The main topics for discussion at the IFAC in October 2019 and November 2019 were with respect to:

**October 2019**

1. **NEW REPORT HIGHLIGHTS ACCOUNTANCY PROFESSION AS KEY DRIVER OF PROGRESS IN ADOPTION OF INTERNATIONAL STANDARDS**

2. **NEW EDUCATION STANDARDS FOCUS ON ENHANCING ACCOUNTANCY’S TECHNOLOGY AND SKEPTICISM SKILL**

3. **FOCUS ON PROFESSIONAL SKEPTICISM**

**November 2019**

4. **ENHANCING CORPORATE REPORTING TO MEET THE NEEDS OF INVESTORS AND OTHER STAKEHOLDERS**

5. **IAASB SEEKS PUBLIC COMMENT ON EXPOSURE DRAFT OF CONFORMING AMENDMENTS TO THE INTERNATIONAL STANDARDS AS A RESULT OF THE REVISED IESBA CODE**

6. **ISA 540 (REVISED) IMPLEMENTATION SUPPORT: AUDIT CLIENT BRIEFING**

7. **IFAC LAUNCHES "EXPLORING THE IESBA CODE"**
1. **NEW REPORT HIGHLIGHTS ACCOUNTANCY PROFESSION AS KEY DRIVER OF PROGRESS IN ADOPTION OF INTERNATIONAL STANDARDS**

In celebration of World Standards Day, IFAC (International Federation of Accountants) has on 14 October 2019 in New York released a new report detailing how and where international accountancy standards—which focus on audit and assurance, ethics, education, and private and public sector accounting—are being adopted and implemented globally.

The report, which includes data from the more than 170 professional accountancy organizations that comprise IFAC’s membership, shows strong and sustained support for both the adoption and implementation of international standards, especially in areas where IFAC member organizations are involved in the process from start to finish.

The *International Standards: 2019 Global Status Report* reveals:

- 80+% of jurisdictions examined have monitoring & enforcement mechanisms for quality assurance and investigation and discipline.
- 76% of IFAC member organizations have some level of authority in adopting international standards and best practices.
- IFAC member organizations are instrumental in ensuring high-quality standards’ implementation through advocacy, raising awareness, technical support, translation, training and enforcement.

The report also shines a light on the important and often untold story of how standards are adopted and implemented—a process that can be as complex as developing a standard.

“Since there are no international laws requiring nations to adopt and implement international standards, support from IFAC’s member organizations for these dual objectives is critically important to progress,” according to IFAC CEO, Kevin Dancey. “This new report reinforces the impact of standards in driving transparency and creating a common language for high-quality financial information.”

According to the new report, there is a positive trend in international standards’ usage where IFAC member organizations have at least some authority in the standard-setting and regulatory environment. However, additional multi-stakeholder support from international policymakers and regulatory organizations, as well as leaders from government, academia, and business, is required to extend the adoption success story by creating the right conditions for implementation.

“International standards have come a long way since 2000 when there was little to no global adoption. While there is always more to be done, IFAC member organizations play a vital role in ensuring the successful implementation of international accountancy standards, which ultimately help drive sustainable economic growth and financial market stability in their respective jurisdictions,” said Dancey.
2. **NEW EDUCATION STANDARDS FOCUS ON ENHANCING ACCOUNTANCY’S TECHNOLOGY AND SKEPTICISM SKILLS**

The International Accounting Education Standards Board (IAESB) has on 21 October 2019 in New York released four revised International Education Standards (IESs) addressing learning and development for information and communications technologies (ICT) and professional skepticism. As market expectation increases for ICT skills and professional skepticism, these standards were developed to address the competencies, skills, and behaviors for both aspiring and professional accountants in these critical areas.

“These revised standards support the continued enhancement of quality financial reporting as the disruptive potential for ICT increases and the importance of demonstrating professional skepticism is heightened.” said IAESB Chair Anne-Marie Vitale.

The revised education standards include newly added and revised ICT and professional skepticism learning outcomes that:

- Improve the relevance and quality of professional accounting education offered by professional accountancy organizations (PAOs), including IFAC member organizations;
- Identify learning and development activities that enhance the professional competence of aspiring and current professional accountants; and
- Support the accounting profession in its provision of high-quality financial reporting, auditing, or other related financial and accounting services in the digital age.

The revised education standards should be incorporated into the educational requirements for IFAC membership organizations. They are also relevant for stakeholders interested in professional accountants’ learning and development, such as public accounting firms, regulators, and employers.

The IAESB has also developed support materials to assist PAOs in developing curricula for ICT, professional accountants in business, and public sector accountancy programs.

3. **FOCUS ON PROFESSIONAL SKEPTICISM**

The IAASB recently published on 18 October 2019 its third Professional Skepticism Communiqué, which provides an update to stakeholders on the IAASB’s efforts to appropriately reflect professional skepticism in its standards.

The Professional Skepticism Communiqué also includes other relevant news and information and recent activities of the IESBA related to professional skepticism.

Please visit the iaasb.org website for the Professional Skepticism Communiqué.

4. **ENHANCING CORPORATE REPORTING TO MEET THE NEEDS OF INVESTORS AND OTHER STAKEHOLDERS**

IFAC has hosted the International Integrated Reporting Council’s meeting on 7 November 2019 in New York, which came at a seminal moment for corporate reporting. To be accountable to their stakeholders, organizations need to provide a clear and concise picture of their ability to create
sustainable value over time. At the same time, rapid change and disruption, driven by climate change and technology, are forcing businesses to reconsider their approach to value creation and reporting.

Over the past decade, the corporate reporting landscape has become a mosaic of mandatory and voluntary disclosures under various standards and frameworks. The result is complexity and reporting that fails to meet the needs of investors and other stakeholders. Convergence towards relevant, reliable, and comparable narrative information and metrics is desperately needed.

Integrated reporting meets today’s expectations for corporate accountability and transparency. IFAC’s partnership with the International Integrated Reporting Council aims to support organizations in developing reporting and thinking that properly considers long-term opportunities and risks.

To address the future of reporting, and the role accountants must play in it, IFAC has published its Point of View on enhancing corporate reporting. Also published on the Gateway is an article from IFAC CEO Kevin Dancey and IIRC Interim CEO Charles Tilley that highlights the evolving role of CFOs and finance teams in accounting for value creation. IFAC is determined to support this evolution through an integrated value creation agenda.

Accountants have a key role to play in this future and must work to drive corporate reporting that meets the demands of the present and the future. This is an enormous opportunity that the profession must seize now.

5. **IAASB SEeks PUBLIC COMMENT ON EXPOSURE DRAFT OF CONFORMING AMENDMENTS TO THE INTERNATIONAL STANDARDS AS A RESULT OF THE REVISED IESBA CODE**

The International Auditing and Assurance Standards Board (IAASB) in New York has requested public comments on its Exposure Draft focused on conforming amendments to the International Standards as a result of the revised International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code).

Comments are to be received no later than January 10, 2020.

The project aims to align the IAASB’s International Standards with the revisions to the IESBA Code by way of conforming amendments, thus ensuring that the IAASB’s International Standards can continue to be applied together with the IESBA Code.

“It is important that the International Standards acknowledge the enhancements made to the IESBA Code and achieve alignment to the fullest extent possible on overlapping issues” said Tom Seidenstein, chair of the IAASB. “Many jurisdictions use both the International Standards and the IESBA Code and it is in the public interest that these be able to operate in concert.”

This project falls under the umbrella of IAASB-IESBA coordination, a strategic commitment of the two Boards, and builds on their overarching commitment for enhanced connectivity and coordination to better serve the public interest.
6. **ISA 540 (REVISED) IMPLEMENTATION SUPPORT: AUDIT CLIENT BRIEFING**

**CONSIDERATIONS FOR MANAGEMENT WHEN DETERMINING ACCOUNTING ESTIMATES AND RELATED DISCLOSURES**

The International Standard on Auditing (ISA) 540 (Revised) Implementation Working Group has prepared an *Audit Client Briefing (Briefing)* based on the Canadian Auditing Standard (CAS) Audit Client Briefing of the Chartered Professional Accountants of Canada (CPA Canada), published in October 2019 and is used with permission of CPA Canada.

For the briefing, please visit [https://www.cpacanada.ca](https://www.cpacanada.ca)

The purpose of this Briefing is to make chief financial officers, other senior management responsible for financial statement preparation, and staff directly involved in determining accounting estimates aware of matters to consider in preparing for the auditor’s requests pertaining to ISA 540 (Revised), Auditing Accounting Estimates and Related Disclosures.

This Briefing provides an overview of:

- Management’s responsibilities in determining when accounting estimates are needed;
- Management’s responsibilities regarding the main components of an estimation process; and
- The impact on management because of changes to the auditor’s responsibilities, including broad questions auditors are likely to ask those involved in the detailed aspects of the estimation process.

7. **IFAC LAUNCHES "EXPLORING THE IESBA CODE"**

Professional accountants and other business professionals are often faced with complicated, real world situations that are not black and white and demand pragmatic and ethical solutions. To help address these challenging situations, IFAC is releasing the first installment in a new series titled: *Exploring the IESBA Code*.

Through twelve monthly installments, Exploring the IESBA Code will take an in-depth look at the International Code of Ethics for Professional Accountants (including International Independence Standards) (the Code). Each installment of the series will highlight different aspects of the Code in real-world situations, in a manner that is relatable and practical. A special focus will be placed on recent revisions to the Code.

The first installment of the Exploring the IESBA Code deals with the five Fundamental Principles of ethics, which establish the standard of behavior expected of all professional accountants - a standard which enable accountants to uphold their responsibility to act in the public interest.

To read and download this and future installments, please visit the IFAC website.

*For further information: [http://www.ifac.org](http://www.ifac.org)*

**Financial Reporting Council**

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