

Largest Annual Global SMP Survey Is Now Open

The International Federation of Accountants (IFAC) is conducting the 2016 IFAC Global SMP Survey in 23 languages. The survey is the largest annual global survey of accountants operating in small- and medium-sized practices (SMPs). It will remain open till November 30, 2016. The survey is expected to yield valuable insights into the global SMP community, which provides services to small- and medium-sized entities (SMEs), commonly known as the “engine rooms” of the global economy. The survey helps IFAC and its members gain an understanding of the specific challenges and opportunities faced by SMPs and SMEs globally, and as a result, help better serve this critical constituency. For more details you may visit IFAC website at www.ifac.org.

New IAESB Guidance Promotes Awareness and Application of IAE Entry Requirements

The International Accounting Education Standards Board (IAESB) has recently released new materials in support of its recently revised International Education Standard (IES) 1, *Entry Requirements to Professional Accounting Education Programs (2014)*. The support materials include, A Guidance paper, FAQs, Illustrative examples, perspectives on IES 1. In addition to an overview document, the following support materials are now available:

- **A guidance paper** addressing what needs to be considered in setting educational entry requirements to professional accounting education programs, and what information can assist individuals considering a career as a professional accountant;
- **Frequently Asked Questions** explaining terminology and concepts contained in IES 1;
- An illustrative example of factors that an organisation may consider when setting educational entry requirements to professional accounting education programs; and
- **Perspectives on IES 1** describing the range of factors that could influence an individual’s successful completion of a professional accounting education program.

These materials are intended to help professional accountancy organisations and other accounting education providers, including universities, governments, and international donor agencies, understand and implement IES 1. This, in turn, supports improved accountancy education in the public interest. *“International Education Standard (IES) 1 sets out an*

inclusive approach to the accounting profession, such that entry requirements target admittance to those with a reasonable chance of successfully completing the professional accounting education program,” said Chris Austin, Chair of the IAESB.

IFAC and ICAEW Release Joint Report—*From Crisis to Confidence: Good Regulation, Governance, and Culture*

The International Federation of Accountants (IFAC) and Institute of Chartered Accountants in England and Wales (ICAEW) have recently released a new joint report: *From Crisis to Confidence: Good Regulation, Governance, and Culture*. The report is the outcome of a roundtable discussion convened by IFAC and ICAEW in July 2016 that brought together 50 UK and EU chief and senior executives from business and regulatory bodies. The executives met to discuss and debate how the global regulatory environment can be enhanced—with an ultimate goal of improving confidence in the financial and capital markets, business, and government.

“The expertise of the roundtable’s participants makes their clear and candid call for stronger organisational governance all the more important. At a time when we are seeing citizens express a deepening mistrust of government and institutions through the political process, reframing the thinking around how to develop smart and effective regulation is vital,” said IFAC Chief Executive Officer, Fayez Choudhury. Michael Izza, ICAEW Chief Executive, said, *“Although regulation is only one piece of the puzzle, we cannot rebuild trust unless society has faith that those regulations protect the public interest. This trust is undermined when the rules are too complex, too fragmented, or their purpose is unclear”*. The full report, *From Crisis to Confidence: Good Regulation, Governance, and Culture*, is available on the IFAC website.

IESBA Releases Handbook on Code of Ethics for Professional Accountants, 2016

The International Ethics Standards Board for Accountants (IESBA) of the IFAC has recently released a handbook titled *Code of Ethics for Professional Accountants 2016*, which replaces the 2015 edition of the IESBA Handbook. It contains the entire Code of *Ethics for Professional Accountants* (the Code). This edition includes two new sections—225 and 360, and conforming amendments to other sections—addressing professional accountants’ responsibilities when they become aware of non-compliance with laws and regulations (NOCLAR). Changes regarding

International Update

NOCLAR will be effective July 15, 2017. Early adoption of NOCLAR is permitted. See NOCLAR standard, supporting documents, and guidance on the IESBA site <https://www.ethicsboard.org>. Web based version of the handbook has also been launched on this site.

Significant Global Accountancy Profession Appointments Announced by IFAC

The International Federation of Accountants (IFAC) has recently announced the appointments of three members of the global accountancy profession to lead important committees supporting the profession: Monica Foerster as Chair of the Small and Medium Practices (SMP) Committee; Arjuna Herath as Chair of the Professional Accountancy Organisation (PAO) Development Committee; and Charles Tilley for a second term as Chair of the Professional Accountants in Business (PAIB) Committee. Their appointments for three-year terms have been approved by The IFAC Board, beginning from January 1, 2017.

IFAC Report Highlights Role of SMPs in Providing Business Support to SMEs

IFAC has recently come out with an informative report on Role of SMPs in Providing Business Support to SMEs. The report is based on IFAC-commissioned research from the Bucharest University of Economic Studies and the University of Dayton. There is an important relationship between small- and medium-sized practices (SMPs) and their clients—primarily small- and medium-sized entities (SMEs). The report examines the key drivers of the advisor-client relationship, demand and supply of business advisory services, the growth implications for SMPs and how professional accountancy organisations (PAOs) around the world can support them. The report illustrates a number of factors that influence SME's demand for advice, such as competition and regulation, personal factors, size and nature of the entity etc. Due to the multitude of factors involved, client-advisor interactions between SMEs and SMPs are complex, but generally these relationships are long term and based on a solid foundation of trust and communication, says the report.

IFAC Dedicates Capacity Building Award to Professional Accountants in Emerging Economies

The International Federation of Accountants has received the Accountancy Capacity Building Champion of the Year Award at the 2016 The Accountant & International Accounting Bulletin awards. IFAC's Professional Accountancy Organisation (PAO)

Capacity Building Program supports the profession's growth in the developing world, where the profession's skills are vital to embedding transparency, credibility, and good governance into national economies.

IFAC CEO Faye Choudhury said IFAC is delighted to receive the award on behalf of PAOs and their members in emerging economies. "Their passion to grow and support their economies—and become sustainable, self-supporting PAOs—is an inspiration," he said. IFAC's capacity building award was collected by President Olivia Kirtley, who was separately honoured with the The Accountant and International Accounting Bulletin's Lifetime Achievement Award.

IAASB Amends Standards to Enhance Auditor Focus on Non-Compliance with Laws and Regulations

The International Auditing and Assurance Standards Board (IAASB) has recently released International Standard on Auditing (ISA) 250 (Revised), *Consideration of Laws and Regulations in an Audit of Financial Statements*, and conforming amendments to other International Standards, which respond to new requirements in the International Ethics Standards Board for Accountants (IESBA)'s *Code of Ethics for Professional Accountants* addressing non-compliance with laws and regulations (NOCLAR). The revisions enable the IAASB's International Standards to continue to be applied effectively alongside the IESBA Code, and clarify and emphasise key aspects of the IESBA Code in the IAASB's Standards. "The IESBA has established clear expectations for professional accountants in responding to non-compliance with laws and regulations, representing an important contribution to the public interest," said IAASB Chairman Prof. Arnold Schilder. "It is only fitting that the IAASB's International Standards acknowledge and reflect these important changes, and, thereby, reinforce the public interest role played by auditors and professional accountants who provide services covered by our Standards." ISA 250 (Revised) will be effective for audits of financial statements for periods beginning on or after December 15, 2017. Amendments to the IAASB's International Standards for other services have a similar effective date. "Among other enhancements, the changes to ISA 250 prompt the auditor to think about whether to report identified or suspected NOCLAR to an appropriate authority outside the entity, taking into consideration the provisions of laws, regulations, or relevant ethical requirements in their jurisdiction, and to consider the impact of NOCLAR on the audit," explained James Gunn, Managing Director, Professional Standards.