

IAESB Proposes Revised Standard on Professional Competence of the Audit Engagement Partner

The International Accounting Education Standards Board (IAESB) recently released for public exposure a proposed revision of *International Education Standard (IES) 8, Professional Competence for Engagement Partners*

Responsible for Audits of Financial Statements. A revised draft of IES 8 was exposed for public comment in August 2012 and as a result, the IAESB has made substantial changes to the content of IES 8. The revised standard now focuses on the professional competence requirement for engagement partners who have responsibility for audits of financial statements. IES 8 is primarily aimed at IFAC member bodies, but recognises the shared responsibilities of engagement partners, public accounting firms, and regulators as part of the system of quality control for engagement teams performing audits of financial statements. The proposed revision of IES 8 will also be of interest to employers, government authorities, educational organisations, and any other stakeholders who support the learning and development of professional accountants. The IAESB recognises that continuing professional development is required for professional accountants to develop and maintain the competence to perform the role of an engagement partner. Accordingly, the IAESB is proposing learning outcomes that engagement partners need to demonstrate in areas relating to technical competence, professional skills, and professional values, ethics, and attitudes. As the career of an engagement partner progresses, practical experience also becomes increasingly important in maintaining and further developing the necessary depth and breadth of professional competence. As part of its initiative to improve the clarity of its standards, the IAESB is redrafting all eight of its IESs in accordance with its new drafting conventions. The revision of IES 8 builds upon educational requirements stated in the revised: IES 2, Initial Professional Development–Technical Competence; IES 3, Initial Professional Development–Professional Skills; IES 4, Initial Professional Development–Professional Values, Ethics, and Attitudes; IES 5, Initial Professional Development–Practical Experience; and IES 6, Initial Professional Development–Assessment of Professional Competence.

Under the current timetable, the IAESB anticipates that all IESs will have been revised

and redrafted, or redrafted only, by Quarter 4 of 2014.

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

IFAC Welcomes Release of International Integrated Reporting Framework

The Framework is an opportunity for organisations to improve the quality of information provided about governance, strategy, prospects, and performance that reflects the commercial, social, and environmental contexts

within which they operate. It enables them to engage with investors and others and focus on value creation over time. Ultimately, it will contribute to a more financially stable global economy and is a force for sustainability. It will bring cohesion, technical rigor, and efficiency to a process that has grown organically and through market pressure over the last three years. Organisations that are able to adopt “integrated thinking” will benefit by breaking down internal silos and reducing duplication. Finance and accounting leaders need to act as change agents in their organisations and facilitate integrated thinking across the organisation so that integrated reporting can be successful. These leaders have a crucial role in putting their organisations on a path of sustainable performance.

As a co-founder of the IIRC, IFAC has played a central role in the development of the IIRC and the Integrated Reporting Framework.

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

IAASB Enhances Standard for Assurance Engagements

In today’s global economy, there is strong public interest in high quality, relevant assurance on information beyond the audit or review of financial statements.

Recognising this, the International Auditing and Assurance Standards Board (IAASB) recently released an updated and enhanced *International Standard on Assurance Engagements (ISAE), titled ISAE 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*, which addresses a broad range of assurance engagements. ISAE 3000 (Revised) covers a wide variety of engagements, ranging from assurance on statements about the effectiveness of internal control, for example, to assurance on sustainability reports and possible future engagements addressing integrated reporting. The standard covers both reasonable and limited assurance engagements, and introduces guidance designed to help readers better understand these two

levels of assurance. Accompanying the release of ISAE 3000 (Revised) are conforming amendments to the International Framework for Assurance Engagements; ISAE 3402, Assurance Reports on Controls at a Service Organisation; ISAE 3410, Assurance Engagements on Greenhouse Gas Statements; and ISAE 3420, Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus.

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

IASB Seeks Comment for Annual IFRS Amendments

The International Accounting Standards Board recently published for public comment an exposure draft of five proposed amendments to four International Financial Reporting Standards under its annual improvements project. The project provides a process to efficiently deal with a collection of narrow-scope amendments to the IFRS. The proposed amendments address issues discussed by the IASB in the project cycle that began in 2012. They also meet the criteria for the IASB Due Process Handbook's annual improvements process, which help decide whether a matter relating to the clarification or correction of IFRS should be addressed using the process. The proposed effective date for the amendments is for annual periods beginning on or after Jan. 1, 2016, with the IASB proposing the entities would be permitted to apply them earlier. The IASB requests comments on the exposure draft, Annual Improvements to IFRSs 2012-2014 Cycle, which can be accessed on the project website or on the "comment on a proposal" page at www.ifrs.org, by March 2014.

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

IFAC Releases Guide to Review Engagements

Global accounting organisation the International Federation of Accountants released, in conjunction with CPA Canada, a guide for professional accountants conducting review engagements in compliance with International Standard on Review Engagements. The *Guide to Review Engagements addresses ISRE 2400 (Revised)*, effective for periods ending on or after Dec. 31, and is especially geared to accountants operating in small- and medium-sized practices. The guide includes illustrative examples, relevant extracts from the standard, practical points for practitioners' consideration, tips on efficiently implementing the standard, and checklists and forms that can be adapted to meet particular requirements and circumstances. To assist IFAC member organisations, the SMP committee has also updated its Companion Manual,

a supplementary user guide of the committee's implementation guides.

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

FASAB seeks feedback on annual report

The Federal Accounting Standards Advisory Board (FASAB) is seeking stakeholders' feedback on its *Annual Report for Fiscal Year 2013 and Three-Year Plan*. The report highlights the board's efforts and accomplishments for fiscal year 2013, provides information about current projects, and describes research projects the board hopes to address soon. The document also identifies potential projects considered by the board, but which are not rated a priority. The board asked for comments on the report by Jan. 31, 2014. The board plans to consider the feedback in its agenda-setting discussion in early March.

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

Accounting Ethics Standard-Setter Plots Future Strategy

The International Ethics Standards Board for Accountants recently released for public consultation a proposed strategy and work plan for the next five years. The IESBA's *Proposed Strategy and Work Plan, 2014-2018* builds on the foundation established by the revised Code of Ethics for Professional Accountants that the board issued in July 2009 clarifying requirements for accountants and significantly strengthening independence requirements for auditors. The consultation paper lays out four proposed strategic themes to reflect the IESBA's vision for the medium to longer term and to guide its work plan of the IESBA over the five-year period. Among the priorities are maintaining a high-quality code of ethics for application by professional accountants globally; promoting and facilitating the adoption and effective implementation of the code of ethics; evolving the code of ethics for continued relevance in a changing global environment; and increasing engagement and cooperation with key stakeholders. The consultation paper includes four work streams that the IESBA agreed to pursue in early 2012 in response to a strategic review of external developments. Those include a review of the provisions in the code of ethics addressing non-assurance services and long associations of senior personnel with an audit client, with respect to independence; a review of the structure of the code with a view to enhancing its usability and accessibility; and a review of Part C of the code addressing professional accountants in business.

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