

New Publication from IFAC Helps Professional Accountants Implement Effective Business Reporting Processes in Organisations

Principles for Effective Business Reporting Processes, new International Good Practice Guidance from the Professional Accountants in Business (PAIB) Committee of the International Federation of

Accountants (IFAC), helps organisations enhance their reporting processes. This guidance was written for all organisations, regardless of their size or structure, private or public, to address the need for effective reporting processes to produce high-quality reports. Professional accountants in business are often involved in the implementation—including design, planning, execution, audit, evaluation, and improvement—of their organisations' reporting processes. The key issues they need to address when implementing effective reporting processes in their organisation are discussed in the guidance. At the heart of the new guidance are 11 key principles for evaluating and improving business reporting processes. These principles are complemented by practical guidance that outlines the critical arrangements that need to be in place for effective business reporting.

The guidance also includes a limited list of relevant resources from IFAC, its member bodies, and other relevant organisations. It can be downloaded free of charge from www.ifac.org/paib.

(Source: <http://www.ifac.org/>)

IAESB Issues Revised IES 5, Initial Professional Development—Practical Experience

The International Accounting Education Standards Board (IAESB) has issued the revised International Education Standard (IES) 5, *Initial Professional Development—Practical Experience*. IES 5

aims to assist educational organisations, employers, regulators, government authorities, and any other stakeholders who support the practical experience of professional accountants. The revised IES 5, which is effective from 1st July, 2015, recognises that practical experience is relevant in developing the competence of an aspiring professional accountant. Also, promoting greater flexibility in measuring practical experience; permitting practical experience supervisors to direct, advise, and assist an aspiring professional accountant's experience; and requiring practical experience to be recorded in a verifiable and consistent form is of great relevance. The release of the revised IES 5 represents the fourth IES released by the IAESB in a project to

revise its suite of eight IESs. Recently, IES 1, *Entry Requirements to Professional Accounting Education Programs*, IES 6, *Initial Professional Development – Assessment of Professional Competence*, and IES 7, *Continuing Professional Development* were published in accordance with the clarity drafting conventions outlined in the *Framework of International Education Standards for Professional Accountants* (2009). The current timetable envisages that all IESs will have been revised and redrafted, or redrafted only, by the fourth quarter of 2013.

(Source: <http://www.ifac.org/>)

EC Report Calls IPSASs “Indisputable Reference” for ASB

In its report issued recently, the European Commission found that International Public Sector Accounting Standards (IPSASs) “represent an indisputable reference for potential EU harmonised public sector accounts.” The report highlights that harmonised accruals-based government accounting improves transparency, accountability and the comparability of financial reporting in the public sector. Furthermore, a Commission staff working document that accompanied it discusses the advantages of IPSASs, including that “transparency provided by high-quality accruals standards such as IPSASs also provides for better-informed capital markets, in which government financial activity plays a much greater role than is often acknowledged.” Currently, 15 European Union (EU) Member States incorporate IPSASs to some extent, with nine of these having national standards based on or in line with IPSASs. The European Commission's report will be followed by a conference, “Towards Implementing European Public Sector Accounting Standards,” to be held 29th and 30th May in Brussels.

(Source: <http://www.ifac.org/>)

IAASB Seeks Input on Strategic Review

The International Auditing and Assurance Standards Board (IAASB) recently released an online survey seeking public comment, insights, and views from all stakeholders, to help shape its future direction for 2015 and beyond. It is seeking the input of interested parties at this early stage, to identify key issues for discussion. The survey also asks for feedback on the appropriateness of the IAASB changing its future strategy period to five years (2015–2019) instead of three years as it has done in the past. The IAASB believes that extending its strategy period will enable stakeholders to better understand its medium to longer-term priorities, and provide a suitable context

for decisions on specific initiatives. Responses to the survey will inform the development of a formal consultation paper on the IAASB's Strategy and Work Program for the period commencing 2015. The consultation paper is scheduled to be issued in late 2013. The Board invites all stakeholders to complete the online survey. To access the survey, visit the IAASB's website at www.iaasb.org. Comments are requested by 7th May, 2013.

(Source: <http://www.ifac.org/>)

Global Accountancy Leaders Identify Major Themes for 2013

The International Federation of Accountants (IFAC), the global organisation for the accountancy profession with 173 members and associates in 129 countries,

recently released the results of its *2012 IFAC Global Leadership Survey of the Accountancy Profession*.

The survey elicited respondents' opinions regarding perceptions of the accountancy profession and the most significant issues facing global accountancy in 2013. Of the 22 issues that were presented for consideration, respondents identified five top concerns: the needs of small and medium-sized practices and small and medium-sized entities; the reputation and credibility of the profession; issues related to the European Union (EU) draft legislation; public sector financial management and sovereign debt issues; and the difficult global financial climate.

(Source: <http://www.ifac.org/>)

IFAC Welcomes G-20 Focus on Public Sector Financial Management, EC Report on Accrual- based Accounting

The International Federation of Accountants recently praised the G-20 Finance Ministers and Central Bank Governors for addressing government borrowing and

public debt sustainability at their recent meeting. It also applauded the European Commission (EC) report, issued this week, which called for "harmonised public sector accruals-based accounting standards" as a tool to build trust and financial stability. The G-20 recap and communiqué state that "in pursuit of our goal of strengthening the public sector balance sheet, work is needed to better assess risks to public debt sustainability.

The EC report states that the sovereign debt crisis has underlined the need for governments to clearly demonstrate their financial stability and for more rigorous and more transparent reporting of fiscal data. It underscores the need for international comparability, as well as governments' public interest obligation to owners of government debt securities, potential

investors, citizens, and other stakeholders, to provide timely, reliable, and comparable information on their financial performance and position, in the same way that listed companies have obligations to equity market participants. In addition, it recognises IPSASs as the only internationally recognised set of public-sector accounting standards, and their foundation in the International Financial Reporting Standards, which are widely applied by the private sector.

(Source: <http://www.ifac.org/>)

Revised Standards Call for Practical Experience as Prerequisite to Accountants' Professional Development

The International Accounting Education Standards Board has issued a set of revised standards for the initial professional development of accountants emphasising that practical experience plays a

key role in developing the competence of fledgling accountants.

International Education Standard 5, Initial Professional Development—Practical Experience aims to assist educational organisations, employers, regulators, government authorities and other stakeholders who support the practical experience of professional accountants. The revised IES 5, which is effective from 1st July, 2015, recognises that practical experience is relevant in developing the competence of an aspiring professional accountant while also promoting greater flexibility in measuring practical experience. The revised standard also permits "practical experience supervisors" to direct, advise and assist an aspiring professional accountant's experience; and requires practical experience to be recorded in a verifiable and consistent way. The IAESB operates under the auspices of the International Federation of Accountants, of which the American Institute of CPAs is a member body. The release of the revised IES 5 represents the fourth standard released by the IAESB as part of a project to revise its suite of eight International Education Standards. Recently, IES 1, Entry Requirements to Professional Accounting Education Programs, IES 6, Initial Professional Development – Assessment of Professional Competence, and IES 7, Continuing Professional Development were published in accordance with the clarity drafting conventions outlined in the Framework of International Education Standards for Professional Accountants (2009). The current timetable envisages that all the education standards will have been revised and redrafted, or redrafted only, by the fourth quarter of 2013.

(Source: <http://www.accountingtoday.com/>)