

# 2021

MANAGEMENT  
REPORT

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## A new Ibracon, a new report

The Management Report of Ibracon - Institute of Independent Audit of Brazil, which presents a summary of the main activities carried out in 2021, arrives in a new, more dynamic format, in line with Ibracon's new visual identity. It couldn't be different. After completing five decades of operations, the Institute begins a new journey, turns to a new purpose, which includes the renewal of its mission, vision and values.

The content of this publication also converges to the same renewal guideline. Institutional activities, meetings, events, professional development, communication techniques and regional activities are distributed in new sections. The proposal is to give fluidity to the reading, highlighting the facts, figures and projects implemented, which are fundamental for the immediate assimilation of the work undertaken by Ibracon during the first year of a new Management.

Among these relevant facts, we highlight in this opening, at the Institutional level, the definition of the Banners from Independent Audit, the creation of Ibracon Jovem, the Inclusion and Diversity, and Technology and Innovation Committees, the launch of the Code of Ethical Conduct and our Reporting Channel.

This first section of the new Management Report opens the way to present all the other actions in which Ibracon has dedicated efforts to fulfill its mission. Among them, support to Small and Medium-sized Audit Firms; the maintenance of a National and International Agenda, vital to expand the Representativeness of the Institute in the name of valuing the Independent Audit – an initiative complemented by the work of Advocacy. And, yet, the excellence maintained in Technical Performance and Professional Development activities. All this work is carried out by the harmonious relationship between the National Board, the Board of Directors and the Regional Sections of Ibracon – and communicated to the market through different channels.

**Have a good read!**



# Respect, Partnership and Gratitude

The three words that title this message together translate the way in which the Board of Directors has been conducting its work over the years. The respect we maintain among our peers; the partnership, which translates the joint action aimed at continued development, technical improvement, the creation of new opportunities, the guarantee of defense and, above all, the appreciation of Independent Audit professionals; and gratitude for all the participating entities and other partners who join the Institute in the efforts made so that its mission is accomplished with excellence. I would also like to add the word “honor”, which is how I felt when I assumed the Chair of the Board in 2021, also feeling ready to work towards our goals.

Every three years, the Board meets and defines the strategic plan for the next period, based on what we want for the profession and for the Institute itself. Additionally, throughout 2021 we held several meetings, during which it became clear that new topics became part of the discussion agenda. I can safely say that the body responsible for approving the Strategic Plan – built in partnership with the National Board – is expanding its horizons, strengthening new bases for action, in addition to consolidating those that are the founding pillars of the Institute.

In this sense, we intensified a work that has been built for years, which is the relationship with regulatory bodies; priority action, since our activity is regulated by the Federal Accounting Council (CFC) and required by several Brazilian regulators, such as the Brazilian Securities and Exchange Commission (CVM), the Central Bank and the Private Insurance Superintendence (Susep).

Expanding the scope of our objectives, we have sought dialog with the constituted authorities, based on intense advocacy work. It couldn't be different, as Ibracon is the authoritative voice with regard to the Independent Audit activity, representing the profession in Brazil. I would like to express my gratitude to the members of the Risk and Advocacy Advisory Committee, created by the Board of Directors, who have greatly supported us on this important front.

We are managing, with this expanded vision and a renewed willingness to work, to arouse more and more public interest that can contribute to advancing our prerogatives to value Independent Audit, reinforcing the importance of the profession in the eyes of society. And I say this not only in terms of the contribution that the Independent Audit makes within its attributions, but also of its importance in terms of improving transparency and ethics.

Based on the work carried out by the Board of Directors in the last year, it was possible to provide support so that the current management of the National Board had the opportunity to develop strategies related to several relevant topics, and I highlight here the creation of the Independent Audit Banners and the change in the Institute's visual identity, two aspects that are part of a more modern vision, and which summarize the Institute's proposal for action for the next decade. I cannot fail to mention the amendment and modernization of our Bylaws and the launch of our Code of Conduct, which expresses the values that guide our entity, and which is an important instrument alongside our online Reporting Channel. I would also like to highlight our Inclusion and Diversity Manifesto, which serves the purpose of showing the Institute's current position to the market.

The Board of Directors validates these strategies and views these changes very positively. These are themes that were often raised by the board members from the moment we understood that it was necessary to change the way Ibracon wants to be seen. We understand that this is a time for renewal and for attracting professionals who are now entering the market. In turn, the Independent Audit Banners translate, synthesize and represent the aspirations of society itself.

In the last year, we continued to overcome the barriers of distance imposed by the Covid-19 pandemic, which, for us at the Board, is a great challenge. The face-to-face meetings are essential to carry out our work of approximation and interaction with all entities that work in favor of the profession. Even at a distance, in 2021 we

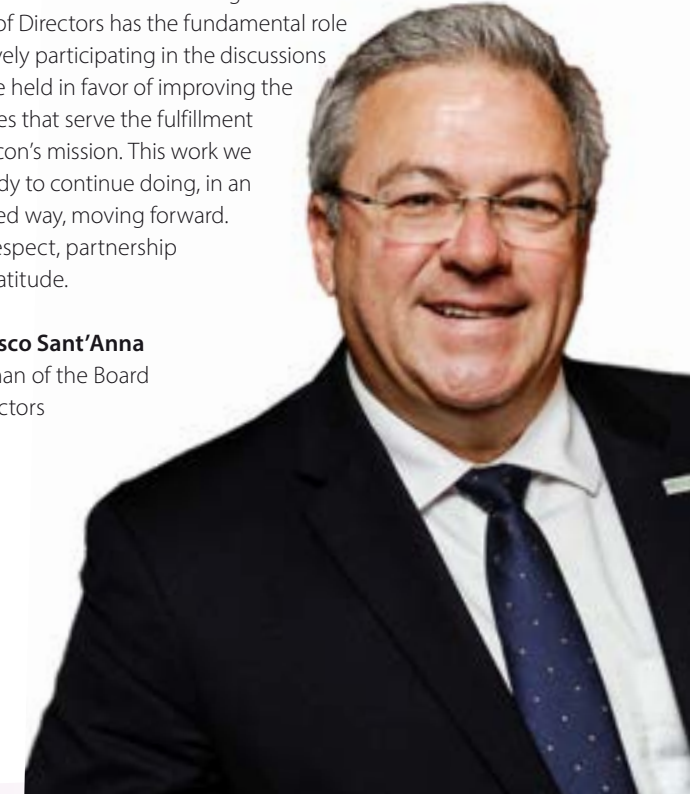
took firm steps towards the realization of our projects, we kept the valuable exchange of knowledge alive and made progress in the alignment of proposals.

As the only entity authorized in Brazil by the IFRS Foundation to carry out this work, Ibracon continues to contribute to the translation, edition and revision of the International Accounting Standards (IFRS), in line with the work with the Accounting Pronouncements Committee (CPC) and the Federal Accounting Council (CFC).

The Institute also accompanied the creation, by the IFRS Foundation, with support from IFAC, in November 2021, of a new standard-setting board for sustainability reporting, the International Sustainability Standards Board (ISSB).

The world is going through faster and faster changes. Now, the need is perhaps even greater in today's environment of complex transactions and new technologies. And the Board of Directors has the fundamental role of actively participating in the discussions that are held in favor of improving the activities that serve the fulfillment of Ibracon's mission. This work we are ready to continue doing, in an engaged way, moving forward. With respect, partnership and gratitude.

**Francisco Sant'Anna**  
Chairman of the Board  
of Directors



# A new Ibracon for the next 50 years

In the year in which it completed five decades of activities, Ibracon began a new stage in its trajectory, seeking to further expand the recognition of the importance of Independent Audit to the market and society. This was also the first year of the current term of the National Board, which represented the opportunity to add the experience acquired over all these years to the possibility of creating a transformation in a broad sense.

This report summarizes the most relevant actions undertaken in 2021, and highlights in this introduction the main milestones to achieve these goals. Over twelve months, all the directors that compose the National Board and those who are in charge of the management of the Regional Sections, as well as those that compose the working groups and our employees worked on delivering the strategic planning actions of the previous management and, simultaneously, challenged themselves to create the new one. In 2021, we started an engagement to fundamentally reposition Ibracon, mapping our prerogatives, seeking to be in tune with the demands of our stakeholders, and in line with the needs of society and global changes.

This entire process of transformation took place from the strong interaction with our stakeholders, especially with our members. A movement that began with a deeper understanding of how the Institute is seen by these audiences. We tried to listen to everyone, to know where we were and what their expectations were. In this way, we understand that, first, it was necessary to improve the way Ibracon presented itself to the market, and consequently, communicated with it. From this conclusion, the new visual identity was born, which seeks, above all, to break paradigms. The “new” Ibracon is more diverse, plural and open to innovation. It is more accessible, dynamic and accompanies the transformations of society itself. It is a younger, more modern, lighter, more fluid Ibracon and closer to its members.

This entire process of revisiting Ibracon’s positioning led us to review the Institute’s mission, vision and values and to create its

purpose, making what has brought us here and what will take us forward tangible. Ibracon, in this new cycle, will seek to communicate better, in order to continue to be the main interlocutor with the protagonists of the markets in which the Independent Audit operates. We talk about advocacy, about working together with all the entities involved, with all the actors in the corporate reporting ecosystem so that the environment increasingly contemplates our goals of achieving the maximum ethics and transparency, the values that are synonymous with the work carried out by our professionals. Another innovative highlight in this transformation process was the definition of the six Independent Audit Banners, approved by the Board of Directors, which represent the fundamental pillars of the profession, its essence and purposes for the market and society. In summary, the premises we defend in the name of strengthening the activity and the contribution that Ibracon has been making to the country. In addition to the Banners, it is essential to highlight the implementation of the Inclusion and Diversity, Technology and Innovation Committee and Ibracon Jovem in 2021, which align us even more with the demands of our members and, of course, society.

In these 50 years, Ibracon has increasingly expanded the field of activity of independent auditors, as it maintains a positive agenda with regulatory agencies, governments, companies and national and international entities, with a view to expanding opportunities for the insertion of the activity in different markets. In addition, we have no doubt that the Institute has been primarily responsible for the greater appreciation of the audit professional, a result of the efforts spent on professional development, which allowed raising the quality standards of auditors through the discussion of standards, the issuance of guidance and continuing education actions, seeking to establish an auditor’s skills in accordance with society’s expectations and the highest international standards.

More than just for the sector it represents, Ibracon makes its contribution to the market in a broad spectrum, especially when we reflect on the convergence of accounting standards, the greater

credibility and continuous improvement of corporate reports and the contribution with the standards applicable to the public sector. In fact, Ibracon is part of the history of capital market formation in Brazil. We have drawn relevant milestones in this trajectory. We blazed new trails, creating robust technical support, with all the support of the firms that make up the Institute today.

In these 50 years, Ibracon has continued to play an important role and has tirelessly helped companies of all sizes, regulatory bodies, professionals and society as a whole, as a relevant actor in the development of our country. I would like to express my deepest gratitude to those who led the previous administrations, enabling Ibracon to reach this important milestone in its history. You left a strong legacy for the profession, making the Institute maintain itself, in these 50 years, as a reference in Brazil and internationally.

My deep thanks also to the Board of Directors and the Risk and Advocacy Advisory Committee for their unrestricted support. Likewise to all those who embraced the challenge of building, together, a new chapter in the history of Ibracon. We are so excited to kick off the next 50 years!

## Valdir Coscodai

President of the National Board





# Ibracon





**Established on December 13, 1971, Ibracon – Institute of Independent Audit of Brazil has just completed 50 years of activities, fulfilling with excellence its mission of valuing society's trust in Independent Audit and defending its relevance. An active professional representation entity, which is, at the same time, focused on the public interest, in favor of society and the sustainable development of the country.**

Throughout 2021, several initiatives around the celebration were carried out by different areas of activity of the Institute, and the official celebration took place on December 13, during Ibracon's 11th Brazilian Conference on Accounting and Independent Audit, the Institute's main event and the most important in the country, with a program totally focused on Independent Audit. It was the opportunity to celebrate with members, independent auditors, recognized entities of the profession, members of the academy, regulatory bodies, press, employees, technical volunteers and other people who help build Ibracon with their important contributions. The occasion was enhanced by the presentation of the Paraisópolis Philharmonic Orchestra, conducted by Maestro Paulo Rydlewski.

## A new Ibracon

After completing five decades of operations, Ibracon carried out an in-depth branding study, in order to reposition its operating strategy, revisiting its mission and values, and formally developing a new purpose. In this new chapter of its history, the Institute sought the opinion of stakeholders, members, non-members, investors' and regulatory bodies' governance agents, as well as accounting students. They gave their opinion on various topics on the Independent Audit profession and, mainly, on Ibracon's performance. This study, which had qualitative and quantitative stages, sought to know the opinion on the knowledge that this selected public has about Ibracon, their opinion in general about the services that the entity offers, the way it communicates with the market and with society in general.

Once consolidated, the information obtained will serve as a guideline for the development of the Institute's strategic planning for the coming years. The conclusions that the study brought can also be summarized in the Brand Manifesto, published by Ibracon. The text highlights the growing importance, before society and for the business world, of values such as transparency and trust in the scope of corporate governance.

Ibracon's main goal with this comprehensive repositioning work is to write a new chapter in its history not only focused on the representation of independent auditors and firms in this sector, but, above all, a history focused on strengthening Independent Audit in Brazil. The priority of the new Ibracon's strategic agenda is to further expand its commitment to sustainable economic and social development, in which the Independent Audit is increasingly fundamental as an important pillar of corporate governance. This positioning is based on the key role of the activity in a context in which the ESG agenda is a priority and in which technological disruption is the hallmark of a changing world. The new Ibracon gets even closer to new professionals who are coming to the market, dialogues with the youngest, embraces diversity and opens up to innovation.

## New brand

The new Ibracon brand is an integral part of this entire repositioning process, a result of the trajectory covered throughout this year. "It all started with the question: "How does Ibracon communicate?"

And, based on this question, a journey of in-depth knowledge began, involving research, branding, strategy, partners, supporters, superintendence, National Board, Board of Directors, member audit firms and their communication leaders. This process brought the understanding of how Ibracon communicated, and that this involved the perception of its brand: "by the visual representation of who we are, but also, of how Ibracon wants to be seen".

# IBRAACON

## Instituto de Auditoria Independente do Brasil

Inspired by the original version, the new Ibracon logo has rejuvenated the brand, maintaining the unmistakable style for which it is already recognized by the public, but in a more modern and up-to-date way. The bolder typography represents the brand with strength and solidity, highlighting the "check mark" as an important visual element in bringing together the past and the future of the institution. The use of violet emphasizes creativity and imagination. On the other hand, it represents success, nobility, wealth and is associated with wisdom and respect. It also represents creative, intelligent and imaginative brands and services – therefore, the set of elements that Ibracon wants to convey.

The new brand represents the current phase of the entity, with even more energy to implement changes and consolidate, in a more emphatic way, the Independent Audit's relevance for the market and for Brazilian society. On this path, which leads to the future, the Institute is already strategically prepared to anticipate the transformations that will still take place in society.





# Independent Audit Banners

In 2021, Ibracon defined the Independent Audit Banners, which represent a fundamental set of pillars so that the profession and each professional can play an even more relevant role before stakeholders and society as a whole.

The Banners were jointly built, from the contributions of the most diverse stakeholders, and from the discussion about the essence and purpose of the profession, and the ways to strengthen Independent Audit for the present and the future, so that it expands the contribution that it gives to the country, especially in a moment of continuous and accelerated transformation that the market and society as a whole are experiencing.

**Leveraging Technology to Enhance Audit Quality**  
 Allied with high quality audit, technology plays an essential role in faster deliveries and greater added value for clients and the market.

**Change management characteristics**  
 The Independent Audit must be in tune with social demands in the sense that business reflects principles of environmental, social and corporate governance sustainability.

**Strengthening the culture of inclusion and diversity**  
 Add to transform. This is the synthesis of the contribution that the diversification of talents can bring to the solution of problems in an innovative way and to reach the strategic objectives of the Independent Audit.

**Supporting the professional as a differentiating factor**  
 A fundamental pillar of Independent Audit, professionals in the sector necessarily have an ethical profile, are endowed with technical skills and have a high level of education.

**Driven by continuous professional development**  
 The constant improvement of professional capabilities is the path to practice the profession, responding to changes in society and business, in a scenario characterized by high performance and strong regulation.

**The importance of the Independent Audit function to the market and society in general**  
 The independent auditor strengthens corporate governance and adds value to the most relevant information on business activities, contributing to the understanding of various stakeholders and the market.



# New Committees

## Inclusion and Diversity Committee

The Inclusion and Diversity Committee has as strategic guidelines the pillars of Management and Governance, Culture and Engagement, Affirmative Actions and Communication and Positioning. From a diverse and inclusive environment, the proposal is to promote debates between people with different histories, thoughts and professional trajectories. The objective is to increase the value of ideas, generate deeper and more innovative results, as well as more accurate answers and solutions.

## Ibracon Jovem

Ibracon Jovem aims to attract young people to the independent auditor career; bring new perspectives and reinvigorate the Institute with ideas and people from different groups; promote diversity in all aspects, including age. With the constitution of the youth group, Ibracon takes another step in the search for different visions, adding plurality to all its actions.

## Technology and Innovation Committee

The Technology and Innovation Committee has the objective of promoting the use of technological resources, in order to allow Independent Audit's constant evolution. Both innovation and technological development are part of the day to day of the independent auditor. These are essential resources for the engagement to be carried out with more quality, agility and precision. And with the delivery of services with greater added value for clients and the market in general.

# Inclusion and Diversity Manifesto

*“We work for a country where citizenship is strengthened by self-esteem and the appreciation of individual conditions and characteristics, such as ethnicity, creed, ideology, nationality, age, gender identity, sexual orientation, appearance, skills and experiences. Beyond all, we believe in the synergetic power of differences in strengthening the Independent Audit function, as an agent for global change, allowing it to reach its full potential, causing significant positive impact for clients, people and society.”*

In December, Ibracon launched its Inclusion and Diversity Manifesto, which translates the entity’s positioning to the market and society. With this document, the Institute assumes **the commitment to the collective construction of a more inclusive future, highlighting the main objectives to be achieved:**

## Inclusion and Diversity Manifesto

- Inclusion of diversity as a principle in its Code of Conduct, to be followed by professionals and members.
- Establishment of the following goals to be achieved by 2025 for all Ibracon employees, which considers its directors, employees and members of the Technical Groups and Committees: gender equality (minimum of 40% women); ethnicity (minimum of 20% black); and people with disabilities (minimum of 5%).
- We encourage members to analyze the body of the employees and leaders of each firm in terms of the percentage dedicated to historically underprivileged audiences and outline ambitious action plans for greater inclusion and diversity.
- We strongly recommend that members work to promote respectful, harassment-free and inclusive environments for professionals, clients, suppliers and stakeholders.
- Likewise, we recommend that members join movements and/or institutions in favor of diversity and social equity, such as UN Women, Movimento Mulher 360, Fórum de Empresas e Direitos LGBTIA+, Coalizão de Gênero e Raça, Fórum Gerações, Rede Empresarial de Inclusão Social, among others.



## Code of Ethical Conduct

On January 29, 2021, Ibracon launched its Code of Ethical Conduct, which ratifies the principles and values that guide the entity's trajectory, marked by work in favor of honesty, transparency and good practices. The document is a reference for statutory officers, directors, employees, suppliers, professionals and all those involved, directly or indirectly, in Ibracon's activities.

The publication guides the posture and attitudes of individuals and legal entities in the context of acts and actions related to the interaction with the entity and its representation. It brings guidelines to guide conduct in the work environment, in educational actions promoted by Ibracon, in the relationship with third parties and in the management of information, among other points.

## Reporting channel

In addition to the Code of Conduct, Ibracon now also has a Reporting Channel, managed by an independent company, available to receive and deal with any reporting of acts that do not comply with the entity's precepts



# Institutional

To carry out its mission, Ibracon follows a strategic plan outlined by the Board of Directors (BD) and put into practice by the National Board (NB). This document presents the management guidelines for a period of three years, with this Management Report having the purpose of reporting the activities undertaken in 2021, when the NB presidency started to count on Valdir Coscodai and the BD on Francisco Sant'Anna for the 2021-2023 Term.



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The year was marked by several initiatives aimed at strengthening the Independent Audit profession. In this chapter, which mainly involves two of the Banners from Independent Audit – **Supporting the professional as a differentiating factor and Strengthening the culture of inclusion and diversity** – we deal with those who make Ibracon what it is today: its employees, who contribute with their work to carry out the Institute’s mission; and its members, those who allow Ibracon to be recognized as the voice and face of Independent Auditors in Brazil.

Thus, we want to offer employees a people management policy that respects the human, the diverse and the inclusive, promoting a sense of belonging to the Ibracon mission and its social impact for everyone. We seek to provide members with opportunities for exchanging knowledge and information, for professional development, and for advocacy.

## Highlights in people management

The year in which Ibracon celebrated its 50th anniversary was also a period of transformation, a process of intense restructuring that results from the work and engagement of each employee.

**Post-pandemic return plan:** with the advancement of the Covid-19 vaccination plan, and some internal research aimed at raising the opinion of employees on the remote work experience and immunization status, a return to work plan was structured in a hybrid format. Employees were able to resume face-to-face activities, complying with sanitary protocols and monitored regarding their health status, with direct communication with the leadership, in addition to having a service channel available to everyone who has any need.

**Management Committee:** aims to bring together employees who are leaders at Ibracon to discuss strategy, planning, projects and other initiatives that may contribute to an improvement in the organizational climate. In 2021, 21 Management Committee meetings were held, in a total of 32 hours of discussions and collaborative constructions.

**Integration with Regional Sections:** after completing the integration of some activities of the Regional Sections, the pilot project for the participation of some employees to support projects led by Ibracon Nacional began. This initiative is the result of two targeted surveys and meetings, which made it possible to align expectations and needs. The initiative aims to:

- Provide new experiences
- Provide opportunities for learning
- Count on teams prepared to carry out activities for Ibracon Nacional



**Quality of life:** in an action with a strong impact on mental health and disposition and evaluated as positive by employees, 15-minute sessions of Labor Gymnastics are held for all employees every Friday, adding up in 2021:

**140 sections or more performed**

**48 hours of labor gymnastics**

**17 average participants per section**

**Inclusion and Diversity:** with Ibracon's positioning regarding the Inclusion and Diversity Banner in the Audit profession, an internal survey (Census) was carried out on the demography of the governance, functional and of the Institute's working groups structure, in terms of gender, ethnicity and hierarchical positions. In our staff of 23 employees, in 2021, we can identify:

**83% are women**

**17% are men**

**13% self-declared black**

**57% of leadership positions are held by women**

## Administrative and Secretariat Area

In 2021, the Administrative and Secretariat areas continued with projects such as the integration of Regional Sections, the managers association (AGER Project) and the relationship with audit firms representatives, which aims to bring together stakeholders (members and non-members) to present the activities performed by the Institute that foster the Independent Audit practice.

Regarding statistical data, in the last year, 79 new entrants were recorded, distributed by the Regional Sections, most of them male auditors, representing 64% of the total.

Another important information about new members in 2021 is the fact that 48% of them are between 30 and 39 years old, demonstrating that the Institute continues to renew itself. The second age group with the most new entrants is 40 to 49 years old (33%).

## 2021 new members profile

**36% Women**

**64% Men**

**67% Auditors**

**29% Accountants**

**4% Students**





## Total membership in 2021

1,441 individual members

### General Members Report by Regional Section

Regional Section	Auditors	Accountants	Graduates	Governance Chamber	Students	Total 2021	Total 2020
1 <sup>st</sup> RS	22	28	0	0	1	51	43
2 <sup>nd</sup> RS	46	14	0	1	0	61	60
3 <sup>rd</sup> RS	106	52	0	1	17	176	185
4 <sup>th</sup> RS	105	42	0	0	1	148	146
5 <sup>th</sup> RS	633	186	20	6	9	854	854
6 <sup>th</sup> RS	65	21	0	0	7	93	88
9 <sup>th</sup> RS	30	28	0	0	0	58	56
<b>Total Individuals</b>	<b>1,007</b>	<b>371</b>	<b>20</b>	<b>8</b>	<b>35</b>	<b>1,441</b>	<b>1,432</b>
<b>Total Legal Entities</b>						<b>98</b>	<b>99</b>
<b>Grand total</b>						<b>1,539</b>	<b>1,531</b>





## Information Technology Highlights

**Network restructuring:** with the installation, at the headquarters of Ibracon Nacional, of a project that included the installation of 48 network access points with Gigabit POE switches and a rack, which centralized all network equipment and servers of the Institute, professionalizing and organizing the network.

**Applications tool:** developed internally to receive applications for the Brazilian Public Sector Accounting Standards (NBC TSP) Training Program, which totaled 11 thousand applications, is available for any course to be held by Ibracon.

**Migration of the Ibracon virtual store:** to a modern platform, with express checkout and the possibility of receiving payments by credit card.

**Email server migration:** with the contracting of a platform that allowed the adoption of an Exchange server, including the migration of data to cloud, survey forms, among others.

## Corporate social responsibility

**Campaign Against Hunger:** throughout 2021, Ibracon mobilized audit firms, encouraging their participation in food donation campaigns promoted by third sector institutions, aimed at people in social vulnerability. The apolitical action without commercial interests is motivated by the intention of contributing to alleviate the social impacts of an unprecedented global crisis – in addition to taking the lives of so many Brazilians, the Covid-19 pandemic has amplified and intensified hunger in the country.

**United for the Vaccine Movement:** Also with a focus on the pandemic, Ibracon acted to move all of society's efforts to accelerate and enable vaccination against Covid-19 throughout Brazil. The Institute believes that business agents need to mobilize and count on the support of entities that are already partners with several audit firms to give the campaign national coverage.

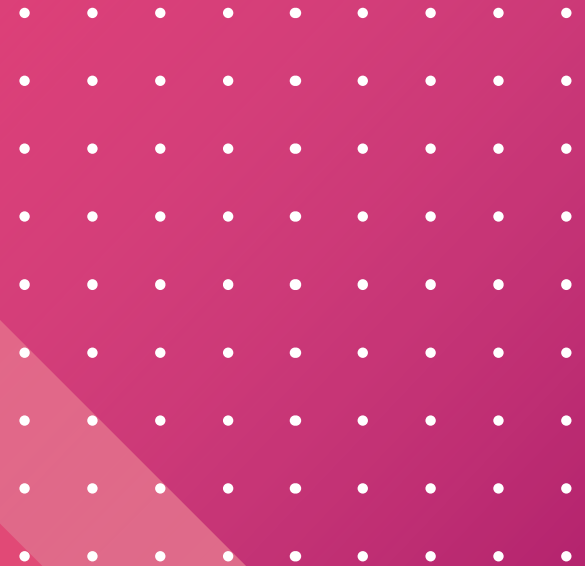
**Computer donation:** in November 2021, Ibracon renewed its hardware, thus donating 12 computers with monitors, keyboards, Windows and Office package, ready for use, in addition to a scanner, in good condition and in use, to two third sector institutions. The entities Ação Comunitário do Brasil – Vocação and Amigos do Bem each received half of the donated items. Both participated in the Campaign Against Hunger and Vaccination Incentive project.

**Paraisópolis Philharmonic Orchestra:** Ibracon supported this important social project, which has been carrying out education and culture work for years, aimed at students who live in communities in the capital of São Paulo. The Orchestra, conducted by conductor Paulo Rydleski, was the attraction at the end of the first day of the 11th Brazilian Conference on Accounting and Independent Audit, also celebrating the 50th anniversary of Ibracon, on December 13th.





# Regional Actions





**Relationship:** this was the word that defined Ibracon's actions throughout Brazil in 2021. The Institute's seven Regional Sections (SR) perform a series of actions in their respective areas of coverage. Thus, fulfilling their role of knowing and meeting the demands of independent auditors at their locations, disseminating knowledge and multiplying Ibracon Nacional initiatives.

## Regional Action

Ibracon's Regional Sections also work strongly with public and private entities. Through them, the Institute is present at technical events, meetings and ceremonies throughout Brazil, strengthening its ties with institutions and agents from all corners of the country.

This work also translates into the **Independent Audit Banners of Driven by Continuous Professional Development** and **Change Management Characteristics**, since the set of actions undertaken by the Regional Sections allow Ibracon to be present throughout the national territory, fulfilling not only an agenda of professional development programs, but also guaranteeing its representation before the audit firms and entities that represent the profession in each one of the Federation units.

In 2021, for the second year in a row, the pandemic required that many of the events be held virtually, but the physical limitation did not prevent a rich regional agenda from being fulfilled. The national agenda has regional particularities, but also many similarities. Entities such as the Regional Accounting Councils and Unions of Accountants in each region had, in the Regional Sections of Ibracon, partners for events, actions and solemnities. This was the case, for example, of the 1st Pernambuco Accounting Audit Meeting, the 59th edition of the Accounting Convention of the State of Rio de Janeiro (CONCERJ), the XIII Accounting Convention of Minas Gerais, the XVIII Accounting Convention of Rio Grande do Sul (CCRS) and the XXXIV Inter-American Accounting Conference (CIC). Commemorative dates such as the Day of the Accounting Professional also did not go unnoticed where the Institute is present. Ibracon was also present in dozens of lectures, meetings and plenary sessions of interest to the category, in face-to-face or online events.



## Academic exchange

Ibracon's regional action establishes contacts with Accounting students, presenting the Institute and its activities, in addition to bringing to the academy practical aspects of the profession that will contribute with the training of young professionals. In 2021, students from the Federal University of Amazonas (UFAM), the Faculty of Economics, Administration and Accounting of the University of São Paulo (FEA-USP) and the SENAC University Center attended special classes and lectures promoted by Ibracon.



Regional Sections  
in action



# Small and Medium-sized Firms





The Small and Medium-sized Audit Firms (FAPMP) are today the majority in their segment. These firms have as their main clients the Small and Medium-sized Enterprises (SMEs), around 580 thousand businesses in activity in Brazil, which account for 62% of the jobs generated and 27% of the national Gross Domestic Product (GDP). This relationship confirms the relevance of the profession to the market and to society – one of the Independent Audit Banners manifested by Ibracon.

## Small and Medium-sized Firms

Attentive to the demands of (FAPMP), the Institute has a specific Board to manage the activities of this segment. It is through the FAPMP Board that various initiatives that cover this segment are developed and put into practice. The Small and Medium-sized Audit Firms Working Group (FAPMP WG) stands out in this work, with the objective of debating and proposing solutions to technical, professional, administrative, business and other problems that concern small and medium-sized audit firms.. FAPMP WG is formed by partners from audit firms associated with Ibracon, who, due to their professional trajectory, gather experience to propose projects and make decisions.

## Members participate in FAPMP WG meetings

In 2021, FAPMP WG increased the number of meetings held monthly, some of which are open to the participation of members, due to the relevance of the topic under discussion. In an unprecedented way, all members are now invited to these FAPMP WG meetings, occasions in which everyone is given the opportunity to know what is being discussed in relation to the profession, about what Ibracon has done in favor of auditors and firms. The meetings promote a closer relationship between the members and the Directors, making it possible, democratically, for the parties to listen and be heard in what promotes the strengthening of the profession's demands.

### Quantitative summary of FAPMP WG meetings in 2021

**12** meetings held

**159** participants in total

**477** hours dedicated to meetings



## Audit in less complex entities

Aware of the need to develop a set of high quality requirements adapted for audits of less complex entities, at the end of July 2021, the International Auditing and Assurance Standards Board (IAASB) opened a public consultation for six months for a proposed international standard on auditing for audits of financial statements of less complex entities.

The proposed new standard will meet the demands of a set of high quality audit requirements tailored to the needs of less complex entities. The aim is to provide a globally consistent approach at a time when various standards for less complex and jurisdiction-specific entities are emerging. Ibracon, with the support of FAPMP WG members, translated the draft of the new standard into Portuguese, a topic also covered in webinars and articles, in order to encourage Brazilian professionals to send comments so that the IAASB can work on its final version.

## FAPMP Forum

Ibracon's 5th Regional Section and the CRCSP held, in August, the "Small and Medium-sized Audit Firms Forum 2021 – Performance Restrictions". Coming to its 4th edition, fully consolidated in its relevance, the event featured two main panels. The first, a virtual round table with experts in the field on the difficulties that FAPMPs face. The second had the participation of representatives of accounting entities and regulatory bodies, to present the actions developed to solve the issues addressed in the first panel.

The concentration of large firms in the audit market, the importance of the National Register of Independent Auditors - Legal Entities (CNAI-PJ), the External Quality Review Program and the barriers to market access that FAPMPs face were some of the topics addressed by the debaters on the forum.

## 12<sup>th</sup> Technical Circuit - Small and Medium-sized Audit Firms

Held on September 30 with the participation of Ibracon, the event promoted by CFC put essential topics to a debate, with emphasis on the relevance of the National Register of Independent Auditors - Legal Entities (CNAI-PJ), created by CFC Resolution No. 1,575/2019, with the objective of registering companies that perform Independent Audit services registered with the Regional Accounting Councils (CRCs).

## Webinars

Highlights to the webinar: "Audit Technologies: raising awareness and presenting tools", aimed at FAPMPs, held on November 3 and which brought a contextualization of the initiatives of Ibracon's Technology and Innovation Committee; awareness lecture on the theme of the event; and a virtual booth with representatives of three tools for implementation in audit firms. Other webinars held in 2021 also focused on FAPMPs, such as "Quality Management in Audit as a pillar of organizational sustainability" and "Updates on the draft of the new standard for audits of less complex entities".

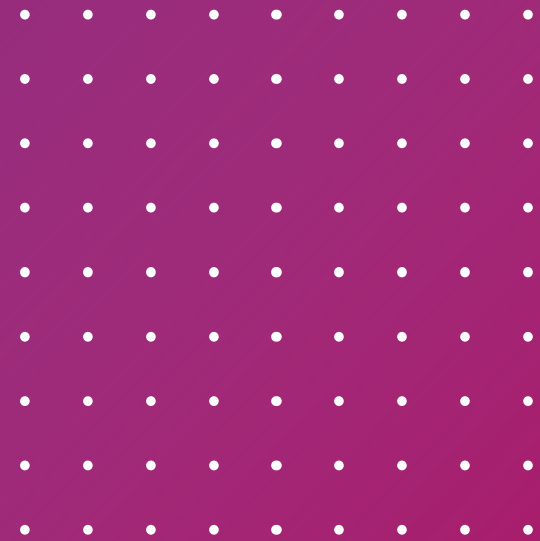
## Learning Workshops

Held with the support of Ibracon's Technology WG, the Audit Technologies: Alteryx, Power BI and IDEA Workshops took place during the month of November. With a workload of 12 hours divided into six days, the program is aimed at auditors registered with CNAI, accountants and other interested professionals, with a special focus on FAPMPs.





# Representativeness







One of the Independent Audit Banners highlights the relevance of the activity to the market and society. The professionals, with their work, contribute to strengthen corporate governance and add value to the most relevant information on business activities, contributing to the understanding of various stakeholders and the market. For Ibracon, this role is also fulfilled based on the premise of acting in accordance with the guidelines of regulatory bodies and aligned with the proposals of representative entities and those of interest to the Independent Audit profession. It is a fundamental part of its strategy so that Ibracon can continue carrying out its mission. In 2021, several meetings and other institutional relationship initiatives allowed the entity to continue to put its proposals into practice and further expand its representation in society.

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## Representativeness

### Brazilian Securities and Exchange Commission

Meetings with the presidency and members of the CVM board are part of Ibracon's annual agenda. In 2021, one of the meetings was motivated by the presentation of the new management of Ibracon Nacional. The continuity and maintenance of the relationship with CVM were also highlighted during the meeting. The development of activities, partnerships and continuous interaction with the regulatory body is of fundamental importance so that we can indicate our point of view to the regulator and listen to the demands for the development of the capital market.

Among the various topics addressed, it is worth mentioning the meeting that had as its agenda Ibracon's Technical Release No. 03/2021 with guidance to independent auditors on the approach and impacts on the audit of financial statements of entities involved in matters related to non-compliance or suspected non-compliance with laws and regulations, including illegal acts or fraud.

#### Technical Cooperation Agreement

Ibracon and CVM signed a Technical Cooperation Agreement with the objective of promoting the exchange of technical and/or regulatory knowledge in the areas of accounting and auditing. The Agreement provides for technical-scientific and institutional cooperation between the entities. Experiences will be shared and courses, lectures, seminars, technical meetings and events in general will be promoted, aimed at improving accounting, audit and governance, within the scope of the CVM's operations.



## National Superintendence of Supplementary Pension Funds

Aspects of sector regulation are among the main topics discussed in the meetings between Ibracon and Previc. This year, the agenda included the presentation of the National Board and the members of the Ibracon Private Pension Work Group, which starts to meet periodically with Previc representatives in order to discuss demands in relation to the services provided by independent auditors and other matters of common interest.

## Federal Accounting Council

In 2021, Ibracon maintained its annual schedule with the CFC. Meeting in Brasilia, in the resumption of face-to-face meetings, with the Managing Board of the authority. These occasions are the opportunity to move forward with bilateral projects, mainly in the registration, inspection, technical, regulatory and international areas, with a focus on strengthening the accounting activity.

The partnership is essential to give more visibility to ongoing projects and the Brazilian accounting profession in a broad way, including internationally. In this scope, several actions with the participation of Ibracon are foreseen, such as the creation of a Working Group on the implementation of the General Personal Data Protection Law (LGPD) in accounting organizations and audit firms.

### Book release

Sponsored by Ibracon, CFC launched the book "75 Years of the creation of accounting councils, a brilliant story", during the virtual seminar celebrating the 75th anniversary of the creation of these bodies. The work rescues the history of the profession's regulation, from the beginning of the 20th century to the present day, with a plot composed of 75 acts. The presentation of the work is signed by Valdir Coscodai, president of Ibracon Nacional:

*"The activity followed the changes in Brazil, the world, markets and technology. It responded to the advances demanded by society, regulations and the desire for more transparency and fairness. I give my recognition to all those who built this history of permanent achievements"*

## Brazilian Association of Financial and Capital Market Entities

Ibracon and Anbima met in 2021 to address technical issues involving the entities' area of activity. Among the topics covered, the following stand out: presentation of Ibracon, work fronts, projects and objectives of the institute, as well as an overview of the main challenges and opportunities of the sector. Moreover, the members of the Institute made themselves available for interactions with Anbima's working groups.

Anbima represents capital market institutions such as banks, asset managers, brokers, distributors and administrators – which are part of the Brazilian fund industry. This market has equity in excess of R\$6 trillion, which corresponds to approximately 80% of the country's Gross Domestic Product (GDP). In 2021, Ibracon issued CT No. 04/2021, which deals with the audit procedures to be considered in the audit of Financial Statements of Investment Funds.

## Accounting Pronouncements Committee

As an integral member of the CPC, Ibracon participates in the authority's annual meeting agenda. Once a month, during these meetings, various topics of interest to the Accounting and Independent Audit areas are discussed.

## Association of Capital Market Investors

The meeting between the National Board of Ibracon and AMEC dealt with topics relevant to the capital market segment, with the recent wave of IPOs, the evolution of agendas involving the ESG agenda (environmental, social and governance topics) and other matters of interest to both entities.



# Advocacy





The Independent Audit Banners that declares the Importance of the Independent Audit Function to the Market and Society in General aims to highlight the importance of the profession and its contribution to strengthening corporate governance and adding value to the most relevant information about the corporate activities, contributing to the understanding of different stakeholders and the market. This prerogative defines the advocacy work that Ibracon has been developing with greater emphasis in recent years.

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## Advocacy

Due to having the technical knowledge and accumulated experience in the regulations that govern the Independent Audit profession, Ibracon considers it essential to seek alignment with the public power, in its three spheres of action, especially with the Legislative. The Institute's objective is to maintain a communication agenda with public bodies, in order to contribute to technical debates and other matters of interest to the profession, considering its experience and performance in the sector.





# Tax Reform

In 2021, the highlight was the actions around Tax Reform, seeking the participation of accounting entities in the changes to be made in the national tax system. The objective was to prevent such changes from being proposed unilaterally, at the risk of generating distortions that would lead to future increase in the tax burden and in the complexity of operations, not generating, in the long term, the desired effects of simplification, transparency and neutrality.

## Check out the main actions in this regard:

**Letter to the House of Representatives:** on July 12, 2021, Ibracon, together with accounting entities from the State of São Paulo, sent a letter to the president of the House of Representatives, Arthur César Pereira de Lira, to request the participation of accounting professionals in the discussion of the Tax Reform projects, which was pending in Congress. The presidents of the signatory entities present in the official letter data on the impacts of the Proposed Amendments to the Constitution (PEC) No. 45/2019 and No. 110/2019 and highlight the concern of the accounting and business class that the amendments may bring an increase in the tax burden that do not, in fact, promote the simplification of taxes.

**Meeting at the Federal House of Representatives:** Ibracon and leaders of accounting entities in the State of São Paulo met with federal deputy Celso Sabino, rapporteur of Bill No. 2337, which deals with the Income Tax Reform and the Taxation of Dividends in the House of Representatives. The objective was to propose necessary improvements to the project then in processing at the House.

**Meetings at the Federal Senate:** continuing with the actions, representatives of Ibracon's National Board met with Senator Luis Carlos Heinze and Senator Roberto Rocha's team. In addition to a presentation of the Institute and its work fronts and ongoing projects, on both occasions topics of relevance to the accounting profession were discussed.

With Senator Heinze, the focus was on the Income Tax Reform, which was approved after more than two months of processing at the House, with the change in taxation on dividends, which went from 20% to 15%. The text then went on to be evaluated by the Senate, reinforcing the importance of raising awareness among senators about its impacts.

With Senator Rocha's team, in addition to the Income Tax Reform, the focus was on PEC No. 110/2019, of which he is the rapporteur. The text deals with the reform of the national tax system and aims, among other points, to seek ways to unify taxes and simplify collection.

**Manifesto to the president of the House:** on July 7, 120 business associations – including Ibracon – sent a letter to the president of the House of Representatives, Arthur Lira, in a manifesto against the Tax Reform. The document warns about the negative impacts and demands changes to the text that was in progress.

**Advisory and monitoring:** all these movements are monitored by Ibracon's advisory in Brasília (DF) and by the Tax Working Group (WG), which monitor the progress not only of the Reform, but of other bills that may change taxes at the national level. This work aims to assess the impacts that may affect the Independent Audit sector and the work mechanics of professionals and firms.



## IMK 2021 - Capital Markets Initiative

On June 22, Ibracon was invited to be part of the IMK and present proposals for the development of the capital market, with improved efficiency and increased competition, to prepare the discussion agenda for IMK 2021 - Capital Market Initiative. The invitation was made through the Ministry of Economy, Central Bank, CVM, Susep and Previc.

## ISS changes

Ibracon, together with Sescon-SP, filed a lawsuit with a view to ensuring that audit firms and accounting firms can remain classified as “single-professional companies” in the ISS (Service Tax) tax regime in the municipality of Sao Paulo. The lawsuit seeks the same understanding given to law firms in a decision of the Federal Superior Court. In addition, Ibracon has been following the progress of the writ of mandamus filed by CRCRS, related to the same topic, which was successful in both instances of the Judiciary, and which may go up to the higher courts. The repercussion of CRCRS’ writ of mandamus can contribute to this action from Ibracon, in the defense of the members’ interests.

## Meetings with Febraban and the World Bank

Ibracon represents a professional segment that is made up of firms of different sizes, well established in different locations in the country, with experience and credentials that recommend them for the execution of different types of Independent Audit work, always acting with excellence in the services they offer. Presenting this dynamic sector was one of the Institute’s purposes in meetings held throughout 2021 with representatives from Febraban and the World Bank. This important approach aims to provide information on the size of the Independent Audit sector in Brazil, creating access and opportunities for firms, regardless of their size.

## Approaching IBRAC

Ibracon also met with representatives of the Brazilian Institute for Studies on Competition, Consumption and International Trade (Ibrac), an entity dedicated to conducting research and analysis in its area of activity. The approximation between the two entities aims at the exchange of information. At the opportunity, the Technical Release No. 03/2021, with guidance to independent auditors on the approach and impacts on audit of financial statements of entities involved in matters related to non-compliance or suspected non-compliance with laws and regulations, including illegal acts or fraud, was discussed.

## CVM Resolution No. 23

Published on February 25, 2021, CVM Resolution No. 23 ended the requirement of the unlimited and joint liability model of audit firms for registration with the authority, giving them the prerogative to choose the model they deem best. This decision puts Brazil in line with other economic developments in terms of regulatory advances, other entities operating in the securities market and the treatment given to independent auditors.

This is a significant victory for the profession, which for years has invested in improving the quality of the Independent Audit activity. Ibracon was a protagonist in this process, working tirelessly for years in pursuit of this objective that is so relevant to the category. There were great efforts to convince, numerous meetings, research, studies, information gathering, technical opinions, interviews, technical arguments and investments.

The achievement, in addition to offering more legal security to the exercise of the profession, will provide benefits to the market as a whole, as it will provide an increase in the competition in the segment of audit of publicly-held companies, including greater participation of Small and Medium-sized Audit Firms (FAPMP) and incentives to the retention of talent and career development.



# International Agenda





Since its foundation, Ibracon has been expanding its presence in international organizations representing Accounting and Independent Audit. The annual agenda, maintained with various entities around the world, includes meetings, lectures, seminars, workshops and other events.

## Most prominent international agenda

### IFAC Agenda

Ibracon participated in the regular meeting of the Board of the International Federation of Accountants Council (IFAC), a meeting that brings together professionals and representatives of IFAC member entities to discuss issues relevant to the accounting profession globally. The objective of the meeting was to address topics relevant to the global profession, and present the 2021 IFAC Global Leadership Award. Highlights included the implementation of the IFAC Strategic Plan, including a brief update on developments by the Monitoring Group, and the recommendation for the election of the IFAC Nominating Committee Board.

Representatives of Ibracon participated, on March 1st and 2nd, in the Chief Executives (CE) Forum, promoted by IFAC and which is part of its annual calendar. The objective of the event was to bring together professionals and representatives of IFAC member entities to discuss issues relevant to the accounting profession globally.

The Forum of Firms (FOF) is organized by IFAC's Transnational Auditors Committee (TAC). In 2021, the event took place from March 24 to 25, with the participation of representatives of Ibracon. Among the topics discussed, the IESBA's Exposure Draft (ED) on the Proposed Revision of the Definitions of Listed Entity and Public Interest Entity (PIE) and the public consultation carried out by IAASB on the draft of a separate standard for the audit of less complex entities stand out.

### IFRS Foundation Agenda

Ibracon participated in the event from the IFRS Foundation's Emerging Economies Group (EEG). The discussion agenda included an overview of the Exposure Draft, which proposes a new approach to developing disclosure requirements in IFRS Standards. The Exposure Draft: Management Comments was also addressed, for which the Board proposed an objective-based approach focused on six content areas. The virtual meeting was attended by delegations from Brazil, China, India, Indonesia, South Korea, Malaysia, Russia, Saudi Arabia, South Africa and Turkey. Representatives from Cambodia and Vietnam also participated as observers.





## Cilea Agenda

Ibracon members participated in the general assembly of the Latin Integration Committee of Europe and the Americas (Cilea), an institution that gives voice to professional organizations in Economics and Accounting from countries on both continents. Cilea is composed of members from Argentina, Brazil, Bolivia, Brazil, Mexico, Uruguay, Spain, France, Italy and Portugal, and a representative of the Interamerican Accounting Association (IAA), the sponsoring entity.

The Institute also participated in two meetings with Cilea. The first focused on the presentation of the projects included in Cilea's Activity Plan. The second took place during the XXXIV Inter-American Accounting Conference (CIC) and the XVIII RS Accounting Convention (CCRS), in Porto Alegre (RS), from October 10 to 21.

## Standardization

To address the proposed International Standard on Auditing for Audits of Financial Statements of Less Complex Entities, Ibracon participated in a round table promoted by IFAC, IAASB and AIC, an event that had representatives from 17 countries. The aim was to promote greater awareness and understanding of the public consultation – which was kept open until January 31, 2022 – and to provide an opportunity for Latin American members and stakeholders to present their views for the consultation. Topics related to the design and structure of the standard were discussed, encompassing content, authority and general aspects.

## Appointment to the PIOB Committee

The Public Interest Oversight Board (PIOB) has approved the appointment of members to the Standard-Setting Boards' Nominations Committee ("The Committee"), which will be responsible for managing the process of selecting members to serve IAASB and IESBA, collectively referred to as the Standard-Setting Boards (SSBs). Guy Almeida Andrade, former chairman of the Ibracon's Board of Directors was one of the candidates approved to compose the Group. The purpose of this Committee is to promote the selection of members so that each SSB has a composition in line with the necessary competencies. To achieve the required diversity, selected candidates are from different geographic locations in order to allow for a combination of skills and experience, as well as promoting gender balance.



## Most prominent international events

### Independent professions in the fight against corruption

With the participation of Ibracon, IFAC and IBA promoted, on June 1st, the "Independent professions in the fight against corruption" event as part of the United Nations General Assembly Special Session (#UNGASS) Against Corruption. The webinar provided information on how Law and Independent Audit can help in the fight against corruption.

### World Standard-setters Conference

The event hosted by the IFRS Foundation on September 27 and 28 provided an opportunity for standard setters to get an update and discuss the activities of the IFRS Foundation, as well as offering interactive Q&A sessions, panel discussions and virtual networking opportunities with other members and speakers in chat rooms.

### "Audit in Less Complex Entities" Live

Sponsored by the IAASB on October 20, the live discussed in which entities the proposed Standard may be used, who makes decisions about its use, how these decisions are made and the prospects for how the Standard will be received by users of financial statements. The director of Administration and Finance of the 5th Regional Section, coordinator of Ibracon's Auditing Standards Committee (CNA) and technical advisor at the International Auditing and Assurance Standards Board (IAASB), Viviene Bauer, acted as moderator of the event.

### Hearing on the new IFRS Standard: subsidiaries without public accountability

Held on December 6, by the IASB, the restricted audience focused on an exposure draft of the IFRS Standard for subsidiaries without public accountability.



# Technical Performance





Ibracon maintains a strong and active technical area, whose activities are currently carried out by the members of the National Technical Standards Commission (CNNT), the Accounting Standards Committee (CNC), the Auditing Standards Committee (CNA), 14 Working Groups (GT) and 6 Task Forces (TF). It is these teams of specialists who, through meetings and technical debates, guide the issuance of Circular Letters, Technical Releases, Technical Comments and other demands in which there is a need to base specific knowledge on the different areas in which the Independent Audit work is involved. Ibracon's technical performance is essentially linked to three of the Independent Audit Banners, launched by the Institute. It is a set of activities carried out by people who, due to their technical skills and continuous improvement, make an important contribution to the regulation of the activity, creating security and transparency for society and the market.

## Technical Performance

### Working Groups and Task Forces

Ibracon ended 2021 with a total of 14 Working Groups (WG) formed around productive sectors, business areas or topics and legislation that are relevant to the profession (Regulatory Agencies; Agribusiness; Public Area; Capital Markets; Cooperatives; Ethics, Compliance and Independence; FAPMP; Investment Funds; Real Estate Developers; Financial Institutions; New Services; Private Pension; Insurers; and Sustainability and ESG).

In addition, Ibracon had, by the end of 2021, six Task Forces (TF) – IT Law, LGPD, Valuation, Route 2030, Tax and Actuarial –, which are created around agendas that are in vogue at the moment, therefore, they can be undone as soon as there is no more demand for that particular subject.

In 2021 a new WG and two TFs were created. On July 22, the first meeting of the new **LGPD TF** was held, which aims to observe the impacts of the General Data Protection Law (LGPD) on the work performed by the independent auditor. On the occasion, the members discussed the initial concepts that are defined in the new legislation, such as the Controller and Data Operator functions.

Another novelty of 2021 was the creation of the **Valuation TF** to discuss issues related to the valuation of companies and funds, especially with regard to the methodology used. It is composed of some members of CNNT and subject matter experts from audit firms. During the meetings held during the year, topics such as the technical standards developed by the International Valuation Standards Council (IVSC) were discussed.

In mid-2021, the first meeting of the **WG Sustainability and ESG**, formed with the objective of analyzing issues related to Sustainability (ESG) and Extended External Reports (EER), was held. The inaugural meeting included a general presentation on sustainability, the ESG agenda in companies, challenges and opportunities in the scope of corporate governance.



## Meetings

Ibracon technical meetings take place periodically, based on a pre-defined agenda. In these meetings, several technical issues are discussed among Ibracon's member-professionals. In 2021, there was an increase in the total hours spent on meetings, compared to 2020, as can be seen in the following table:



Number of meetings held	2020	2021
CNNT	13	15
CNA	21	25
CNC	8	11
Regulatory Agencies WG	9	7
Agribusiness WG	6	5
Public Area WG	5	4
Capital Markets WG	2	4
Cooperatives WG	3	9
Ethics, Compliance and Independence WG	3	5
FAPMP WG	10	12
Investment Funds WG	1	10
Real Estate Developers WG	4	5
Financial Institutions WG	13	16
New Services WG	9	3
Private Pension WG	2	4
Insurers WG	3	3
Sustainability and ESG WG		5
IT Law TF	6	1
LGPD TF		2
Valuation TF		2



**148** Working Group meetings  
**1.396** Participants in the WG meetings  
**3.939** WGs working hours

Technical instances	Meetings	Total professional hours
CNNT	15	1,056
CNA	25	912
CNC	11	83
Regulatory Agencies WG	7	75
Agribusiness WG	5	87
Public Area WG	4	27
Capital Markets WG	4	44
Cooperatives WG	9	43
Ethics, Compliance and Independence WG	5	60
FAPMP WG	12	477
Investment Funds WG	10	92
Real Estate Developers WG	5	135
Financial Institutions WG	16	546
New Services WG	3	32
Private Pension WG	4	48
Insurers WG	3	64
Sustainability and ESG WG	5	66
IT Law TF	1	15
LGPD TF	2	28
Valuation TF	2	50
<b>2021 grand total</b>	<b>148</b>	<b>3,939</b>



## Proposal for a new Standard

In 2021, Ibracon translated into Portuguese the draft of the new "Separate Standard for Audit of Financial Statements of LCEs" – that is, Audit of Less Complex Entities (LCE). It is estimated that more than 90% of entities worldwide are small and medium-sized (SMEs), from which the vital role of these companies in the world economy can be perceived. In an increasingly complex world with evolving reporting needs, the IAASB understood that there was a need for a set of high quality requirements tailored for the audits of less complex entities. In July, Ibracon released the draft of the new IAASB standard, already translated, and subsequently held a series of webinars with the aim of encouraging Brazilian participation in sending comments for the definition of the new Standard.

## Circular Letters

In the period, nine Circular Letters were issued, the contents of which provide guidance on various aspects, rules and regulations of the Independent Audit:

**No. 03/2021** with guidance to independent auditors regarding the audit of accounting impacts resulting from the changes to the IT Law.

**No. 04/2021** with questions and answers to independent auditors regarding the Integrated Report and the Resolution of the Brazilian Securities and Exchange Commission (CVM) No. 14/2020.

**No. 05/2021** with guidance to independent auditors on the performance of audit work on Financial Statements in compliance with the requirements of Circular Letter from the Superintendence of Private Insurance (Susep) No. 616, of 10/13/2020.

**No. 06/2021** with guidance to independent auditors as to the relevance of the registration of all member firms in the CNAI-PJ, optional and free of charge.

**No. 07/2021** with guidance to independent auditors on the performance of audit procedures related to the topic of exclusion of ICMS from the PIS and COFINS calculation basis No. 01/2021, of January 29, 2021.

**No. 08/2021** with guidance to independent auditors on the registration of the technician responsible at CVM for the audit of entities not supervised by the authority – Large Companies

**No. 09/2021** with guidance to independent auditors on the impacts of the STF decision on non-levy of IRPJ and CSLL on Selic in the refund of unduly paid taxes.

**No. 10/2021** with clarifications to independent auditors on the references to management and those charged with governance in the auditor's reports.

**No. 11/2021** with clarifications on the creation of the International Sustainability Standards Board (ISSB) and climate change – aspects to be considered by independent auditors.



## Technical Comments

The Technical Comments issued by Ibracon contribute to the improvement of standards issued by regulatory bodies and international entities responsible for preparing these standards. In 2021 the following were issued:

**National Supplementary Health Agency (ANS):** In response to the improvements in Accounting Standards for 2022, the forwarded comments refer to criteria and procedures that enable the maintenance of uniform standards in the registration of operations and in the preparation and presentation of Financial Statements of the supplementary health market, using the criteria, accounts and models of Financial Statements presented in a Normative Resolution (RN).

**International Ethics Standards Board for Accountants (IESBA):** on the Long Association Post-Implementation Review (LAPIR) Questionnaire, which analyses the implications of repealing the transitional provision contained in paragraph R540.19 of the long association provisions of the Code (LAPIR Phase 1).

**Brazilian Securities and Exchange Commission (CVM):** comments for Public Hearing SDM No. 02/21 – Regulation of public offerings for the distribution of securities (“SDM No. 02/21”).

09 Circular letters issued

04 Technical Releases

03 Technical Comments

## Technical Release

The Technical Releases (CT) are intended to clarify and guide Independent Audit professionals on changes and application of regulations.

- CT No. 01/2021: on reasonable assurance in connection with the re-bidding process of airport partnership contracts, for the purpose of complying with the requirements of Law No.13,448/2017, regulated by Decree No. 9,957/2019 and for the purposes of complying with the National Civil Aviation Agency (ANAC) Resolution No. 533, of November 7, 2019. This CT was approved by the Federal Accounting Council (CFC) through CTO 06.
- CT No. 02/2021: on the execution of the accounting audit work to meet the requirements of Susep Circular Letter No. 616, of October 13, 2020, which provides for the preparation of a specific report, to be sent to Susep, which reproduces the audit documentation used to evidence the determination of materiality applicable to the individual financial statements of the entities supervised by Susep as well as the requirement for a detailed description of materiality in the auditor's report on the financial statements and the inclusion of the description of each of the key audit matters, in accordance with NBC TA 701.
- CT No. 03/2021: on the approach and impacts on audit of financial statements of entities involved in matters related to non-compliance or suspected non-compliance with laws and regulations, including illegal acts or fraud.
- CT No. 04/2021: on audit procedures to be considered in the audit of Financial Statements of Investment Funds

## Technical Publications

### IFRS 2021 Standards E-book

Ibracon has made available the IFRS Standards – Edition 2021 E-book, which is composed of three parts (A, B and C) and includes the standards issued by the International Accounting Standards Board on December 31, 2020. In Brazil, Ibracon is the only entity authorized by the IFRS Foundation to issue and translate the publication into Portuguese. The new edition contains the revised version of the IFRS Foundation's Constitution and Due Process Handbook, among other innovations.

### Manual on Public Sector Financial Auditing Standards

As a result of the course “Public Sector Audit (NBASP and NBC TASP)” promoted by Ibracon, CFC and IRB, support material was launched for the implementation of the Public Sector Financial Auditing Standards. Made available free of charge to auditors appointed by the Courts of Auditors participating in the course and members of Ibracon, the material was also sold to all those involved in the implementation of these standards. The initiative is part of Ibracon's commitment to the public interest, understanding that improving accounting is a significant step towards improving budget management, transparency and fairness.

### Technical Workshop

Held on March 3, by Ibracon, Abrasca and CVM, the workshop aimed to clarify specific points of the Circular Letter CVM SNC/SEP No. 01/2021, which were presented by members of the Institute's and Abrasca's Technical Area. The circular letter contains guidance on the relevant aspects to be observed in the preparation of the financial statements for the year ended December 31, 2020.





# Professional Development





One of the Independent Audit Banners is the one that defends the activity based on continued development. Ibracon believes that only the constant improvement of professional skills allows the full performance of the profession, responding to changes in society and business, in a scenario characterized by high performance and strong regulation. For this purpose, in 2021 Ibracon's educational agenda included the most relevant Independent Audit topics. In addition to promoting continued professional development, online programs allow for the exchange of knowledge and information among participants. The activities are aimed at all members, under special conditions, and also at others interested in the contents offered, often in partnership with accredited entities and regulatory bodies. These programs include training that promotes professional training, improvement and updating. All valid to CFC's Continuing Professional Education Program (PEPC).

## Professional Development

### Special training programs

**ISQM Program:** with the participation of 58 people, one of the main highlights of the year was the Professional Development Program in International Standard on Quality Management (ISQM) 1 - Quality Management in Audit. The launch took place with the presentation of the webinar "Quality Management in Audit as a pillar of organizational sustainability", on April 20. Taught from June to October, with a total of 24 hours/class, in an online format with live classes, the ISQM 1 Program – Quality Management in Audit becomes part of Ibracon's activities agenda.

The long-term program is divided into modules, in order to cover technical aspects and soft skills. It brings a practical and behavioral approach, to help audit firms in the implementation of the Quality Management pillars, necessary and mandatory by ISQM 1, promoting the culture of quality and the training of multipliers of these concepts, in addition to bringing a module focused on implementation of the project through a group mentoring process.

**Auditor Training - Trainees and Assistants:** held in March 2021, online with live classes, the program aimed to train and prepare accounting professionals for the audit career. The course had a workload of 60 hours and was divided into ten days, with classes held on Saturdays, conducted by professionals from member audit firms. The syllabus addressed, among others, topics such as a conceptual framework for assurance engagements; general objectives and acceptance of the terms of the audit engagement; quality control, documentation, and legal and regulatory considerations; and audit planning. The activity guaranteed points for the Continuing Professional Education Program (PEPC) of the Federal Accounting Council (CFC).



## Other courses held in 2021

**Remote work - Legal and risk mitigation aspects in companies:** the course, in an online format with live classes, was divided into two days (July 29 and 30), totaling a workload of 6 hours. The program covered topics such as: technologies and work; working on platforms; and social protections for work, valid for the Continuing Professional Education Program (PEPC) of the CFC.

### Susep Circular Letter No. 616 - New Rules for Preparation of the Report on Financial Statements by Independent Auditors:

carried out by Ibracon, with the participation of members of Susep, the program took place on November 24.

## Technology Trainings

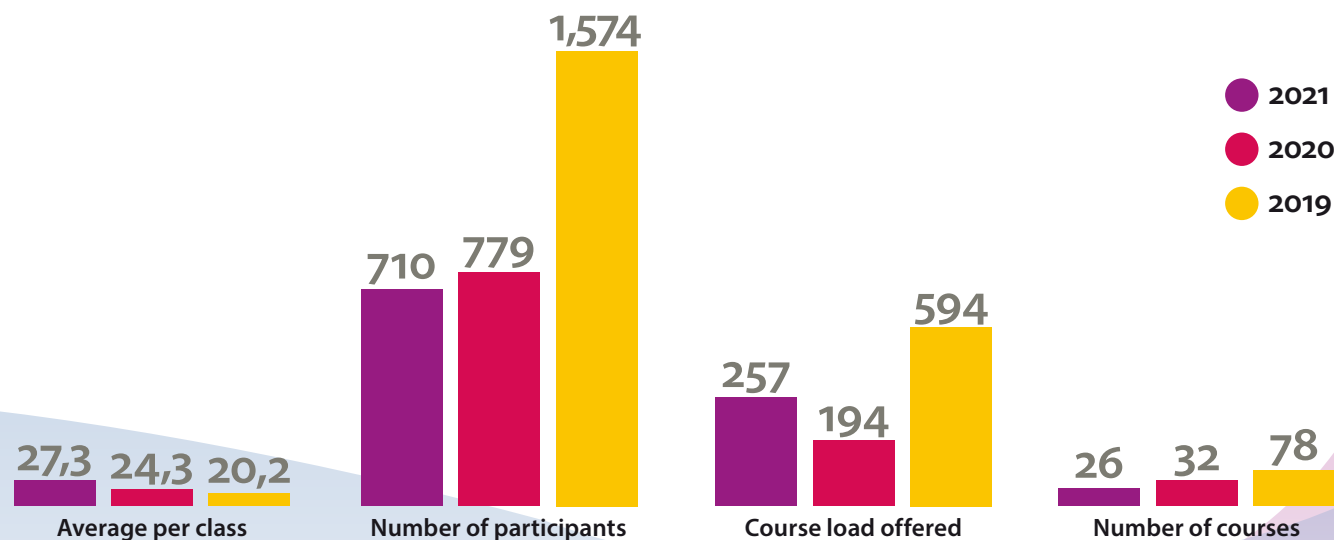
In 2021, events aimed at training in Audit technologies were held, with the support of Ibracon's Technology WG. Aimed at auditors registered with CNAI, accountants and other interested professionals, the Alteryx, Power BI and IDEA Workshops took place in November, with a workload of 12 hours divided into six days.

## Quantitative summary of all courses in 2021

- 26** courses offered by Ibracon
- 257** total course hours
- 710** participants in total
- 27** participants, on average, per class

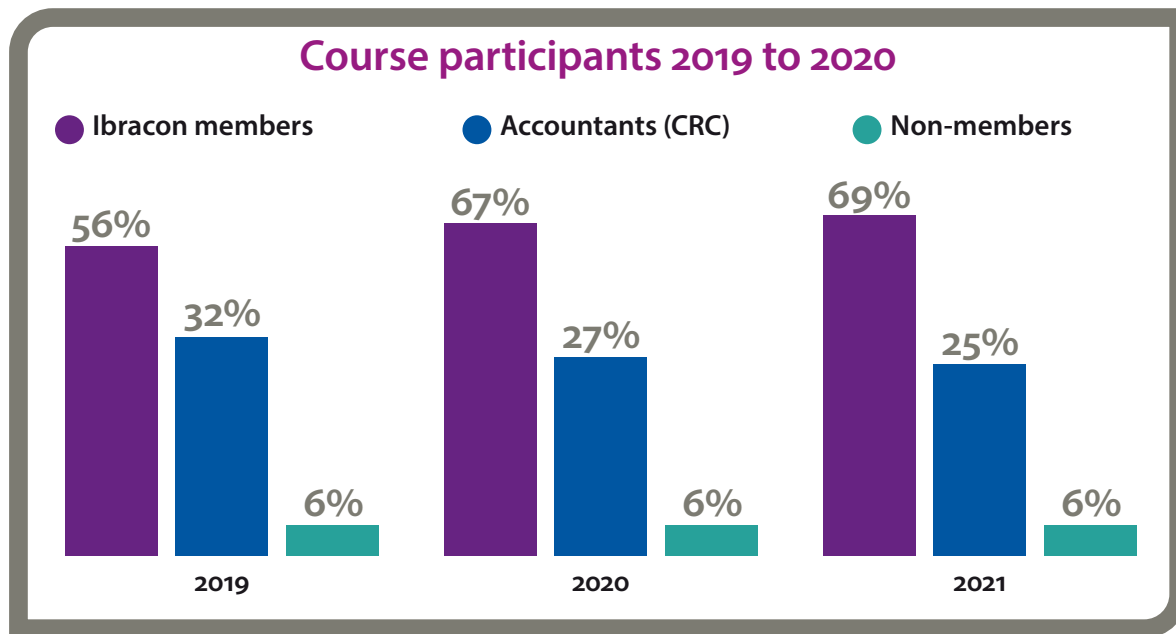
With the pandemic, the number of courses offered by Ibracon, in the comparison between 2019 and 2020, fell by almost half. However, the change from the face-to-face to online schedule contributed to the maintenance of the main programs in the last two years. It is important to note that, even in this scenario, the average number of participants per class grew significantly. In addition, the total workload was also much higher in 2021 compared to the previous year.

### Quantitative summary of all courses

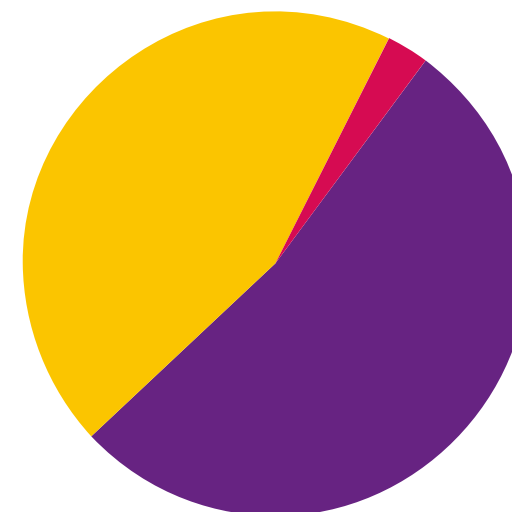


### Participants of courses from 2019 to 2021

The graph below shows that, in the last three years, the participation of Ibracon members in the courses offered has remained stable.



### Assessment from course participants (2021)



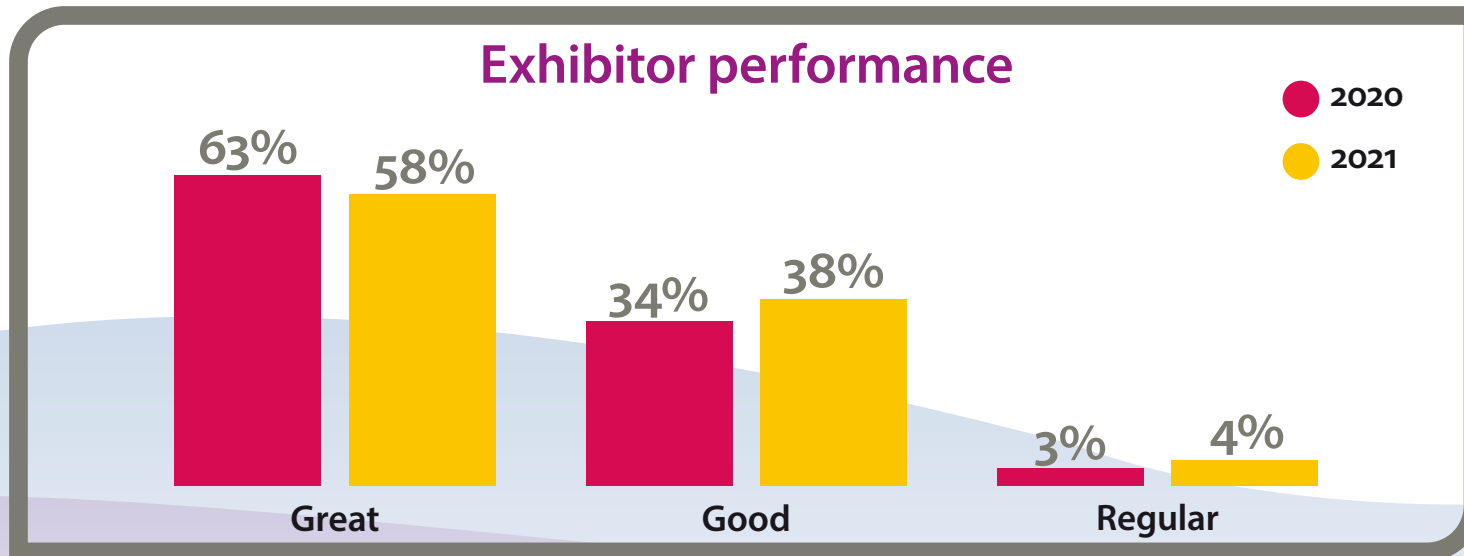
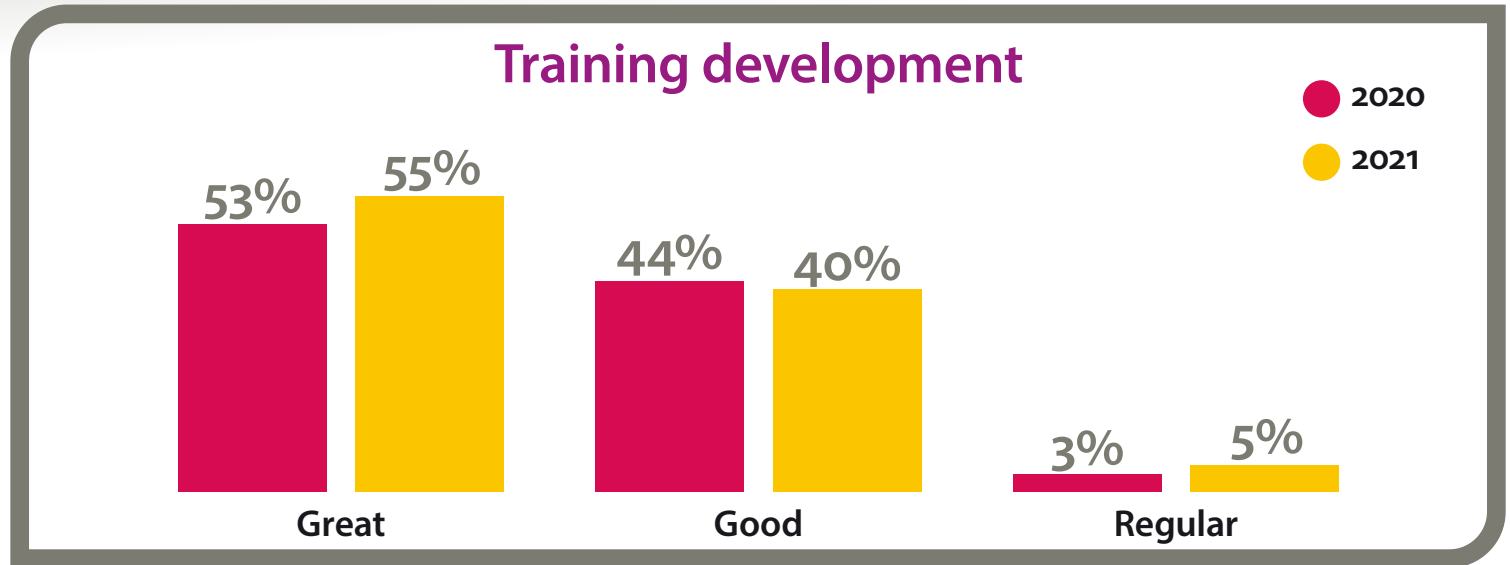
### Assessment from participants



## Training development 2020 x 2021

Questions considered in the assessment

- Developed content / subject (theory)
- Hours (duration of the course)
- Teaching material (handbook, text)
- Applicability of the content presented



## Exhibitor performance 2020 x 2021

Questions considered in the assessment

- Organization of the class(es)
- Compliance with schedules/deadlines
- Practical skill on the subject
- Communication (clarity and objectivity)
- Relationship with the group
- Subject expertise



## Ibracon's EAD Courses Program

In 2021, Ibracon continued to offer courses in the Distance Learning format (EAD)

**145** participants in distance learning courses

**76** total working hours

## Ibracon/Fipecafi EAD Courses

Ibracon's EAD Courses	CH	Participants
Module 2   Planning and Identification of Risks of Material Misstatements	8	17
Module 3   Audit Procedures in Response to Identified Risks and Assessment of Evidence Obtained	24	16
Module 4 - Formation of Opinion on the Financial Statements and Independent Auditor's Report on the Financial Statements	8	11
New Auditor's Report	8	18
IFRS 9 - Financial Instruments	8	14
IFRS 16 - Leases	8	19
IFRS 15 - Revenue from Contracts with Customers	8	19
NBC TSP Conceptual Framework	4	31
<b>Total participants</b>	<b>76</b>	<b>145</b>

EAD courses in partnership with Fipecafi	CH	Participants
Auditing Standards II - Risks	12	58
Auditing Standards III - Performance of the Audit Work	12	31
Auditing Standards IV - Audit Opinion	12	42
IFRS for Small and Medium-sized Entities	32	36
<b>Total participants</b>	<b>68</b>	<b>167</b>



## Partnership courses

**Audit, Inspection and Controls Committee:** in its 5th edition, the course was held in partnership with IBGC and IIA, starting on March 10, in an online format, but with live classes. Ibracon's Technical Board led the panel "The impacts of the pandemic on balance sheets and how to disclose". The program consisted of 64 class hours and awarded 30 credit points to the IBGC Board Member Certification Program. The course aims to improve and provide tools for the performance of the Audit Committee member, discussing the role and responsibilities of the body and simulating the practical situations faced.



5<sup>th</sup> edition / August 2021

**Public Sector Audit (NBASP and NBC TASP):** carried out by Ibracon, in partnership with CFC and IRB, the program was launched via videoconference on March 25. The speaker was Leonardo Silveira do Nascimento, a senior Financial Management expert at the World Bank and member of the Advisory Group on Brazilian Public Sector Accounting Standards (GA/NBC T SP) with CFC, who gave the lecture "Financial Audit: the World Bank view". The program was developed in 5 free modules, presented remotely, from April to September. The objective of the course is to contribute to the professional development of public sector employees regarding the Public Sector Auditing Standards. The closing of the event, on September 10, featured a lecture by the instructors and was broadcast live on the CFC YouTube channel.

**38 Hours (total workload)**

**5 Modules (number of modules offered)**

**1,439 participants in the first three modules**

**Training Program on Brazilian Public Sector Accounting Standards (NBC TSP):** carried out by Ibracon, in partnership with CFC and the National Treasury Secretariat, the program was launched with a lecture by Bruno Funchal, secretary of the STN, on March 3. The objective of the training is to contribute to the improvement of public sector employees in the process of adopting NBC TSPs in Brazil.

**33 Hours (total program workload)**

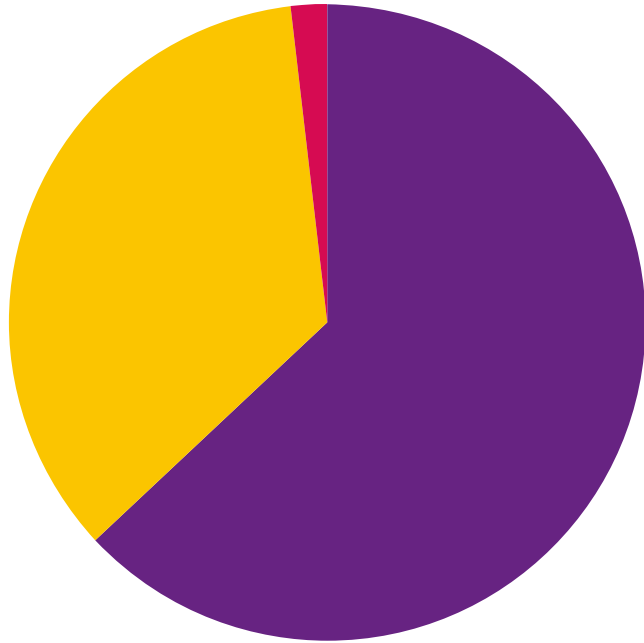
**77 Modules (number of modules offered)**

**1,000 Enrolled (by module)**

**409 (average number of participants per module)**



## General assessment of partnership courses



### General assessment of partnership courses/expectations

Exceeded	32%
Fully met	66%
Partially met	2%

## Term of partnership with CRA-SP

In May, Ibracon also met with CRA-SP with the goal of dealing with the entities' work fronts in order to identify opportunities to develop joint actions, mainly in the area of Professional Development, through the establishment of a Partnership Agreement. With the regulation of the profession of administrator in 1965, it was necessary to create a normative, consultative, guiding and disciplining body for the exercise of activities. For this role, the Federal Administration Council (CFA) was created, headquartered in the federal capital

## Continuing Professional Education Program (PEPC)

Ibracon is an enabling entity for the PEPC, which aims to update and expand technical and professional knowledge and skills, multidisciplinary skills and the elevation of the social, moral and ethical behavior of accounting professionals who work in the job market as independent auditors, technically responsible for the financial statements, or who perform management functions in the accounting area of companies that operate under the rules of national regulatory bodies. These professionals must fulfill at least 20 points in the PEPC per calendar year, and eight points of this total must be fulfilled with knowledge acquisition activities.

## CEPC meetings

Ibracon participated in four meetings of CFC's Continuing Professional Education Commission (CEPC) Part of the Institute's annual calendar, these Commission meetings aim to ratify EPC processes throughout Brazil and discussions of program improvements. The first of them had the goal of analyzing the activities, consisting of accreditation of courses, events and trainers, requests for justifications for non-compliance with the program, among other matters. The second meeting discussed the definitions of analyses and judgments of proceedings and verifications of accountability for 2019 and 2020 - CNAI and CNPC, and verifications for 2020 and 2021 were discussed. In addition, the participants also discussed the processes distributed via the EPC Web system. The third meeting of the year was held at the headquarters of the Federal Accounting Council, in Brasília-DF, marking the resumption of face-to-face meetings. Closing the activities of the 2021 Commission, the last meeting was the opportunity to present a balance, which accounted for the holding of 2,501 activities, of which 1,154 are related to the accreditation of courses and events.





# Events



Every year, Ibracon holds the Brazilian Conference on Accounting and Independent Auditing, the main event in the area held in Brazil. It also participates, throughout the year, in various events related to the Independent Audit activity. Such actions refer mainly to two of the Independent Audit Banners: **The Importance of the Independent Audit Function to the Market and Society in General and Driven by Continuous Professional Development**, since the events are important occasions for exchanging knowledge, acquiring information and interacting with different audiences, which represents the opportunity to broaden the understanding of the activity by a larger portion of society.

## Events

### 11<sup>th</sup> Brazilian Conference on Accounting and Independent Audit

The 11th Brazilian Conference on Accounting and Independent Audit was held on December 13 and 14, at Teatro Bradesco, in São Paulo, in person, with live broadcast and participation in a hybrid format. This is the main event aimed at Independent Audit in Brazil, where debate on relevant topics is promoted, scenarios are anticipated and insights are generated for the development of the activity.

Presented by the Economics commentator of Grupo Bandeirantes, Juliana Rosa, this edition celebrated the 50th anniversary of Ibracon with the presentation of the Institute's new brand, had a special program based on the Independent Audit Banners and the launch of the Ibracon Manifesto for Strengthening the Culture of Inclusion and Diversity in the Brazilian Independent Audit.

The opening of the Conference was conducted by Valdir Coscodai, president of Ibracon; Marcelo Barbosa, president of the Brazilian Securities and Exchange Commission (CVM); and Zulmir Ivânio Breda, president of the Federal Accounting Council (CFC). The lecture that opened the event was presented by Alan Johnson, president of the International Federation of Accountants (IFAC), who addressed the theme "Independent Audit overview: challenges and opportunities in the current business environment" and was followed by a debate.

Next, the first panel was "Making a difference as an independent auditor: inspiring paths", presented by Pedro Melo, general director of the Brazilian Institute of Corporate Governance (IBGC); Tatiana Fernandes, coordinator of the Management Committee of Ibracon Jovem; Vinicius Kitahara, Corporate Happiness consultant and CEO of Vinning; and Ibracon Jovem ambassadors Juliane Martello and Silas de Sousa, independent auditors.



“Disruptive environment and impact on the ethical leadership of Accounting professionals”, theme of the leaders panel, was conducted by the members of the Board of Directors of Ibracon Marco Castro, president of PwC Brazil; Charles Kriek, president of KPMG Brazil; Raul Corrêa, president of BDO Brasil; and Monica Foerster, partner at Confidor.

The last panel was “Inclusion and diversity at companies: the importance of affirmative action”, presented by Ana Gabriela Maia, audit director; Danielle Torres, partner at an audit firm; Leandro Camilo, leader of Ibracon’s Inclusion and Diversity Committee; and Theo Van Der Loo, CEO of Natuscience and social activist with an emphasis on inclusion and diversity. At the end of the first day, the ceremony to celebrate Ibracon’s 50th anniversary began, with the launch of the new brand and participation of hundreds of guests. The celebration was marked by the presentation of the Paraisópolis Philharmonic Orchestra conducted by Maestro Paulo Rydlewski.

The second day of the Ibracon Conference began with the panel “IFRS Updates”, led by the president of the Regional Accounting Council of Rio Grande do Sul (CRCRS), Ana Tércia; the director of the Brazilian Securities and Exchange Commission (CVM), Fernando Galdi; the deputy Technical coordinator of the Accounting Pronouncements Committee (CPC), Guillermo Braunbeck; and the coordinator of Ibracon’s National Technical Standards Commission, Leandro Ardito, in addition to the participation of the president of the International Accounting Standards Board (IASB), Andreas Barckow, through a pre-recorded conversation.

The last panel of Ibracon’s 11th Conference had as its theme the “Independent Audit as an agent of global change”, with the participation of Diogo Nogueira, Chief of staff of the International Affairs and Corporate Risk Management Board of the Central Bank (BC), and Fabio Coelho, Executive president of the Association of Capital Market Investors (AMEC), who participated remotely, while João Vitor Zocca Moreira, director of Controllershship and Financial Planning at Suzano, and Sebastian Soares, coordinator of the Sustainability and ESG Working Group at Ibracon, shared the stage at Teatro Bradesco.

## Tributes

The first day of the Ibracon Conference featured a moment dedicated to honoring professionals whose professional trajectory contributed to the strengthening of Independent Audit in Brazil. Were honored:

- Eduardo Pocetti, who was president of Ibracon from 2012 to 2014 and chairman of the Board of Directors (BD) from 2015 to 2020; and also chaired the Group of Latin American Accounting Standard Setters (Glenif).
- Idésio Coelho, Coelho, Technical vice president of CFC, who held the position of Technical director of Ibracon from 2009 to 2014 and chaired the National Board from 2015 to 2017. He is currently a member of the Board of the International Federation of Accountants (IFAC).
- Marcelo Barbosa, president of the Brazilian Securities and Exchange Commission (CVM), and Zulmir Ivânio Breda, president of the Federal Accounting Council (CFC), were also honored for their paths towards strengthening the capital market and Independent Audit in Brazil.

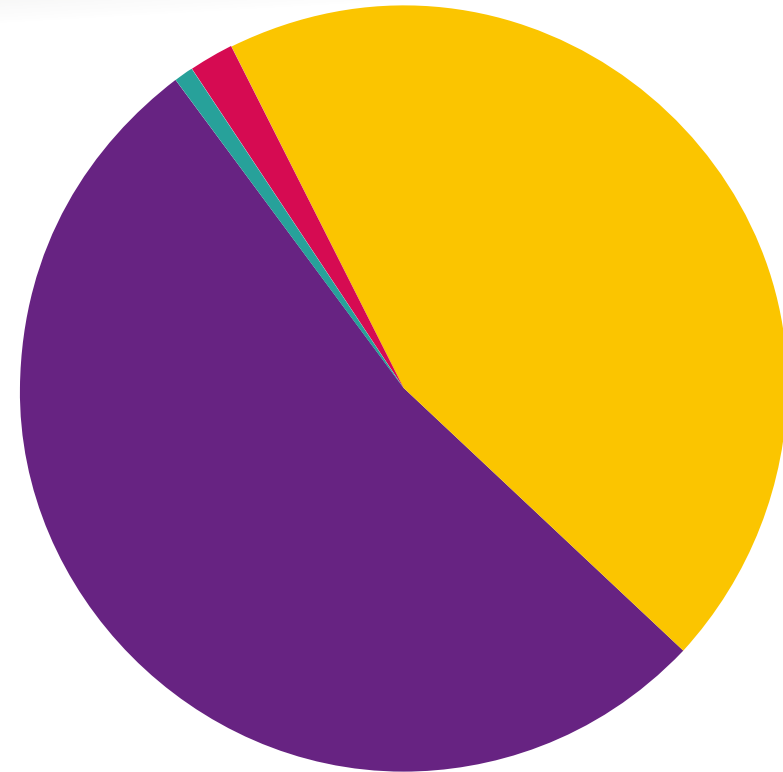
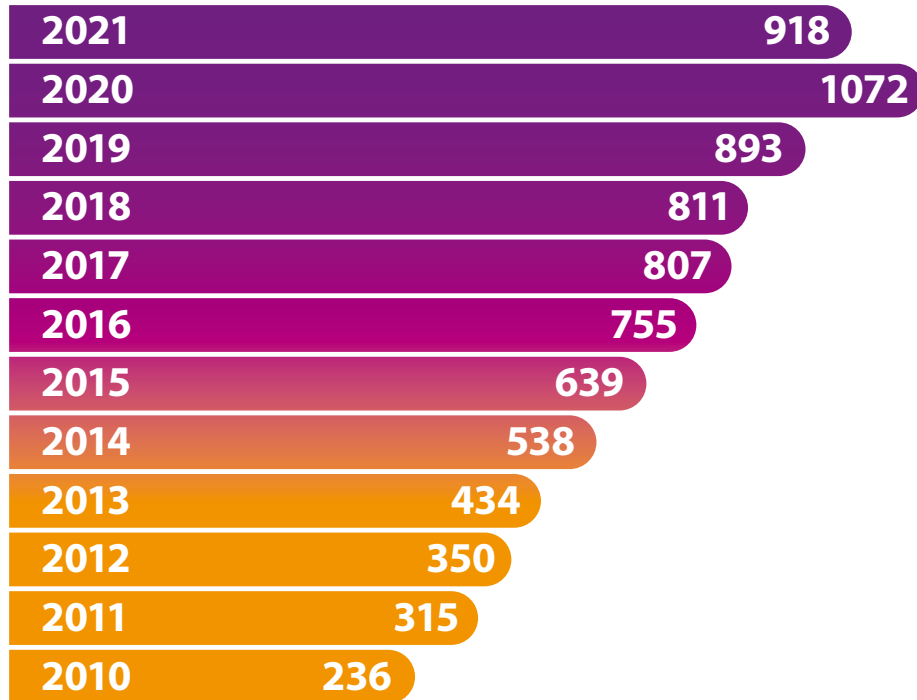


## Issue numbers 2021

**700** online participants (76%)

**218** face-to-face participants (24%)

### Participation history



### General assessment of participants/expectations





# Webinars

## Technical Updates

From January to October 2021, ten Technical Updates webinars, a program focused on ongoing discussions that impact the Independent Audit activity, were held. Conducted by Ibracon leaders, the webinars also include the participation of guests

- Technical updates in the periods of: January/February; February/March; April/May; July/August; and September/October.
- Susep Circular Letter No. 616 and guidelines on the performance of accounting audit work, with the participation of Susep and CFC members.
- The IASB's proposal to review how IFRS standards disclosure requirements are written and the impact on the audit, with the participation of an IASB Board member.
- CTA 30 – Audit Report on financial statements of entities involved in matters related to non-compliance or suspected non-compliance with laws and regulations, with the participation of a member of the CFC.
- ESG: current scenario and interface with the Independent Audit
- Updates on the draft of the new standard for audits of less complex entities.

## Ibracon Talks

In 2021, from March to November, eleven editions of Ibracon Talks were held, with the participation of Ibracon leaders and guests to address broader and multidisciplinary topics.

- The Covid-19 pandemic and its effects on women at work.
- Advances and challenges for women in the Independent Audit.
- Quality Management in Audit as a pillar of organizational sustainability.
- Breakfast with Blockchain.
- Labor news: new Provisional Measures and preventive measures for companies, with the participation of labor lawyer, José Eduardo Pastore.
- Breakfast with Cryptocurrencies.
- Pre-IPO Corporate Governance, with the participation of a B3 representative.
- Breakfast Audit and anti-fraud technology.
- The Income Tax Reform and the challenges for audit firms.
- Cyber Security and relevant aspects for the financial statements.
- Technologies in Audit: awareness and presentation of tools.



## International Women's Day

Two webinars to celebrate International Women's Day were organized by Ibracon, in March 2021, with the moderation of the Economics commentator of Grupo Bandeirantes, Juliana Rosa, and the participation of female leaders of Ibracon.

● The Covid-19 pandemic and its effects on women at work

● Advances and challenges for women in Independent Audit

**3,765** is the total number of participants in all webinars held by Ibracon in 2021

**21** online events

**11** editions of Ibracon Talks

**199** average participants at Ibracon Talks

**2,426** total number of participants in all editions of Ibracon Talks

**10** editions of the Technical Updates webinars

**104** is the average number of participants at the Technical Updates webinars

**4,5** is the average assessment score of the participants of the Technical Updates webinars

**1,339** participants at Technical Updates webinars





## Participation of Ibracon in events of other entities

2021 was productive in meetings aimed at Accounting and Independent Audit professionals. In the period, Ibracon was represented by members of its National Board and its Board of Directors at events promoted by the following entities:

### 22<sup>nd</sup> International Meeting of Investor Relations and Capital Markets

Held by Abrasca and IBRI, the event took place via videoconference from September 27 to 29. Topics such as: ESG – Company challenges and senior management involvement; Environmental, social responsibility and governance in IR; Digital transformation and financial communication; How to make the relationship of companies more effective; Outstanding cases in IR activities; Amendments to ICVM 480, among others.

### 22<sup>nd</sup> IBGC Congress

The IBGC's main annual event was held from October 5 to 7 and had as its main line the Positive Governance Agenda, launched by IBGC in 2020, which proposes to society, companies and other organizations a set of principles and best practices of corporate governance, especially in the midst of the speed of transformations that organizations have been facing lately.

### Enforcement on Independent Auditors

On October 28, the Enforcement on Independent Auditors webinar, promoted by IREE, had a lecture by the president of the National Board, who highlighted the fundamental role played by the Independent Audit activity for the health of the financial market, emphasizing that, despite this, there is still lack of knowledge about the nature of the activity. Hence the importance of the topic addressed at the event.

### Sescon-SP Summit

The second edition of Sescon-SP Summit, held on November 4, was supported by Ibracon. The event aims to discuss topics of interest to Accounting professionals, advancing to political, labor and entrepreneurship agendas, among others. This year, the highlight was the lecture "The future economic, legal, institutional and political environment of Brazil", given by the former president of the Republic Michel Temer.

### 14<sup>th</sup> Technical Circuit on Amendments to NBC TSC 4400

On September 23, the 14th Technical Circuit on Amendments to NBC TSC 4400 - Engagements to Perform Agreed-Upon Procedures Regarding Financial Information was held by the CFC, which addresses the responsibilities of the auditor when hired to perform an agreed-upon procedures engagement; and the form and content of the agreed-upon procedures report.



## **XVIII International Seminar of the Accounting Pronouncements Committee – International Accounting Standards**

The event, promoted by the Accounting Pronouncements Committee (CPC) with the support of member entities, such as Ibracon, took place on September 1 and 2. The CPC International Seminar program aimed to provide a practical view of the current stage of adoption of IFRS in Brazil and of the most relevant changes that are underway according to the IASB and CPC agenda.

## **Brazilian Accounting Online Congress**

The 5th edition of the event was held from September 20 to 24, organized by Portal Contábeis in partnership with Arquivel, bringing together all accounting categories in its schedule. One of this year's speakers was the chairman of Ibracon's Board of Directors, who presented the panel "The needs of today's world call for the leading role of the accounting professional".

## **5<sup>th</sup> Transparency Circuit**

Promoted by Anefac on November 25, the 5th Transparency Circuit – The Role of the Independent Auditor in the Review of Financial Statements, aimed to discuss the importance of audits in the review of financial statements.

## **XXXIV Inter-American Accounting Conference (CIC) and XVIII Accounting Convention of Rio Grande do Sul (CCRS)**

Held in Porto Alegre, from September 19 to 21, the joint events are part of the partnership between AIC, of which Ibracon is the sponsoring body, and CRCRS, with support from the CFC. In this edition, topics such as the impact of new technologies on the accounting profession; Impact of Internationalization of Accounting Standards on the Brazilian Tax Scenario; IASB Updates on International Standards and Integrated Reporting; and SDGs and Sustainability Indicators.

## **2<sup>nd</sup> Tax Day**

Promoted by Anefac, on November 18, the event's theme was "Transparency in tax management", focusing on the need to evaluate factors that can generate repercussions on the reputation and image of large corporations, in a trend that can be observed in several parts of the world, including Brazil.





## Awards

Ibracon also participated in awards that recognize the relevance of Accounting and Independent Audit to the market and academia.

**In 2021, the Institute was represented in the following awards:**

### Anefac-Fipecafi Award - Transparency Trophy 2021

On November 23, the 25th anniversary ceremony of the Anefac-Fipecafi Award - Transparency Trophy, an Anefac initiative, with a technical analysis by Fipecafi, took place. The event highlighted current issues such as the ESG agenda and its impact on the present and future of companies. Ibracon's important role in making companies increasingly transparent in their financial statements and reports stands out.

### Launch of the Maria Clara Bugarim Award

The award, promoted by FBC, was launched on May 6. The objective is to stimulate the theoretical/empirical academic production of professors, researchers and students linked to the postgraduate program in Brazil. The award also pays tribute to Maria Clara Bugarim, president of AIC and Abracicon.

## Celebrations

### 75 years of the CFC/CRCs System

On May 27, CFC promoted a hybrid seminar to commemorate the 75th anniversary of the CFC/CRCs System, created on May 27, 1946, which opened the way for the recognition of the Accounting professional's essential role to economic and sustainable development. The event, which brought together around 300 people, was attended by Valdir Coscodai, president of Ibracon.

### 75 years of CRCSP

On December 17, the Institute honored the celebration of the 75th anniversary of the Regional Accounting Council of São Paulo (CRCSP). On the occasion, the CRCSP Medals were given to Accounting professionals who were notable for the work developed in favor of the accounting class, which, among other professionals, was given to Carlos Augusto Pires, former president of the 5th Regional Section of Ibracon.

### 102 years of Sindcont-SP

On July 19, Ibracon attended the ceremony celebrating the 102nd anniversary of the Union of Accountants of São Paulo (Sindicont-SP). The event brought together leaders of the accounting class and representatives of the political class.

## Tributes

### Federal Accounting Council

On November 17, the chairman of Ibracon's Board of Directors (BD), Francisco Sant'Anna, and the president of the National Board (NB), Valdir Coscodai, were honored at a ceremony from the CFC, for their relevant contributions to the accounting class.

### Accounting Professional's Day at Alesp

On November 22, members of Ibracon's NB and BD attended the Accounting Professional Tribute ceremony held at the Legislative Assembly of the State of São Paulo (Alesp). The president of the National Board, Valdir Coscodai, and the president of the 5th Regional Section (SR), Marco Fabbri, were honored during the solemn session, which was presided over by State Deputy Walter Vicioni (MDB-SP), petitioner of the celebration.

### Accounting Professional's Day at the Federal Senate

The Accounting Professional's Day, on April 25, was celebrated in a special session, on April 30, by the Federal Senate. On the initiative of Senator Izalci Lucas, the ceremony honored the more than 500,000 professionals across the country who, according to the congressman, "are fundamental to leverage the Brazilian economy". Ibracon was represented by Shirley Silva, director of Professional Development at Ibracon Nacional.



# Communication



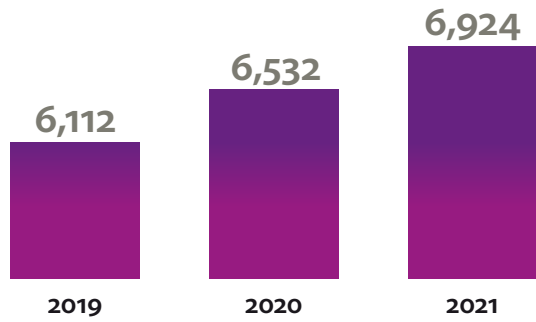
Ibracon believes that communication is a strategic pillar to carry out its institutional mission. It is in this way that knowledge about the relevant role of the Independent Auditors for the country's economic development can reach society. For this reason, the Institute initiated a Strategic Communication Plan to be implemented in 2022 that allows an even greater proximity to its audiences and the approach of increasingly relevant and strategic content. The National Board, the Board of Directors and all Regional Sections of Ibracon act in an articulated manner to position themselves as sources of qualified information, a work that has been achieving positive results, as can be seen in this report.

## Communication

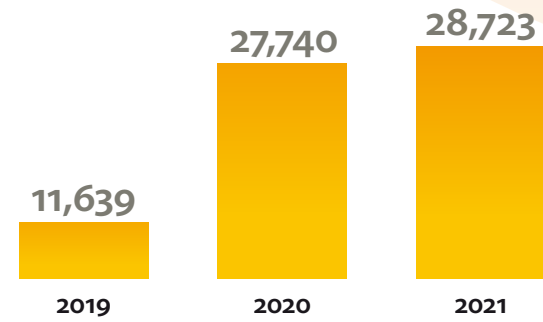
The activities developed by the Communication Area contribute to bringing clarification to all types of audiences. For its achievements over these 50 years, Ibracon has earned the respect of the media, becoming a reliable source of information. Inserted in a dynamic activity, the independent auditor is an agent of global change, from the moment that his or her work involves social, environmental, technological, economic and corporate governance issues. In this way, the Communication Area covers, in a way, all the Independent Audit Banners expressed by Ibracon. Through agenda suggestions, interviews and authorial articles, the Institute highlights the relevance of the activity to society, and the importance of valuing people, promoting their continued development, always working to strengthen the culture of inclusion and diversity.



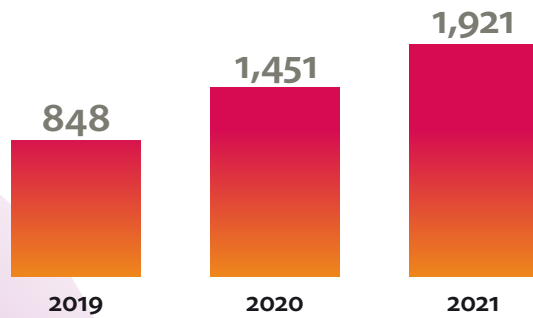
### Number of followers on Facebook



### Number of followers on LinkedIn



### Number of followers on Twitter





## Ibracon Portal

With a total of 359,719 page views in the period from January 1 to December 31, 2021, the Ibracon Portal recorded a peak of almost 60 thousand views in March, almost double the average for other months. This expansion is mainly due to the interest of professionals in registering and participating in training aimed at the public sector, which began in April: 1) Training Program on Brazilian Public Sector Accounting Standards (NBC TSP) carried out by Ibracon, CFC and the National Treasury Secretariat; and 2) Public Sector Audit (NBASP and NBC TASP), carried out by Ibracon, CFC and Instituto Rui Barbosa (IRB).

### Registered users base on the Portal

2019	13,590
2020	13,692
2021	13,761

### Visualizações Portal Ibracon

January	22,981
February	20,063
March	56,596
April	31,052
May	26,559
June	27,316
July	35,752
August	34,097
September	30,713
October	23,850
November	27,736
December	23,004

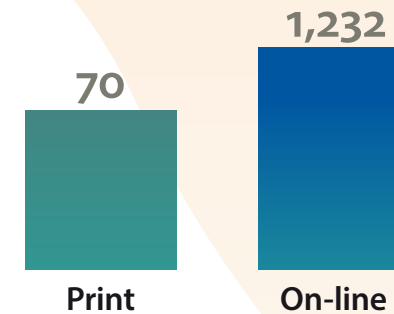


## Press relations meeting

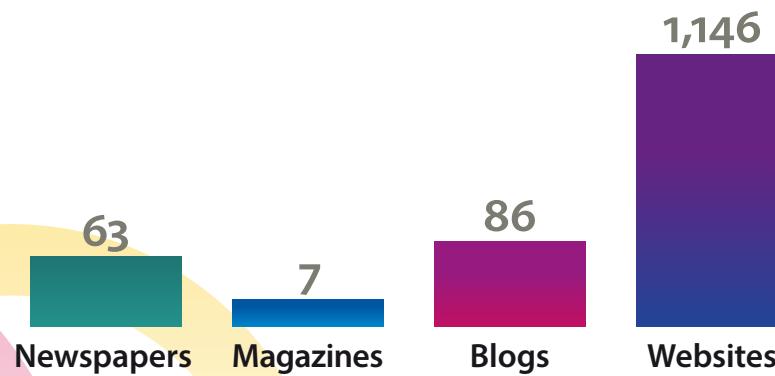
On June 11, the president of Ibracon's National Board, Valdir Coscodai, met with the director of the business journalism group at Editora Globo, Sandra Boccia. The meeting happened via video conference and is part of the Ibracon's relationship actions with the main Brazilian press.

In addition to presenting himself as manager of the National Board for the period 2021-2023, Coscodai addressed priority topics for the Institute such as the ESG agenda; the impact of technology on audit; inclusion and diversity; the role of the independent auditor in fraud prevention and investigation, among others. Ibracon initiatives were also addressed, with emphasis on the Brazilian Conference on Accounting and Independent Audit, the Transparency Journalism Award and webinars.

### Inserts in the press by type of media



### Inserts in the press by type of publication



## Communication Leaders Forum

In May 2021, Ibracon structured the Communication Leaders Forum, a center that brings together some of the main Communication leaders of member audit firms. The objective is to establish a dialog with the main people who influence the development of Independent Audit in Brazil to learn their points of view on Ibracon's communication channels and branding, as well as trends in this market, including new formats and contents that can be considered relevant in the relationship with stakeholders. Based on the insights brought by the members of this Forum, a broad Communication project, having as a milestone the 50th anniversary of Ibracon, was prepared for implementation in 2022. More than 20 meetings were held in 2021, divided among the Working Groups created: Branding WG, Communication Channels WG, Communication WG.

## LinkedIn workshops

Standing out among Ibracon's Communication channels, LinkedIn proved to be a highly relevant social media for Ibracon's strategy. In order to organize the participation of Ibracon's main spokespersons and provide subsidies for a more active stance in this media, Ibracon held two LinkedIn Workshops for members of the Institute's National Board. Raising awareness about LinkedIn was also carried out at a meeting of the Small and Medium-sized Auditing Firms Working Group (WG), with a focus on personal branding, business development and networking.

## Published articles

15 articles were produced, of which 10 were published, from April to December 2021, in some of the main press vehicles. Some of this content, although not published as an authorial text, served as suggestions for topics for the press, in the production of reports on the topics addressed, in which Ibracon was one of the main sources consulted.

- April: The role of the independent auditor in fraud prevention and investigation (by Valdir Coscodai) – Published in O Estado de S. Paulo
- May: What is expected of companies and managers and what is the role of the independent auditor in fraud investigation (by Valdir Coscodai) - Published on the Migalhas portal
- June: The independent auditor in fraud prevention and investigation (by Valdir Coscodai) – Published in Jornal do Comércio
- June: "Governance's G is the crux of the matter (by Valdir Coscodai) – Published in the RH para Você Portal and Estado de Minas
- August: Audits, frauds and market and public opinion expectations (by Valdir Coscodai) – Published in O Estado de S. Paulo
- August: To professional accountants: now is the time to embrace our role as agents of change (by Francisco Sant'Anna) - Published in IFAC and CFC
- October: What to expect from Independent Auditors in the data era (by Valdir Coscodai) – Published in Capital Aberto magazine
- November: Brazil's gains with international public accounting standards (by Valdir Coscodai) – Published in JOTA Portal
- November: Peer review, a response to market demands (by Valdir Coscodai) – Published in Jornal do Comércio
- December: Proposal seeks to define the responsibility of shareholders and investment fund managers (by Valdir Coscodai) – Published in O Estado de S. Paulo

## Revista Transparência

After a ten-year trajectory in the segment of specialized magazines, Revista Transparência ended its editorial cycle in 2021 at number 43, the last to be published, in December. Throughout this time, it has fulfilled its role with excellence as the most important vehicle for the press in its area and a fundamental communication channel for Ibracon, becoming a reference for the Accounting and Independent Audit areas in Brazil and internationally. From now on, Ibracon will publish content in a multiplatform format, in line with the results of a survey carried out by the Institute with its main stakeholders.



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## Acronyms mentioned in this report

**Abrasca** – Brazilian Association of Listed Companies

**AIC** – Inter-American Accounting Association

**Amec** – Association of Capital Market Investors

**Anbima** – Brazilian Association of Financial and Capital Market Entities

**Anefac** – National Association of Finance, Administration and Accounting Executives

**ANS** – National Supplementary Health Agency

**BC** - Brazilian Central Bank

**CFA** – Federal Administration Council

**CFC** – Federal Accounting Council

**Cilea** – Latin Integration Committee of Europe and the Americas

**CPC** – Accounting Pronouncements Committee

**CCRRS** – Regional Accounting Council of Rio Grande do Sul

**CRCSP** – Regional Accounting Council of the State of São Paulo

**CVM** – Brazilian Securities and Exchange Commission

**Febraban** – Brazilian Federation of Banks

**Fipecafi** – Foundation for Accounting, Actuarial and Financial Research

**Glenif** – Group of Latin American Accounting Standard Setters

**IAASB** – International Auditing and Assurance Standards Board (IAASB)

**IASB** – International Accounting Standards Board

**IBA** – Brazilian Institute of Actuarial Science

**IBGC** – Brazilian Institute of Corporate Governance

**Ibrac** – Brazilian Institute of Competition, Consumption and International Trade Studies

**IBRI** – Brazilian Institute of Investor Relations

**IESBA** – International Ethics Standards Board for Accountants

**IFAC** – International Federation of Accountants

**IFRS Foundation** – International Financial Reporting Standards Foundation

**IIA** – Institute of Internal Auditors

**IRB** - Rui Barbosa Institute

**IREE** – Institute for the Reform of State-Company Relations

**IVSC** – International Valuation Standards Council (IVSC).

**Previc** – National Superintendence of Supplementary Pension Funds

**Sescon-SP** – Union of Accounting Service Firms and Advisory, Expert Investigation, Information and Research Firms of the State of São Paulo

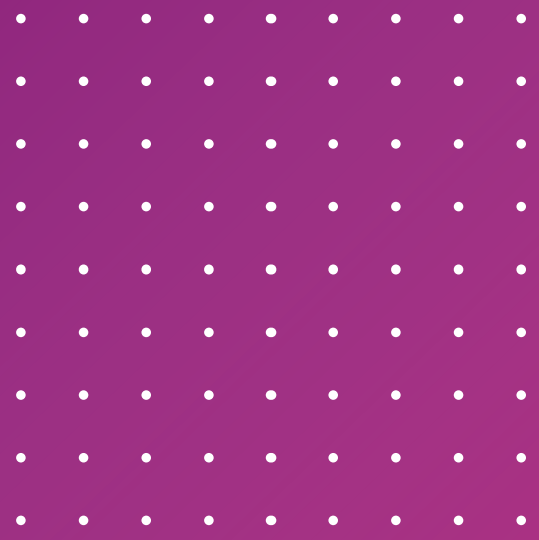
**Sindicont-SP** – Union of Accountants of São Paulo

**STN** – National Treasury Secretariat

**Susep** - Superintendence of Private Insurance

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