

**IPSASB Proposes New Reporting Requirements for Non-Exchange Revenue**

Taxes are the major source of revenue for most governments but internationally agreed requirements for accounting for them in general purpose financial statements have not yet been developed. To deal with this major gap in international accounting requirements for governments, the International Public Sector Accounting Standards Board (IPSASB) of the International Federation of Accountants (IFAC) has issued a proposed standard on the financial reporting of revenue from non-exchange transactions, including taxes and transfers. The exposure draft (ED) of the proposed International Public Sector Accounting Standard (IPSAS), Revenue from Non-Exchange Transactions (Including Taxes and Transfers) deals with a range of matters critical to government financial reporting of taxes, including the basis on which a wide range of taxes should be recognised and how they should be measured. The ED also addresses accounting for other major sources of non-exchange revenue for public sector entities, including transfers from other governments and international organisations, and gifts and donations. The ED also provides guidance on how conditions and restrictions on the use of transferred resources are to be reflected in the financial statements.

Details are available at IFAC website [www.ifac.org](http://www.ifac.org).

**Accountants' Starting Pay Jumps to £45,000 in U.K.**

The starting salaries for Chartered Accountants in the United Kingdom have grown by up to 10 per cent in less than a year, according to the head of a leading Scottish industry body. The Institute of Chartered Accountants of Scotland (ICAS) has estimated that the average salaries for members less than three years after qualification were between 7.5 and 10 per cent higher than they were a year ago. Newly qualified chartered accountants could now expect an entry salary of about £45,000 working for one of the "big four" firms in London, while those in Aberdeen could expect to earn more than £40,000, and those in Scotland's Central Belt more than £35,000. "The market for accountancy services has been very strong throughout 2005 and that is expected to continue throughout 2006," Hudson said.

([www.accountancy-age.com](http://www.accountancy-age.com))

**IAASB Proposes Enhanced Requirements for Auditors to Consider Related Parties**

The involvement of related parties, such as directors, owners, and management, in major corporate scandals has forced the International Auditing and Assurance Standards Board (IAASB) of IFAC to review its current auditing standard on the subject. The IAASB has issued an exposure draft (ED), proposed International Standard on Auditing (ISA) 550 (Revised), Related Parties, as a result of its review, and has invited comments on proposed requirements for auditors regarding the audit of related party relationships and transactions. The current standard requires the auditor to perform certain specified procedures. The proposed standard would extend current practice by requiring the auditor to obtain an understanding of the nature and business rationale of an entity's related party relationships and transactions sufficient to identify, assess and respond to the risks of material misstatement resulting from them. It also places greater emphasis on difficult task for auditor of attempting to identify related party relationships and transactions not identified or disclosed by management. The proposed standard places new emphasis on evaluating the effects of related party relationships and transactions on financial statements, even in circumstances where financial reporting framework does not establish related party accounting or disclosure requirements.

([www.ifac.org](http://www.ifac.org))

### **Hot Jobs in 2006: Accountants, IT**

Surging business investment will drive U.S. job growth this year boosting hiring of the accounting professionals. Forecasters surveyed by the Blue Chip Economic Indicators say some 176,000 jobs a month will be added to payrolls in 2006, slightly above last year's 168,000 jobs. A number of sectors that will see a gain in jobs, starting with financial services," says Monster International Group President Steve Pogorzelski. Increased regulation in the wake of corporate scandals will continue to drive demand for accountants -- one of the hottest jobs in 2005 -- but financial planners will also be sought as boomer retirement planning hits high gear.

(Reuters)

### **IFAC Focuses on Corporate Conduct; Issues New Guidance on Developing Codes of Conduct**

Recognising the critical role of ethical values and standards on protecting the public interest, the IFAC has developed new proposed guidance for corporate accountants and management worldwide. It has issued an exposure draft, Guidance for the Development of a Code of Corporate Conduct, proposing guidance to assist professional accountants and others in establishing and implementing codes of conduct in their organisations. The exposure draft may be viewed at the web-link <http://www.ifac.org/EDs>.

The proposed guidance highlights the benefits of an effective code of conduct and identifies the professional accountant's role in the development, monitoring, reinforcement, and reporting of such codes in their organisations. To assist in the creation of codes of conduct, the guidance includes information on presentation and content, organisational and management challenges, and implementing a code of conduct in a global organisation. The new guidance identifies a three-stage approach to the development and implementation of codes of conduct: managing for compliance, managing stakeholder relations and creating a values-based organisation, in which the values and principles permeate the organisation and are enduring.

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