IPSASB Publishes Exposure Draft on First-Time Adoption of Accrual Basis IPSASs

The International Public Sector Accounting Standards Board (IPSASB) has published *an Exposure Draft (ED 53), First-Time Adoption of Accrual Basis International Public Sector Accounting Standards*. This proposed standard, which is applicable to entities that present accrual basis financial statements during the process of adopting and implementing International Public Sector Accounting Standards (IPSASs), provides exemptions during the transition period. Specifically, ED 53 allows a first-time adopter three years to recognise certain assets and liabilities. This transition period acknowledges that entities may not have comprehensive information about the existence of assets and liabilities, and that considerable effort may be required to identify, measure, and classify assets and liabilities in accordance with IPSASs. ED 53 also allows a first-time adopter to determine a surrogate for acquisition cost or depreciated cost of an asset when reliable information about the historical cost of an asset is not available. ED 53 encourages, but does not require, entities to provide comparative information in their transitional IPSAS financial statements or their first IPSAS financial statements. Where comparative information is presented, ED 53 states that the comparative information should be adjusted retrospectively to the extent that information is available. Where an entity elects not to present comparative information, ED 53 specifies those financial statements that an entity's transitional IPSAS financial statements must, at a minimum, include. The ED states that a reconciliation should be presented in the notes to an entity's transitional IPSAS financial statements or first IPSAS financial statements. A reconciliation is not required where the entity previously applied the cash basis of accounting. A reconciliation is important for users to understand the relationship between information presented under the previous basis of accounting and the IPSAS information. ED 53 identifies those transitional exemptions that impact fair presentation and an entity's ability to assert compliance with accrual basis IPSASs, and separates them from those that do not. The transitional exemptions in ED 53 will replace many of the existing transitional provisions contained in IPSASs. Future IPSASs will only prescribe transitional provisions to address changes to a standard where entities already apply that standard.

(***Source:*** *http://www.ifac.org/*)

Accounting Firms Doing More Lateral Hiring

Lateral hiring of partners and leaders by accounting firms from competing accounting firms is on the rise, according to a new study. The study, by the Consulting Group, found that firms are increasingly spending money on recruiting "heavyweight" partners from other firms in order to accelerate growth. The most lateral partner hires were made in the regions that represent the largest populations of Top 100 firms. Lateral hires in seven states in particular represented 60 percent of the total amount of lateral hires. Tax partners in particular are highly sought after by many firms. Accounting firms are not able to find enough highly qualified tax talent, which is a reversal from the situation several years ago when there was a surge in hiring for experienced auditors as a result of the Sarbanes-Oxley Act of 2002. The study includes charts and infographics showing lateral hires by region, service line, level, gender, industry expertise, technical expertise and firm size.

(***Source:*** *http://www.accountingtoday.com/*)

GASB Offers Accounting Toolkit for Pension Plans

The Governmental Accounting Standards Board has released a new online toolkit to help preparers and auditors of state and local government pension plans implement new accounting and financial reporting standards. The board approved GASB Statement No. 67, Financial Reporting for Pension Plans, over a year ago, changing the old guidance for the financial reports of most pension plans for state and local governments. Pension plans are now required to implement the new accounting standards in fiscal years beginning after June 15, 2013 (for years ending June 30, 2014 or later). However, many local and state government agencies are still struggling to adjust to the new pension plan standards. The new toolkit includes an authoritative guide on implementing GASB Statement 67, a video featuring GASB Chairman discussing the top implementation issues facing pension plans, and a podcast featuring GASB Project Manager discussing the types of pension plans that will be affected by Statement 67 and the most significant changes to accounting and financial reporting for pension plans. The toolkit also provides a background document with answers to frequently-asked questions about Statement 67 and Statement No. 68, Accounting and Financial Reporting for Pensions, along with

a fact sheet answering frequently-asked questions specifically relating to Statement No. 67. There is also an article identifying several areas plan administrators and public officials should consider as they plan, prepare, and collaborate when implementing the new standards. A "Setting the Record Straight" document addresses common misperceptions about the new pension standards. Also included is an executive summary of GASB Statement 67 and the full text. In the coming weeks, more resources will be added to the toolkit, according to GASB, including short videos from GASB staff highlighting the most-asked implementation questions.

(***Source:*** *http://www.accountingtoday.com/)*

FASB Proposes to Simplify Financial Reporting for Development Stage Companies

The Financial Accounting Standards Board has issued a proposed accounting standards update to improve financial reporting about public and private development stage entities. The proposal came in response to recommendations of the Private Company Council at its July 16, 2013 meeting. FASB added a project to its technical agenda to address financial reporting complexity for all organisations in the development stage. A development stage entity is one that devotes substantially all of its efforts to establishing a new business and for which either planned principal operations have not commenced, or planned principal operations have commenced but have produced no significant revenue. Under current U.S. GAAP, development stage entities are required to present the same basic financial statements and apply the same recognition and measurement rules for revenues, startup costs, and other similar costs incurred as required of established operating organisations. In addition, the current accounting standards require development stage entities to present inception-to-date information about income statement line items, cash flows and equity transactions. The proposed update would eliminate the distinction of being a development stage entity—as well as its related disclosure requirements—within U.S. GAAP. This would address stakeholder concerns about the cost and relevance of the additional presentation requirements specific to development stage entities. Many development stage entities with multiple products under development do not intend to ever manufacture a single product, but rather, may periodically sell the research and development to another business. Pharmaceutical, biotechnology and technology industries are most likely to have long-term development stage entities affected by these requirements and it is now common for many of these entities to remain in the development stage for several years or even in perpetuity, FASB noted. FASB is asking stakeholders provide their comments on the proposed update by Dec. 23, 2013. The proposed update—including instructions on how to submit comments—and a FASB in Focus document are available at www.fasb.org.

(***Source:*** *http://www.accountingtoday.com/)*

FASB Votes to Move Ahead on Revenue Recognition Standard

The Financial Accounting Standards Board voted Wednesday to move forward with preparing a final standard on revenue recognition that is expected to be issued during the first quarter of 2014. All Accounting Today articles are archived after 7 days. For unlimited access to all recently archived articles, as well as thousands of searchable stories register at http://www.accountingtoday.com/register/default.htm. Registered Members also gain access to exclusive industry white paper downloads, web seminars, podcasts, blog discussions, and conference discounts and may also choose to receive our exclusive Tax Pro Today e-newsletters covering the latest breaking news, opinions from industry leaders and developing trends.

(***Source:*** *http://www.accountingtoday.com/)*

PCAOB establishing Center for Economic Analysis

The PCAOB is establishing a Center for Economic Analysis to advise the board on how economic theory, analysis, and tools can enhance the effectiveness of the board's programs. University of Chicago economist will be the founding director of the center, which will promote and encourage economic research related to the role of the audit in capital formation and investor protection. The center will host a 2014 conference on economic research related to the role of the audit in capital markets, and will call soon for research reports to be presented at the conference.

(***Source:*** *http://www.journalofaccountancy.com/)*