

### **IFAC Issues Consultation Paper on Heritage Assets**

The International Public Sector Accounting Standards Board (IPSASB) of the International Federation of Accountants (IFAC) is working to improve both the quality and uniformity of financial information reported by public sector entities around the world. In pursuit of this objective, the IPSASB has issued a Consultation Paper entitled Accounting for Heritage Assets under the Accrual Basis of Accounting. The Consultation Paper includes a Discussion Paper, Heritage Assets: Can Accounting Do Better? recently published by the United Kingdom's Accounting Standards Board (ASB).

Accounting for heritage assets is an area of particular interest for governments and public sector entities worldwide. Many assets of significant cultural, artistic and historical importance and outstanding natural beauty are controlled by public sector entities, including items and sites that are emblematic of particular nations. Diverse approaches to accounting for heritage assets have been developed by different standard-setters worldwide.

The IPSASB has decided to benefit from the development work of some national standard setters, where possible, as a starting point in its approach to particular topics. The UK ASB Discussion Paper is a case in point. The proposals in the paper do not necessarily reflect the views of the IPSASB. However, they do suggest potential solutions to challenges in accounting for heritage assets that are likely to be faced in many jurisdictions reporting on the full accrual basis or in the process of migrating to that basis.

The IPSASB Consultation Paper provides the international financial reporting community with the opportunity to respond to approaches that are being considered by the national standard setter. Responses received will be considered by the IPSASB as it commences its own due process.

Comments are requested by June 30, 2006. The Consultation Paper may be viewed by at the IFAC website [www.ifac.org](http://www.ifac.org). Comments may be submitted by email to [publicsectorpubs@ifac.org](mailto:publicsectorpubs@ifac.org).

### **Assurance Aspects of Sustainability Reporting Guidelines**

The unprecedented growth in population and consumption, global resource depletion, and broadening expectations regarding social and environmental accountability are among the reasons for an increased focus on sustainability by leaders worldwide. Given the increasing role of accountancy firms in preparing assurance reports on sustainability, the IFAC has issued a consultation paper that explores the assurance aspects of the Global Reporting Initiative's (GRI's) proposed new Sustainability Reporting Guidelines (G3). Last month, the GRI, which develops and disseminates global reporting guidelines on the economic, environmental and social performance of organisations, released draft new guidelines designed to enhance the comparability, clarity, ease of use, and assurability of sustainability reports. The IFAC consultation paper, Assurance Aspects of G3 - The Global Reporting Initiative's 2006 Draft Sustainability Reporting Guidelines, explores issues in the proposed G3 Guidelines that specifically relate to assurance reporting.

The consultation paper seeks to stimulate interest among professional accountants in the GRI's proposed new reporting guidelines - especially those aspects related to assurance reporting; to encourage accountants to review and provide comments to the GRI; and to gauge whether G3 would be suitable as criteria for assurance engagements. The paper is aimed primarily at professional accountants with some familiarity with sustainability assurance and assumes certain knowledge of GRI Guidelines, the IAASB's assurance framework and ISAE 3000.

The IFAC consultation paper can be downloaded from its website at <http://www.ifac.org/store/>. IFAC has sought comments from member bodies as well as professional accountants in business and public practice by March 31, 2006. For more information, to download the G3 Guidelines and to submit comments, visit <http://www.grig3.org>.

*“Small Opportunities are Often the Beginning of Great Enterprises”*

## **Accountancy Bodies For Stronger Governmental Accountability and Enterprise Governance**

At a meeting hosted by the IFAC in London, chief executives of accountancy organisations worldwide have expressed a strong desire for improvements in the quality of governmental financial reporting and financial management and recognised the benefits this would generate for all taxpayers in all countries.

IFAC convened the meeting with 35 of its member organizations and regional accountancy organisations to discuss strategic priorities for the profession over the next five to 10 years. Participants agreed that the international profession must take a strong role in advocating that governments should follow standards in line with those to which they expect companies in the private sector to adhere and, in particular, to promote the use of IFAC's International Public Sector Accounting Standards as a means to strengthen governmental financial accountability.

The group also agreed that there was a strong need to strengthen enterprise governance, through, for example, greater numbers of professional accountants on Boards and in CFO positions. This, in turn, can contribute to enhanced corporate performance and economic growth and development. Another critical issue requiring the attention of the global profession is the recruitment, training and retention of accountancy professionals.

## **Auditing Welcomes More Indian Graduates in South Africa**

The number of qualified black, Indian and coloured auditors and Chartered Accountants in South Africa is slowly increasing, statistics show. The results of a recent Public Accountants' and Auditors' Board (PAAB) exam, one of two exams taken after seven years of study, show that 57% of the black, Indian and coloured candidates passed. Board CEO Kariem Hoosain says that the number of non-white auditors has more than doubled from 361 in 2000, to 747 last year. Successful candidates can choose whether to register as chartered accountants or auditors. While the pass rate of 57% may seem low, the overall pass rate was just 63%, with only 66% of white candidates passing.

*(Business Daily)*

## **European Auditors Call For Halt To Auditor Independence Reforms**

A halt to reforms on auditor independence has been called for by Europe's accountants, in order to give recently introduced standards time to bed down. A survey by the European Federation of Accountants (FEE) has found that while improvements in auditing ethics are beginning to take hold, further time is needed for the changes to be fully incorporated before any additional improvements are put forward.

The survey of FEE member bodies found that over three quarters of EU member states have now adopted the principles of the EU's Recommendation on Independence, which endorses a principles-based threats and safeguards approach to independence.

*(Accountancy Age)*

## **Unskilled Accountants Expect Pay Raise in China**

Local finance professionals are expected to see their salaries increase by 6 to 10 per cent this year, but they still need to further improve their professional skills, according to the latest payment and competence report for financial professionals. The Shanghai Office of the Association of Chartered Certified Accountants teamed up with Mercer Human Resource Consulting to survey 53 multinational employers and 297 financial workers about their attitude towards payment and professional competence. About 64 percent of workers without a professional qualification, from organizations such as the ACCA or Chinese Institute of Certified Public Accountants, earned no more than 100,000 yuan (US\$12,346) a year, according to the survey.

*(Shanghai Daily)*

*“Cheerfulness Greases the Axles of the World”*