr Winnie Tarinyeba  
Uganda

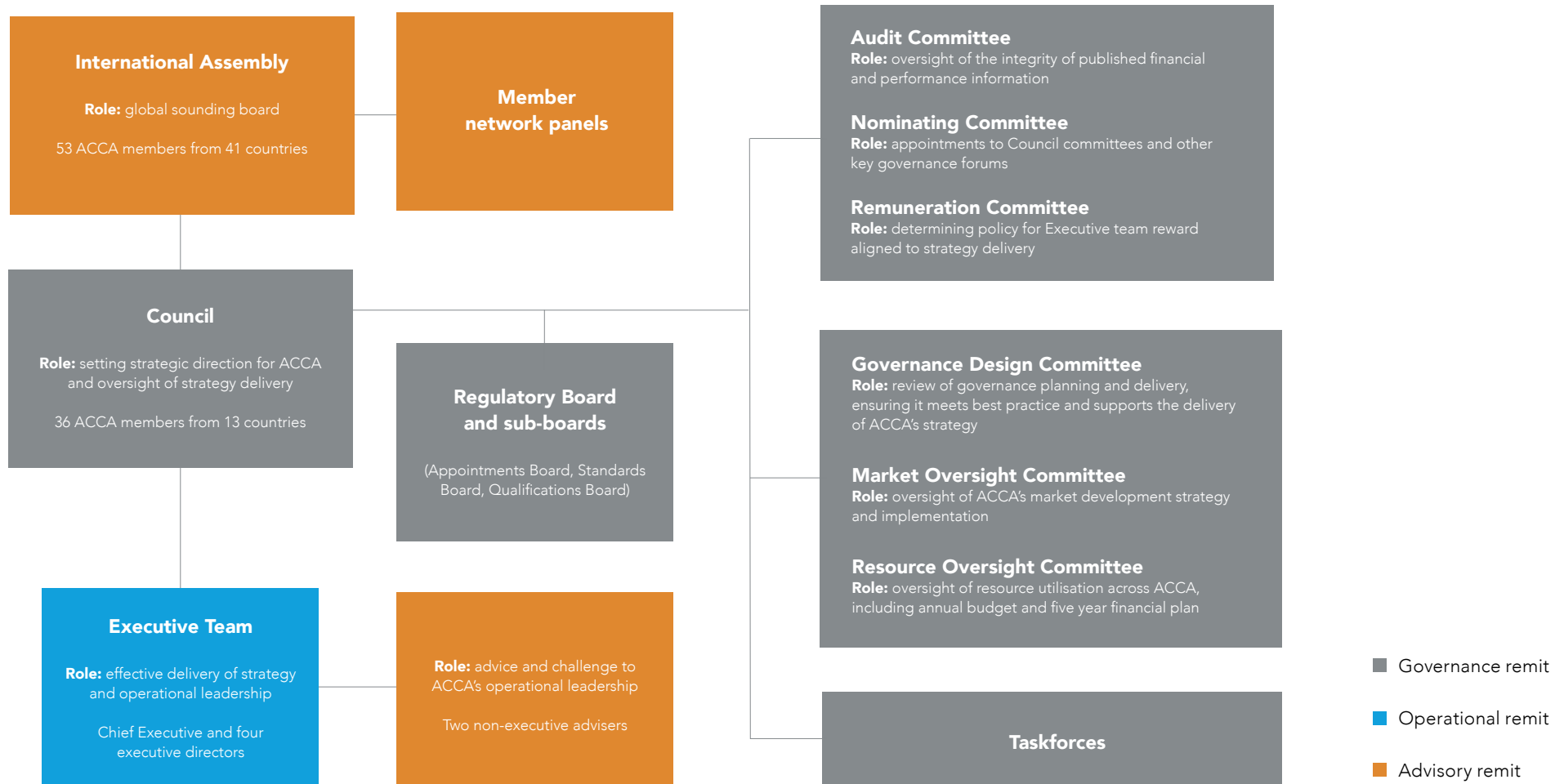
# 11

Our governance  
and leadership

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# ACCA's governance and leadership

Our leadership is formed of two complementary bodies – our Council and our Executive Team:



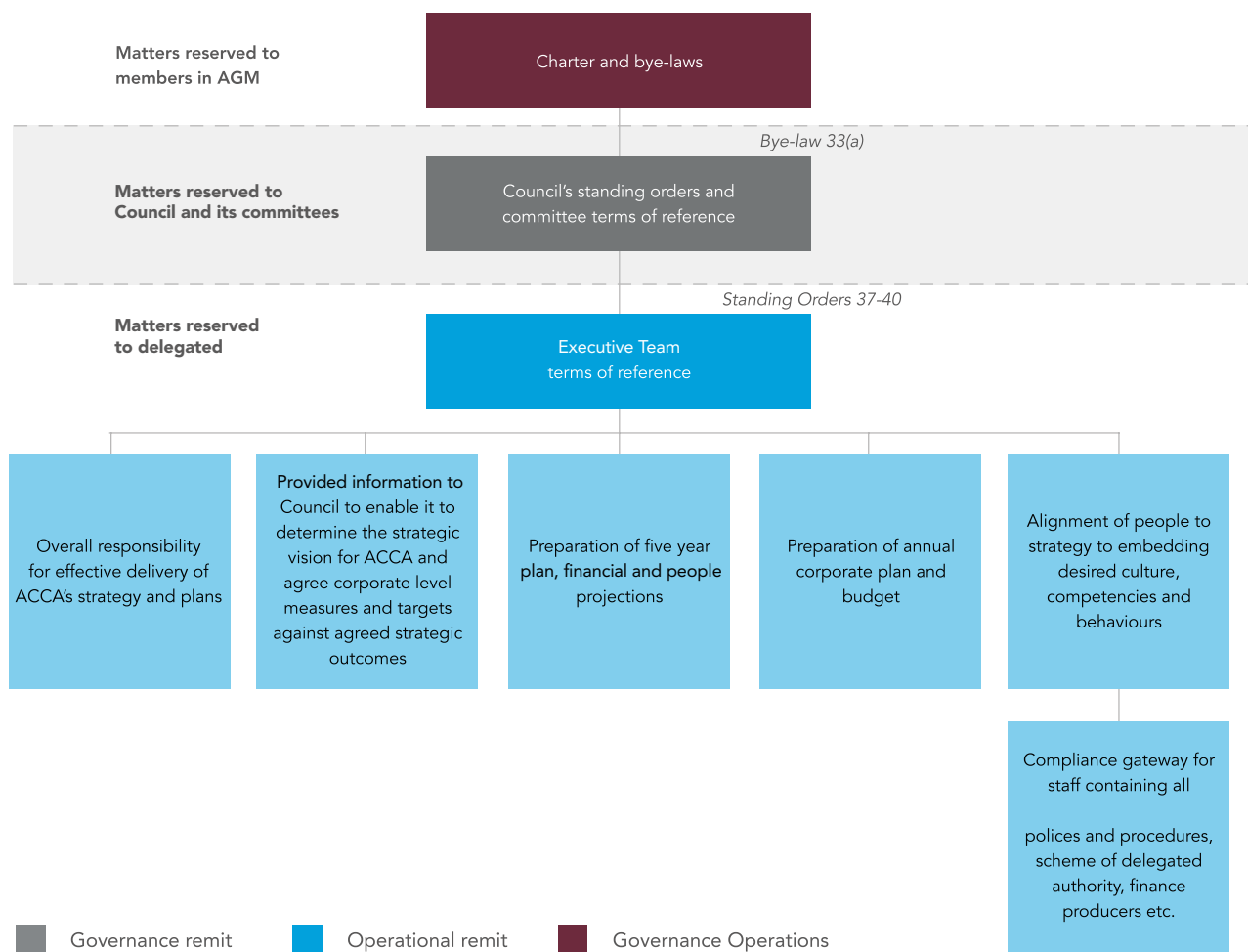
## Council

Council – 36 members, directly elected by the global membership – provides overall stewardship and oversight of ACCA. Council's core mission, which underpins all of its activities, is to ensure that ACCA delivers the objectives stated in its Royal Charter. To achieve this, Council has a wide-ranging remit, geared to providing strategic direction for ACCA.

Individual Council members act in the interests of the membership as a whole, rather than on behalf of any particular constituency or group. 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. This year – for the first time in its history – Council has a majority female (58%) membership.

Council works closely with ACCA's Executive team to devise ACCA's strategy, which is then approved by Council. Delivery of the strategy is the responsibility of the Executive team, with governance of the process and performance tracking provided by Council.

## Governance hierarchy and responsibilities

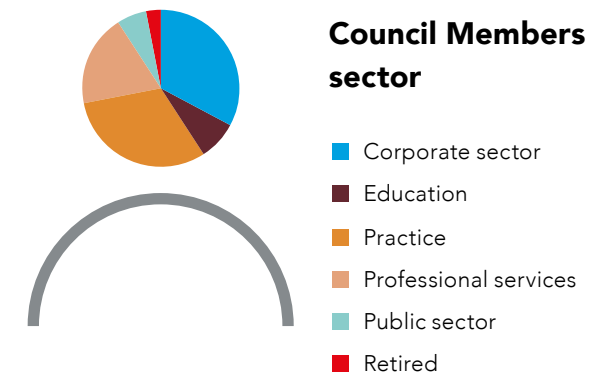
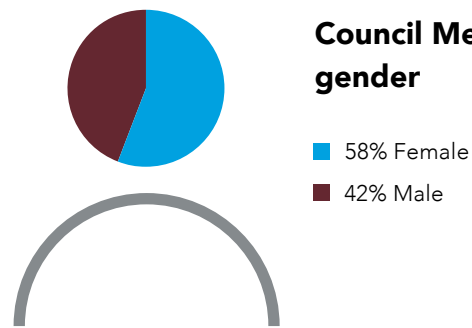
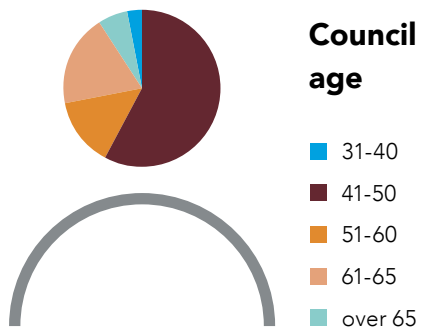




# Council demographics



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. Full Council biographies – including the Committees they serve on – can be accessed at <http://www.accaglobal.com/uk/en/member/council-elections/todays-council/meet-your-council.html>



# Council objectives and agenda in 2017-18

Council agreed broad objectives for the performance year, which were to:

- provide oversight of the implementation of ACCA's strategy and continue to set the overall direction for ACCA
- monitor ACCA's performance against the agreed targets
- oversee the governance reform implementation following the 2017 AGM bye-law changes
- plan for marking ACCA's 30 years in China in June 2018
- ensure that ACCA maximises its influence in the global profession
- in doing the above, achieve Council's agreed workplan.

In line with the above, and in addition to standing formal reports from the chief executive and Council committees, Council considered the following topics during the year:

## June 2017

- Review of ACCA performance to March 2017 and amendment to strategy targets in light of results
- Strategic alliance with CA ANZ
- Brand strategy
- Approval of annual accounts and AGM matters

## September 2017

- Revision of ACCA's vision statement
- Strategy discussion: ethics and trust in a digital age
- Approach to apprenticeships
- Update on digital transformation

## November 2017 (Annual Council)

- Election of Officers
- Welcome new members of Council
- Vote of thanks to retiring President
- Adoption of standing orders
- Changes to Council regulations
- Elections to Nominating Committee
- Timetable for election of vice president
- Review of 2016–17 work plan and agreement of 2017–18 work plan and objectives

## March 2018

- Election of preferred nominee for Vice President 2018-19
- Presentation of annual report from the Chairman of the Regulatory Board
- Workshop – 'Strategic priority for 2018-19: let's maximise the global impact of the ACCA Qualification'
- Future strategic partnerships
- Update and discussion on implementation of governance reform
- Corporate planning and budgeting
  - approval of 2018-19 budget
  - approval of 2019 membership subscriptions
  - approval of achievement measures and indicative targets
- Strategic pricing review
- Developments relating to ACCA's future regulatory landscape
- Council performance appraisals

## Future governance reforms

During 2016-17, Council conducted a detailed review of ACCA's governance arrangements to ensure they remain fit for purpose. At the AGM in November 2017, Council proposed a series of bye-law changes to enable future reforms, all of which were overwhelmingly backed by members. Specifically, these changes will:

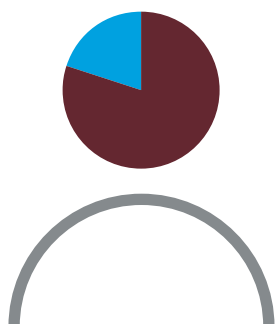
- ensure members' interests continue to be well represented across ACCA's governance structures, with ACCA members remaining central in setting the strategic direction and having oversight of the organisation
- strengthen the oversight function of Council in supporting and holding the Executive team to account for the delivery of the strategy
- future-proof our governance by providing the ability to grow and flex our arrangements to match our growth as an organisation
- provide the agility to enable ACCA to better respond to the opportunities and threats emerging from a dynamic external environment
- enhance the level of member engagement by Council members as required of a membership organisation of ACCA's size and scale.

This development will enable the voice of our members to be strengthened in our governance arrangements. It includes the option of moving towards a larger Council with broader representation of members from different geographies and sectors combined with a smaller Council Board – drawn from the wider Council – which could meet more frequently to support agile decision making.

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# 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.



## Executive team

- 20% Female
- 80% Male



All executive team members are based in the UK.

The executive team are Helen Brand, chief executive; Alan Hatfield, executive director – strategy and development; Steve Heathcote, executive director – markets; Raymond Jack, executive director – finance and operations; and Peter Large, executive director – governance. You can find their full biographies at: <http://www.accaglobal.com/uk/en/about-us/who-we-are/meet-executive-team.html>

## Executive team reward plan

Payment under the reward plan is determined by performance against six strategic KPIs agreed by Council. This reward is a non-consolidated payment of up to 25% of the base salary of each Executive team member, 20% of which relates entirely to ACCA's performance, with the remaining 5% allocated for personal performance.

This arrangement is structured to reward behaviour and performance that is appropriate for ACCA and focus the organisation on those elements of ACCA's Strategy to 2020 which Council believes require the greatest focus at a particular point in time.

The Remuneration Committee determines the level of award achieved against ACCA targets for all executive directors alongside the level of award against personal targets for the chief executive. In turn, the chief executive determines how much of the 5% personal performance award is allocated to each of the executive directors. The chief executive is not present when her remuneration is discussed.

In assessing ACCA performance, the framework includes all the six measures and targets agreed by Council, all of which are externally audited. The Remuneration Committee agrees up to two 'focus' measures which determine the award size. The remaining four KPIs act as modifying measures – for each of these measures not achieved, 15% of the award pool released by the achievement of the focus KPIs is deducted. In this way, the Remuneration Committee seeks to ensure that it is reinforcing the importance of strong performance across ACCA's balanced scorecard.

This is a fair, transparent reward solution which has been created in line with ACCA's reward principles by supporting the achievement of our strategy and assessing performance over a meaningful period that reflects our focus on sustained performance, suitable for a long-term business. The basis of the award is transparent through the use of relevant and measurable performance targets that are clearly linked to driving value.

For the year ended 31 March 2018, the two focus targets are number of members (Vision) and student progression targets (Develop). The remaining four hurdle targets are net operating deficit/surplus (Our difference); number of students and affiliates (Attract); member and student satisfaction (Sustain) and brand power (Lead).

The Remuneration Committee has complete and sole discretion to moderate (up or down – including to 0%) the level of award determined if it does not believe the level adequately reflects underlying corporate performance or for any other reason.

## Executive team remuneration

The total salary (including bonus and allowances) and benefits of the chief executive for the year ended 31 March 2018 was £415,167 (£383,915 for year ended 31 March 2017). 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.

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

Executive team salaries are benchmarked annually by independent experts from Aon plc. 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 workforce and external benchmark data collected by Aon plc. External remuneration benchmark data is obtained primarily against general industry and also with a focus on pay in other professional membership associations (including a sub-group of accountancy associations, with a particular focus on those bodies that ACCA measures itself against in the market share element of our brand power measure). Salaries are within 80% to 120% of the benchmarked range, depending on experience, expertise and the organisation's need to retain.

The base salaries of the chief executive and executive directors at 31 March 2018 are shown below on a banded basis:

	Number of employees (2017-18)	Number of employees (2016-17)
£280,000 - £309,999	1	1
£190,000 - £219,999	2	2
£160,000 - £189,999	2	2

During 2017-18, reward distributed to the Executive team (including the chief executive) was £196,288, based on performance for the year ended 31 March 2017.

### **Changes to the Executive team in 2018-19**

The coming year will see two important changes to the Executive team. Peter Large, who has been a member of the team in various roles for 20 years, will take early retirement in September 2018. We are also creating a new post of Executive director – People, recognising the central importance of talent management to ACCA's success.

### **Detailed Corporate Governance Statement**

We also publish a detailed annual Corporate Governance Statement on our integrated report website. This contains further information on the extent to which our governance arrangements meet the UK Corporate Governance Code, as issued by the UK Financial Reporting Council in September 2016, and details of the work of our various Council committees and boards.

## Case study

# Connecting experts to provide Belt and Road initiative insights

China's Belt and Road initiative (BRI) is the most extensive international trade project for generations.

As the global body for professional accountants, ACCA has 23 offices along the Belt and Road route and is uniquely placed to help explore what it means for the profession and our members.

An expansive ongoing research project – which is being conducted with a range of partners including Deloitte China, Shanghai National Accounting Institute (SNAI) and the Shanghai Stock Exchange (SSE) – is examining how BRI will affect the business infrastructure of China and key economies along the proposed trade route.

We launched two major reports, informed by our research, at the SNAI Conference in Shanghai in July.

The report *Accounting infrastructure: a booster to the Belt and Road Initiative* – with SNAI and Deloitte China – provides an overview of the accounting systems, tax risks and personnel requirements in major countries along the Belt and Road route.

**Professor Li Kouqing, SNAI's president** provided invaluable insight to ACCA on national accounting-related issues affecting BRI. The subsequent co-operation between ACCA, SNAI and Deloitte has led to rich and deep insights, boosted by the collective power of the members, students and employers we all reach.

**Patrick Tsang FCCA, CEO, Deloitte China** brought his team's extensive expertise to the research, having provided professional services advice on BRI to over 100 large state-owned enterprises over the past three years.

The second report, *Belt & Road Initiative: Reshaping the global value chain*, in partnership with Shanghai Stock Exchange, features case studies exploring how seven Chinese companies are preparing for their involvement in the project.

**Dr Shi Donghui, director of the Capital Market Institute at Shanghai Stock Exchange (SSE)** described this joint research as a proactive attempt by SSE to serve the Belt and Road initiative in an integrated way.

Through this ongoing collaboration, ACCA is playing a major part in helping our members – and business – navigate this exciting trade opportunity: [www.accaglobal.com/insights](http://www.accaglobal.com/insights)

**ACCA has 23 offices along the Belt and Road route and is uniquely placed to help explore what this trade and infrastructure development means for the profession.**



Professor Li  
China



Patrick Tsang FCCA  
China



Dr Shi  
China



# Acknowledgements and thanks

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# Thank you

We'd like to thank all the people who've given their time and expertise to bring this year's report to life:

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Alta Prinsloo	Sanjay Rughani ACCA	
Sajid Hussain	Tamara Littleton	
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## Photography

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Mohamed Mekhamer, Turkey	Thinj Hoang, Vietnam
Jacques Nkinzingaboo, Rwanda	Yang Photography, Singapore
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	Vincent Dayrit, Canada

## Creative agency

**V/HITESPACE**