

# International Update

## IESBA Releases Updated FAQs on Long Association

The Staff of the International Ethics Standards Board for Accountants (IESBA) has released an **updated Q&A publication** to support the adoption and implementation of the revised long association provisions *Changes to the Code Addressing Long Association of Personnel with an Audit or Assurance Client*. This publication is a revised version of the **Staff Q&A publication** published in May 2017. It contains additional frequently asked questions and is aligned to the revised and restructured *International Code of Ethics for Professional Accountants (including International Independence Standards)* (the Code), issued by the IESBA in April 2018. The Q&A publication is designed to highlight, illustrate, or explain aspects of the revised partner rotation regime in the Code and thereby assist in their proper application. It is intended to assist national standards setters, firms, IFAC member bodies and others as they adopt and/or implement the revised and restructured long association provisions in Part 4A of the Code.

## IPSASB Seeks Comments on Measurement Proposals

The International Public Sector Accounting Standards Board (IPSASB) has released a **Consultation Paper (CP), *Measurement***, which addresses how measurement bases are determined in the public sector. The Consultation Paper Calls for Public Comment by September 30, 2019. The CP includes within it an illustrative Exposure Draft (ED), *Measurement*, which shows what the IPSASB currently envisages a final pronouncement will comprise. This is the first time that the IPSASB has used such an approach, which is intended to provide a firm basis for constituent comments. The CP lays out proposed guidance for measurement bases for the assets and liabilities most commonly used by public sector entities when applying IPSAS. It proposes the development of a single standard which will provide definitions and guidance on the main measurement bases; while other IPSAS will continue to provide guidance on which particular measurement basis is to be used. The CP and ED respond to a number of drivers including:

- The need to consider existing measurement requirements in the light of the measurement guidance in IPSASB's Conceptual Framework;
- That it is necessary to standardize usage of the term 'fair value' within IPSASB's literature following the issue of private sector guidance in IFRS 13; and
- The need to provide guidance on difficult issues, such as borrowing costs and transactions costs.

The final pronouncement will underpin the IPSASB's

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approach to measurement for many years. It is therefore essential that the IPSASB hears the views of respondents on the preliminary views and the other matters raised for comment in this Consultation Paper. To access the Consultation Paper and its summary At-a-Glance document, or to submit a comment, visit the IPSASB website, [www.ipsasb.org](http://www.ipsasb.org).

## IAASB Seeks Views on Audits of Less Complex Entities

Furthering the Debate on Applying the ISAs in Audits of Less Complex Entities, the International Auditing and Assurance Standards Board (IAASB) recently published a Discussion Paper, *Audits of Less Complex Entities: Exploring Possible Options to Address the Challenges in Applying the International Standards on Auditing (ISAs)*. The IAASB seeks to further understand the challenges of using ISAs in audits of less complex entities—and views about possible actions to address these challenges.

The IAASB recognises the global call for action to address issues of complexity, length, understandability, scalability, and proportionality related to using the ISAs. Continuing the debate on these strategic issues, the Discussion Paper explores how the IAASB, and others, could further support auditors working in increasingly evolving environments. The IAASB welcomes input from all interested stakeholders as it charts an appropriate way forward. The consultation will remain open until September 12, 2019.

## Global Ethics Board Sets Top Priorities, Publishes Ambitious 5-Year Strategy & Work Plan

The International Ethics Standards Board for Accountants (IESBA) recently released its **Strategy and Work Plan, 2019-2023**. Titled *Elevating Ethics in a Dynamic and Uncertain World*, the publication describes the board's strategy and priorities toward the setting of high-quality, future-ready ethics standards for professional accountants that are widely adopted around the world. Building on the newly revised and restructured *International Code of Ethics for Professional Accountants (including International Independence Standards)* (the Code) which will come into effect in June 2019, the IESBA's Strategy features three inter-related strategic themes:

- Advancing the relevance and impact of the Code, through maintaining a global Code fit for purpose in the evolving environment, and further raising the bar on ethics;
- Deepening and expanding the Code's influence, through increasing global adoption and effective implementation of the Code; and
- Expanding the IESBA's perspectives and inputs, through proactively engaging and seeking cooperative avenues with stakeholders.

Supporting the achievement of these strategic themes is a comprehensive and ambitious Work Plan. The Plan outlines commitments, priorities, planned actions of the Board and key milestones, including continued strong coordination with the IAASB as and where needed.

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"This new Strategy and Work Plan embodies our clear determination to pursue global public interest objectives and outcomes, underpinned by our firm belief in the centrality of Ethics and in a unified Code for all professional accountants," said IESBA chairman Dr. Stavros Thomadakis, adding, "The priorities and actions in the SWP have been

calibrated to safeguard the relevance of the Code in an era of changing technologies, business methods and public expectations, and to reinforce its role as a linchpin of public trust in the profession." To learn more about the board and its work, visit [www.ethicsboard.org](http://www.ethicsboard.org).

## IESBA Proposes Revisions to Part 4B of the Code to Align with Terms and Concepts Used in ISAE 3000 (Revised)

The International Ethics Standards Board for Accountants (IESBA) recently released for public comment Exposure Draft, *Proposed Revisions to Part 4B of the Code to Reflect Terms and Concepts Used in ISAE 3000 (Revised)*. Part 4B of the revised and restructured *International Code of Ethics for Professional Accountants (including International Independence Standards)* comprises the independence standards for assurance engagements other than audit and review engagements, as defined in the Code.

The proposed revision fulfils a pre-commitment the IESBA announced in its proposed *Strategy and Work Plan, 2019-2023* to review Part 4B of the Code for any changes needed to make the provisions in that Part consistent with the revised assurance terms and concepts in the International Auditing and Assurance Standards Board's *International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements Other than Audits or Reviews of*

### *Historical Financial Information.*

The proposals in the Exposure Draft include:

- Changes in key terminology, including a revised definition of the term "assurance client";
- Enhanced and clarified independence requirements for attestation engagements;
- Clarification of the types of assurance engagement addressed in Part 4B; and
- Simplified guidance on assurance engagements that refer to the definitive source of explanatory material on such engagements in IAASB literature.

The proposals were developed in close cooperation with representatives of the IAASB, as part of the coordination program of the two standard-setting boards. Comments on the Exposure Draft are requested by June 26, 2019 from all stakeholders.

## ICAI News

### Change in the Names of ICAI Branches

The Council of the Institute of the Chartered Accountants of India at its meeting held on 25.03.2019 has approved to change the names of following Branches of Regional Councils of ICAI set up by the Council from time to time:-

S.No.	Old Name	New Name
1	Allahabad Branch of CIRC of ICAI	Prayagraj Branch of CIRC of ICAI
2	Alleppey Branch of SIRC of ICAI	Alappuzha Branch of SIRC of ICAI
3	Bangalore Branch of SIRC of ICAI	Bengaluru Branch of SIRC of ICAI
4	Baroda Branch of WIRC of ICAI	Vadodara Branch of WIRC of ICAI
5	Belgaum Branch of SIRC of ICAI	Belagavi Branch of SIRC of ICAI
6	Bellary Branch of SIRC of ICAI	Ballari Branch of SIRC of ICAI
7	Calicut Branch of SIRC of ICAI	Kozhikode Branch of SIRC of ICAI
8	Gurgaon Branch of NIRC of ICAI	Gurugram Branch of NIRC of ICAI
9	Hubli Branch of SIRC of ICAI	Hubballi Branch of SIRC of ICAI
10	Mangalore Branch of SIRC of ICAI	Mangaluru Branch of SIRC of ICAI
11	Mysore Branch of SIRC of ICAI	Mysuru Branch of SIRC of ICAI
12	Noida Branch of CIRC of ICAI	Gautam Budh Nagar Branch of CIRC of ICAI
13	Palghat Branch of SIRC of ICAI	Palakkad Branch of SIRC of ICAI
14	Pondicherry Branch of SIRC of ICAI	Puducherry Branch of SIRC of ICAI
15	Quilon Branch of SIRC of ICAI	Kollam Branch of SIRC of ICAI
16	Trichur Branch of SIRC of ICAI	Thrissur Branch of SIRC of ICAI
17	Trivandrum Branch of SIRC of ICAI	Thiruvananthapuram Branch of SIRC of ICAI
18	Tuticorin Branch of SIRC of ICAI	Thoothukudi Branch of SIRC of ICAI

The change in name of above Branches will be effective from 25.03.2019. Rest of contents of respective notifications issued for setting up aforesaid respective Branches of ICAI will remain the same.

-Acting Secretary, ICAI