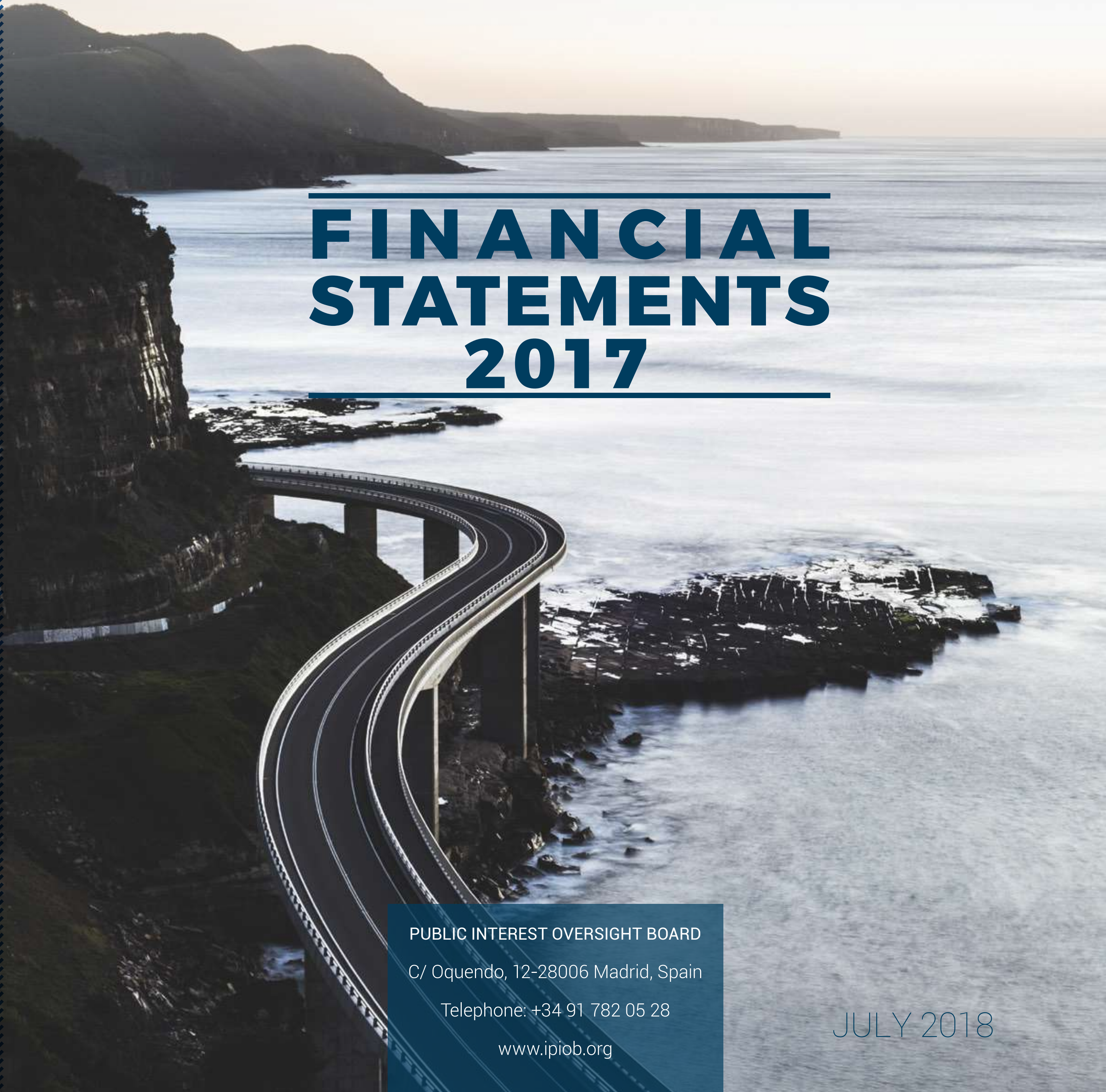
Public Interest Oversight Board

FINANCIAL STATEMENTS 2017



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JULY 2018

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of Fundación Public Interest Oversight Board

Opinion

We have audited the financial statements of Fundación Public Interest Oversight Board (the Foundation), which comprise the statement of financial position as at December 31, 2017, and the statement of financial performance and other comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as at December 31, 2017, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Foundation in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants (IESBA Code)*, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 2 in the financial statements in relation to the Foundation's future funding commitment. Funding from the International Federation of Accountants (hereinafter "IFAC") represents approximately 66% of the Foundation total revenues. On March 14, 2018 IFAC has confirmed the extension of its guarantee for yearly funding in relation to the Foundation's operating expenses up to March, 2020. Our opinion is not modified in respect of this matter.

Other Matter

This independent auditor's report and the accompanying financial statements prepared and presented in accordance with IFRS should not be understood as a statutory auditor's report and statutory financial statements as defined by Spanish Accounts' Auditing Law.

Responsibilities of Secretary General and Audit Committee for the Financial Statements

Secretary General is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs as issued by the International Accounting Standards Board (IASB), and for such internal control as Secretary General determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Secretary General is responsible for assessing the Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Secretary General either intends to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so.

Audit Committee is, according to the Terms of reference of the Foundation Audit Committee, responsible for overseeing the Foundation's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

• Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

• Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control.

• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Secretary General.

• Conclude on the appropriateness of Secretary General's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.

• Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

DELOITTE, S.L.

Cleber H. Beretta Custodio

Madrid, April 20, 2018

STATEMENT OF FINANCIAL PERFORMANCE AND OTHER COMPREHENSIVE INCOME

for the year ended 31 December 2017 (in Euros)

	2017	2016
REVENUE		
International Federation of Accountants Funding (note 2)	1,059,807	914,758
European Commission Funding (note 2)	325,000	318,000
International Organization of Securities Commissions Funding	100,000	100,000
Abu Dhabi Accountability Authority Funding	35,000	120,000
Financial Reporting Council Funding	40,000	40,000
Bank for International Settlements Funding (*)	35,000	23,000
CFA Institute Funding	-	45,000
Interest income (note 2)	29	2,807
TOTAL REVENUE	1,594,836	1,563,565
EXPENSES		
Employee costs (note 7)	806,677	725,241
Travel and meeting costs	328,469	267,054
Technical Committee stipends (note 8)	311,635	316,125
Annual report	5,574	6,033
Occupancy (notes 5 and 14)	36,735	41,000
Telephone	11,015	12,337
Legal and other professional fees	35,302	35,473
Auditor remuneration (note 15)	6,000	6,000
Depreciation and amortization (note 2 and 10)	7,296	8,431
IT Support	34,139	36,294
Ordinary exchange losses	(933)	1,043
Other expenses	31,337	35,483
TOTAL EXPENSES	1,613,246	1,490,514
(Deficit)/Surplus for the year	(18,410)	73,051
Taxation (note 2)	-	-
(Deficit)/Surplus for the year after tax	(18,410)	73,051
Other comprehensive income for the year, net of income tax	-	-
Total comprehensive income for the year net of tax	(18,410)	73,051

(*) In 2017 and 2016 provided through FSB, BCBS and IAIS.

The accompanying notes are an integral part of the financial statements

STATEMENT OF FINANCIAL POSITION

for the year ended at 31 December 2017 (in Euros)

	2017	2016
ASSETS		
Current Assets		
Cash and bank balances (note 9)	849,853	940,872
Accounts Receivable	371,335	351,024
Prepaid expenses	4,451	13,134
TOTAL CURRENT ASSETS	1,225,639	1,305,030
Capital Assets (note 10)	81,994	12,187
TOTAL ASSETS	1,307,633	1,317,217
LIABILITIES		
Current Liabilities		
Accounts Payable (note 4)	119,461	80,690
Accrued Liabilities (note 5)	341,817	249,984
Revenue received in advance (note 11)	227,260	349,038
TOTAL LIABILITIES	688,538	679,712
EQUITY		
Comprehensive income for the year net of tax	(18,410)	73,051
Endowment funds (note 12)	30,000	30,000
Other Reserves	607,505	534,454
TOTAL EQUITY	619,095	637,505
TOTAL LIABILITIES AND EQUITY	1,307,633	1,317,217

The accompanying notes are an integral part of the financial statements

STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2017 (in Euros)

	Comprehensive Income	Other Reserves	Endowment funds	Total
Balance, beginning of year 2016	68,659	465,795	30,000	564,454
Transfers	(68,659)	68,659	-	-
Additions	73,051	-	-	73,051
Balance, end of year 2016	73,051	534,454	30,000	637,505
Transfers	(73,051)	73,051	-	-
Additions	(18,410)	-	-	(18,410)
Balance, end of year 2017	(18,410)	607,505	30,000	619,095

The accompanying notes are an integral part of the financial statements

CASH FLOW STATEMENT

for the year ended 31 December 2017 (in Euros)

	2017	2016
OPERATING ACTIVITIES		
Excess of revenue over expenses (expenses over revenue)	(18,410)	73,051
Non-cash items		
Depreciation of capital assets	7,296	8,431
Decrease (increase) in working capital items (note 6)	(43,912)	17,807
NET CASH GENERATED	(55,026)	99,289
INVESTING ACTIVITIES		
Capital expenditures	(35,993)	(2,638)
NET CASH (USED IN)/GENERATED BY INVESTING ACTIVITIES	(35,993)	(2,638)
NET INCREASE IN CASH AND CASH EQUIVALENTS	(91,019)	96,651
Cash and bank balances, beginning of year	940,872	844,221
CASH AND CASH BALANCES, END OF YEAR	849,853	940,872
CASH AND BANK BALANCES		
Cash and bank balances	849,853	940,872

The accompanying notes are an integral part of the financial statements

1. FUNDACIÓN PUBLIC INTEREST OVERSIGHT BOARD

The Fundación Public Interest Oversight Board ("the Foundation") was constituted on 15 December 2005 under the Foundations Law 50/2002, the Spanish law for not-for-profit foundations. Its founders were the International Organisation of Securities Commissions, the Bank for International Settlements and the International Association of Insurance Supervisors, three international regulatory groups committed to maintaining the stability of the international financial system and operating in the international public interest.

As described in its by-laws, the objective of the Foundation is to strengthen the international financial reporting system through overseeing the standard-setting activities of designated boards of the International Federation of Accountants ("IFAC") and undertaking any other appropriate programs and projects that will contribute to achieving its objective. The Foundation's Board of Trustees is responsible for ensuring that the Foundation operates within its mandate and meets its legal and administrative obligations to the Spanish government. A Technical Committee of the Board is responsible for planning and executing the Foundation's oversight program and related activities. Support for the Board of Trustees and the Technical Committee is provided by the Foundation's Secretariat based in Madrid, Spain.

In addition to its local regulatory responsibilities, the Foundation is operationally and financially accountable to the Monitoring Group. The Monitoring Group consists of a forum of international regulators and other public interest bodies, including two of the Foundation's founding organizations. Such Group monitors the progress of a 2003 program of IFAC reforms in which the Foundation's Technical Committee performs a key public oversight role. The Monitoring Group also approves the Foundation's annual budget.

2. ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and do not correspond to the statutory financial statements of the Foundation as required by the Spanish Law in accordance with the Accounting Plan for Small and medium not –for-profit entities issued by the Resolution of 26 March 2013 of the Spanish Accounting and Auditing Institute (ICAC).

The financial statements are prepared in Euros which is the Foundation´s functional currency.

These financial statements were formulated by the Secretary General of the Foundation on 22 March, 2018.

Financial statements

The Secretary General is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Accounting estimates

Preparation of the financial statements in accordance with International Financial Reporting Standards requires management to make estimates and assumptions that affect the amounts recorded in the financial statements and in the notes to financial statements. These estimates and assumptions are based on management's best knowledge of existing facts and circumstances as well as any current period impact of actions that the Foundation may undertake in the future. Actual results may differ from those estimates.

Change in accounting estimate

On 3 May 2017, the Spanish Supreme Court issued a judgment establishing that any other benefits received by an employee must also be considered in the calculation of any termination payments. Prior to such decision, termination benefits provisions were calculated considering only the base salary, without any benefits.

The contract of the Secretary General of the Foundation includes a termination benefit clause of 45 days salary per year worked that would be paid if contract is terminated by any means.

Given the new legal interpretation, the provision for termination benefit has been updated to consider this new estimate that represented an increase in provision of €64,000 and has been accounted in 2017 following the accounting treatment described in IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors.

New Standards and Interpretations issued

The financial statements have been drawn up on the basis of accounting Standards, Interpretations and amendments effective at the beginning of the accounting period on 1 January 2017.

The Foundation has concluded that there are no relevant Standards or Interpretations in issue that are not yet adopted that will have a material impact on the Foundation's financial statements.

Measurement Base

The statements of financial performance and other comprehensive income, financial position, changes in equity and cash flows have been prepared on the historical cost and an accrual basis with all assets and liabilities valued at amortized cost, unless otherwise stated in the accounting policies.

Foreign currency translation

Foreign currency transactions are accounted for in Euros and translated at the rates of exchange prevailing at the transaction date. Exchange gains or losses on subsequent settlement of related balances are recognised in the income statement when they arise.

Financial instruments denominated in foreign currencies at the balance sheet date are translated to their Euro equivalent at the prevailing foreign exchange rate. Foreign exchange differences arising on translation are recognised in the income statement.

Revenue and cost recognition

Since January 2008, the International Federation of Accountants (hereinafter "IFAC") committed to fund the operating expenses of the Foundation to a limit of EUR 1,317,000 per year, adjusted for inflation, for a period of five years, up to March 2015. This replaces a previous commitment to provide up to US $1,500,000 per year, also for a period of five years, adjusted for both inflation and foreign currency exchange movements.

Since March 6, 2014 IFAC has confirmed their willingness to extend the guaranteed funding on a yearly basis and on March 14, 2018 IFAC agreed to guarantee the full budget of the Foundation for an amount of Euro equivalent of US$ 1.5 million annually until March 2020, which together with additional contributions, such as the European Community grant, allow the Foundation to prepare these financial statements on a going concern basis. However, such IFAC guarantee would cease with immediate effect in the event that a decision to dissolve the PIOB is taken by the governing entity of the PIOB and IFAC shall therefore be discharged of any funding obligation towards the PIOB.

Revenue from IFAC represents almost two-thirds of total revenues (66.45%) and is recognized yearly on an accrual basis according to the yearly related approved revenue budget. In addition, as mentioned in Note 14, the Spanish authorities have committed to make available a grant in kind (the right of use the building) where the Foundation has its headquarters. If such grant in kind would have been considered, the total proportion of IFAC funding to the Foundation would have been 62%.

In September 2009 the European Commission (EC) decided to award a grant to the Foundation for each of the years of the period 2010-2013 to support the Foundation´s work program.

In 2014, the EC awarded a new grant to the Foundation for each of the years of the period 2014-2020, through the Regulation (EU) No. 258/2014 of the European Parliament and of the Council of 3 April 2014. The contribution for the year 2017 is for a maximum of €325,000 or 30% of the eligible costs (€ 318,000 for 2016). The 2017 Grant agreement with the EC establishes that if funding by IFAC reaches more than two-thirds of total funding in 2017 the EC shall limit its contribution for 2017 to a maximum amount of EUR 300,000.

This revenue is recognized on an accrual basis based on the total eligible costs of the program. In addition, the Monitoring Group decided in October 2010 that the funds received from the European Commission as well as any other funding received by the Foundation should replace IFAC´s funding. IFAC contributes to the PIOB budget to the extent necessary to fund the total budget, after taking into account the contributions from all non-IFAC sources to the budget. Therefore, any contribution from IFAC in excess of the amount that results from deducting all non-IFAC contributions from the total approved budget, is recorded as revenue received in advance from IFAC.

Interest income from financial instruments, if any, is recorded as part of revenues on an accrual basis since it is considered as a replacement of IFAC´s yearly funding for the same amount.

Revenue is mainly denominated in Euros.

Operating costs are recognised as an expense when incurred.

Cash and bank balances

The Foundation's policy is to present cash and bank balances together with temporary investments, if any, having a term of three months or less from the acquisition date as cash and cash equivalents.

Capital assets

Capital assets are recorded at cost. Any impairment in the net recoverable amount as compared to the net carrying amount is recognized immediately. Gains and losses on disposal are determined by comparing proceeds with carrying amounts and are included in operating surplus. Repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Capital assets are depreciated over their estimated useful lives according to the following methods and annual rates:

	Methods	Rates
Computer equipment		
IT Equipment and Software	Straight-line	25 %
Furniture	Straight-line	10 % - 20 %

Cash Flow Statement

The following are definitions of the terms used in the cash flow statement:

Cash and bank balances comprise cash on hand, current bank balances and short - term deposits, if any, that can be converted to cash within three months or less.

Operating activities include all transactions and other events that are not investing or financing activities.

Investing activities are those activities relating to the acquisition, holding, and disposal of fixed assets and investments.

Financial instruments

Financial instruments are recognized on the trade date at amortized cost and are derecognized at sales date when the rights to receive cash flows from the instrument expire. At December 31st 2017 and 2016 there were no balances invested in bank deposits.

Liquidity risk:

The Foundation manages its working capital to ensure sufficient cash resources are maintained to meet short-term liabilities.

There are no borrowings or outstanding debt at December 31, 2017.

Credit risk:

As mentioned in note 2, section "Revenue and cost recognition" the European Commission decided to award a grant to the Foundation for the periods 2010-2013, and 2014 - 2020. The amount that remains in the Balance Sheet is mainly related to the 2017 grant that will be paid during 2018.

The Foundation considers that credit risks related to collection of grants from the European Commission are not significant. Also, the Bank where the Foundation holds 97% of its cash and bank balances has been graded at the short – term as an A-2 financial entity.

Currency risk:

The Foundation operates separate bank accounts in Euros. There is no currency risk associated with these balances; therefore the Foundation did not hedge its foreign currency exposure.

Foreign currency transactions are translated to Euros at the date of the transactions.

Fair values:

As at December 31, 2017, the carrying amounts for all financial instruments held by the Foundation approximate to their fair values.

Restrictions on the use of cash and cash equivalents

There are no restrictions on the use of cash or cash equivalents.

Taxation

On 29 March, 2006, the Spanish Parliament passed legislation included within law 4/2006 of 29 March 2006, to specifically exempt the Foundation from Spanish income tax.

Financial interest income is recorded for the gross amount and is also exempt of the applicable taxes.

3. EXPENSES BY ACTIVITY

(in Euros)	2017	2016
Board related operating costs		
Oversight Program (1)	944,466	831,403
Communications and External Relations Program (2)	163,195	176,980
Monitoring Group and Monitoring Group members (3)	175,160	131,255
Foundation Board Meetings (4)	131,079	107,748
Other ongoing operating costs	199,346	243,128
Total expenses	**1,613,246**	**1,490,514**

(1) The core mandate of the PIOB is to provide independent oversight to the Standard Setting Boards (SSBs), Consultative Advisory Groups (CAGs), Compliance Advisory Panel (CAP) and Nominating Committees under its mandate. This activity includes the related costs to comply with this mandate.

(2) Includes the cost of attending meetings with stakeholders other than Monitoring Group members.

(3) Includes the cost of meetings with the Monitoring Group and Monitoring Group members.

(4) This activity includes all the necessary costs to run the Foundation.

4. ACCOUNTS PAYABLE

(in Euros)	2017	2016
Employee Taxes and Social Security	65,863	67,951
Other	53,598	12,739
Total Accounts Payable	**119,461**	**80,690**

The increase in Accounts Payable (Other) is mainly due to an amount of €41,000, which relates to the renewal of audio and video equipment in the board room of the Foundation´s premises. This amount is recorded in Fixed Asset in Progress (Note 10), is a non-cash item and therefore is not presented in our Cash Flow Statement for the period ended 31 December 2017.

5. ACCRUED LIABILITIES

(in Euros)	2017	2016
Occupancy expenses	36,680	41,000
Other accrued liabilities	305,137	208,984
Total Accrued Liabilities	**341,817**	**249,984**

The variation in Other Accrued Liabilities is mainly due to a change in accounting estimate that affects the provision for termination benefits of the Secretary General (Note 2).

6. INFORMATION INCLUDED IN THE CASH FLOW STATEMENT

The increases (decreases) in working capital items are detailed as follows:

(in Euros)	2017	2016
Accounts receivable	20,311	11,781
Prepaid expenses	(8,683)	13,134
Accounts payable	2,339	34,640
Accrued liabilities	(91,833)	(29,554)
Revenue received in advance	121,778	(47,808)
Increases (decreases) in working capital	**43,912**	**(17,807)**

Variations in 2017 on the Accounts Receivable item are mainly related to the increase of the 2017 receivable contribution from the European Commission (€325,000) in comparison to the receivable contribution of 2016 (€318,000).

The reduction in 2017 on the Prepaid Expenses item in comparison to the previous year is mainly due to prepayment in 2016 of hotel for the meeting of the Board Trustees that took place in February 2017. No prepayments of hotels were made at the end of 2017.

The variation in 2017 of Accrued Liabilities items is mainly due to a change in accounting estimate of the Secretary General´s termination benefit provision (Note 2).

The variation in 2017 of Revenue received advance comes from an agreement with IFAC to use €121,778 as IFAC´s funding for 2017.

7. EMPLOYEE COSTS

(in Euros)	2017	2016
Gross Salaries	527,133	520,483
Spanish social security fees	79,882	77,978
Other benefits (1)	106,564	101,456
Other long-term employee benefits (2)	93,098	25,324
Total Employee Costs	**806,667**	**725,241**

(1) Mainly includes pension plan and medical insurance expenses.

(2) Includes provision for termination benefits and the change in the estimate of such provision (see Note 2).

8. TECHNICAL COMMITTEE STIPENDS

Members of the Technical Committee receive fixed annual stipends of €18,750 except for the Chairman of the Committee who receives €112,500 in recognition of his additional leadership responsibilities. All members other than the Chairman are further entitled to variable remuneration of €750 per day of attendance at assigned public interest meetings.

At December 31st, 2017 the Technical Committee is made up of ten members (eight members at December 31st 2016), seven of which are also members of the Trustees` Board (Note 13).

9. CASH AND BANK BALANCES

(in Euros)	2017	2016
Cash and bank balances in Euros	849,853	940,872
Total cash and bank balances	**849,853**	**940,872**

10. CAPITAL ASSETS

(in Euros)				2017	2016
	IT equipment and software	Furniture	Fixed asset in progress	**Total**	**Total**
At the lower of recoverable value and cost					
Balance, beginning of year	53,170	24,098	-	**77,268**	**74,630**
Additions	8,697	-	68,406	**77,103**	**2,638**
Balance, end of year	61,867	24,098	68,406	**154,371**	**77,268**
Accumulated depreciation					
Balance, beginning of year	(44,048)	(21,033)	-	**(65,081)**	**(56,650)**
Depreciation	(6,530)	(766)	-	**(7,296)**	**(8,431)**
Balance, end of year	(50,578)	(21,799)	-	**(72,377)**	**(65,081)**
Net, end of year	11,289	2,299	68,406	**81,994**	**12,187**

The addition in Fixed asset in progress is related to the 33.33 % purchase value and installation costs from the renewal of communications equipment on the Board room of the Foundation and IOSCO´s premises in Calle Oquendo 12, Madrid, since the old communications equipment became technologically obsolete.

11. REVENUE RECEIVED IN ADVANCE

Revenue received in advance at 31 December 2017 of €227,260 (2016 of €349,038) mainly represents funding received from IFAC in advance and in excess of revenues in the approved budget given other third parties contribution (see Note 2).

During 2017, the amount was reduced by €121,778 given a lower cash payment made by IFAC and other Third Parties in comparison to the revenues in the approved budget.

12. ENDOWMENT FUNDS

To meet the minimum legal capital requirements established by Spanish law, the founders (see note 1) collectively provided an initial endowment for 30,000 Euros. Such endowment cannot be used by the Foundation.

13. BOARD

Positions on the Board are voluntary and there is no honorarium paid for any position held. The following persons were members of the Board during the year:

Mr. Eddy Wymeersch	Chairman
Mr. Chandrashekhar Bhaskar Bhave	Board member until 1 March 2017
Mme. Jane Diplock	Board member
Mme. Maria Helena Pettersson	Board member
Mr. Karel Van Hulle	Board member
Mme. Aileen Pierce Gleeson	Board member
Mr. Michael Valentin Holm	Board member
Mr. Jules Muis	Board member from 1 March 2017

14. GOVERNMENT ASSISTANCE

As part of the localisation agreement in Madrid, the Foundation receives the right from the Spanish authorities to use a portion of the premises located at Oquendo 12 for a maximum period of 75 years that shall be renewed every four years. This use is free of charge, except for non-structural maintenance expenses (electricity, water, elevator maintenance, etc). The Foundation renewed the agreement with the Spanish Authorities for a four-year period on September 26, 2011 and September 26, 2015 for an additional four-year period.

The estimated revenue in kind associated to the 33% share to use free of charge of the Oquendo 12 premises is of approximately €128,154 annually, which the Foundation has decided not to record but to disclose in its financial statements.

Such contribution in kind as well as all other non-IFAC contributions received during the year represents approximately 38% of total contribution received during the year.

15. AUDITORS´ REMUNERATION

This note shows the total remuneration payable by the PIOB to its auditors.

(in Euros)	2017	2016
Fees payable for the voluntary audit of PIOB financial statements	6,000	6,000
Total Auditors´ remuneration	**6,000**	**6,000**

16. SUBSEQUENT EVENTS

The Monitoring Group is leading a reform process of the standard setting system in the field of audit, ethics and education for accountants. This process has been subject to a global consultation (Public Consultation: Strengthening the Governance and Oversight of the International Audit-Related Standard-setting Boards in the Public Interest) that among other things request comments about the role and responsibilities of the PIOB.

The first stage of the consultation process started during the first quarter of 2017 and ended in February 2018 with 180 responses from a variety of stakeholders, such as investors, the regulatory community, financial institutions, auditors, audit firms, professional bodies and academia.

In addition, the Monitoring Group arranged four roundtables with stakeholders in January 2018 to discuss the proposed reforms on the standard setting system and announced in February 2018 the establishment of an interim Nominating Committee to select the Chair of the International Auditing and Assurance Standards Board (IAASB) for the 2019-2021 term.

As a result of the current reform process, it is possible that the mandate of the Foundation could be modified.

On behalf of the Foundation, I declare that the statements set out in pages 4 to 7 and the accompanying notes set out in pages 8 to 17 constitute the Financial Statements of the Foundation for the year ended 31 December 2017.

Gonzalo Ramos Puig
Secretary General

Public Interest Oversight Board

PUBLIC INTEREST OVERSIGHT BOARD

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