

## IFAC brings out two key handbooks of 2005 series

The International Federation of Accountants' has come out with two important 2005 series publications — '2005 Handbook of International Auditing, Assurance, and Ethics Pronouncements' and the '2005 Handbook of International Public Sector Accounting Pronouncements'.

Featuring all the pronouncements issued by the IAASB and the Ethics Committee since December 31, 2004, the handbook of International Auditing, Assurance, and Ethics pronouncements is available in print and in several electronic formats through IFAC website (<http://www.ifac.org/>) at a price.

The pronouncements in the handbook include 'International Standards on Auditing and International Standards on Review Engagements, which deal with audit and review of historical financial information.

Additions to this year's handbook include, two new quality control standards, 'ISA 240 The Auditor's Responsibility to Consider Fraud in an Audit of Financial Statements', 'ISA 300, Planning an Audit of

Financial Statements'; and the recently released 'ISA 700 (Revised); the Independent Auditor's Report on a Complete Set of General Purpose Financial Statement. The 'ISA 701, Modifications to the Independent Auditor's Report' is also a new addition in the handbook. In addition, the handbook contains standards that have been updated to conform to the IAASB's Audit Risk Standards issued in 2003.

The 2005 Handbook of International Public Sector Accounting Pronouncements features all International Public Sector Accounting Standards (IPSASs) issued as of December 31, 2004, including two new standards issued in 2004 — the Cash Basis IPSAS, *Financial Reporting Under The Cash Basis of Accounting*, and IPSAS 21, *Impairment of Non-Cash-Generating Assets*. The PDF version of the handbook can be downloaded from IFAC's online bookstore free-of-charge. The new edition of this handbook also includes an updated glossary of terms, summary of occasional papers and studies, and a selected bibliography.

### New Report on Convergence Activities for PSFRS released

As part of its programme to support convergence of International Public Sector Accounting Standards (IPSASs) and statistical bases of financial reporting where appropriate, IFAC has released a research report that identifies differences in the requirements of IPSASs and statistical reporting models. The report also makes recommendations for standard-setting bodies and other key organizations.

The report titled *International Public Sector Accounting Standards (IPSASs) and Statistical Bases of Financial Reporting: An Analysis of Differences and Recommendations for Convergence*, aims to reduce confusion for users of public sector financial reporting caused by the differences between accounting and statistical models of financial reporting.

The report provides useful

input to the long-term convergence programmes and opportunities for a number of bodies. The report includes a matrix that identifies and explains key differences between accounting and statistical models of financial reporting as of June 30, 2004, and recommends a process of convergence to reduce those differences. The report is available at the IFAC website.

### 'Common Convergence Language' to be a reality

Over 163 accountancy organisations have committed to the need for greater clarity around international financial reporting standards through the robust application of a common language. The agreement was made during the IFAC meeting, with the CEOs of a number of its member organisations, hosted in London recently.

In view of the critical importance of standards that can be effective

for small and medium sized enterprises the group unanimously agreed that efforts should be made to improve the language of international standards to facilitate convergence, especially in countries where the standards will apply more to smaller enterprises than to multinationals.

The group also agreed to support more rapid development of narrative reporting to achieve greater transparency and more integrity in corporate reporting and establish an international forum, addressing audit quality, with investors, regulators and others;

It was also decided to reinforce the role of professional accountants with respect to corporate governance, building on the work of the Organisation of Economic Cooperation and Development (OECD) and the Task Force on Rebuilding Public Confidence in Financial Reporting.

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

## ICAEW for more CAs in large businesses

The Institute of Chartered Accountants in England & Wales (ICAEW) has urged big companies to employ professional accountants as finance directors. The appeal came in the wake of a summit of leading international accountancy bodies in London recently. The ICAEW has also desired that all Chartered Accountants associated with it must undertake rigorous ethical training and professional development, which makes them well qualified to ensure that integrity and transparency remain at the heart of financial reporting.

Eric Anstee, Chief Executive of ICAEW has said: "Chartered Accountants have a great deal to

contribute to big businesses, in particular by helping to raise standards and levels of professionalism at the workplace. As such, they are increasingly taking a leading role in promoting ethical corporate behaviour and reputation management.

"With the implementation of International Accounting Standards this year, Chartered Accountants are at the forefront of the drive to improve confidence in financial reporting. Professionally-trained accountants not only provide expertise and judgment, but also promote an ethical approach in the boardroom."

([www.icaew.co.uk](http://www.icaew.co.uk))

## CAPA unveils new study

The Confederation of Asian and Pacific Accountants has come out

with a new research report for the benefit of regional accountants. Titled "*Competent Professional Accountants And The Challenges For Professional Accountancy Bodies: A Case Study*", it imparts crucial lessons in the way forward for implementing a successful competence-based approach in professional accounting education. The study finds out how the proactive efforts of professional bodies within the national jurisdictions and an active collaboration with the stakeholders in the education process can make the accounting education more effective. The study report can be downloaded from CAPA website.

([www.capa.com](http://www.capa.com))

## NEW PUBLICATION

### Technical Guide on Accounting and Auditing in Housing Finance Companies

The Research Committee of the Institute of Chartered Accountants of India has published 'Technical Guide on Accounting and Auditing in Housing Finance Companies'. The Guide provides an insight into the general functioning of Housing Finance Companies (HFCs) and the methods of accounting and auditing peculiar to them. The Guide also discusses major risks faced by HFCs, statutes applicable to HFCs along with the other relevant regulatory aspects of HFCs that may be useful in the audit of a housing finance company. The Guide contains a separate chapter on Internal Control Aspects which discusses the control aspects having a

direct bearing on the leakage of revenue and on the safeguarding of assets in an HFC. One of the appendices to the Technical Guide contains full text of the NHB directions applicable to housing finance companies, including the format of returns and reports to be submitted by the management and auditor of an HFC on a periodic basis. The appendices to the Technical Guide also include list of records and documents generally collected by HFCs for lending operations and details of penalties that may be imposed on an HFC under the NHB Act.

The Technical Guide is priced at Rs. 140/- and is available for sale at the sale counter of the Institute at New Delhi as well as at its regional offices located at Chennai, Mumbai, Kolkata and Kanpur. It may also be obtained by unregistered parcel by paying postal and handling charges of Rs. 19/- (Rs. 17/- may be added extra, if required by registered parcel).

