



ACCOUNTING AND AUDITING STANDARDS UPDATE

reflecting developments from May 2008 to August 2008

Standards Developments in Brief

CIPFA is one of the leading professional accountancy bodies in the UK and the only one which specialises in the public services. CIPFA's members work in public service bodies, in the national audit agencies and major accountancy firms. CIPFA also provides a range of high quality advisory, information, and training and consultancy services to public service organisations. As such, CIPFA is the leading independent commentator on managing and accounting for public money.

CIPFA contributes directly to some technical and standards development through representation on relevant committees and groups. More generally CIPFA responds to consultations by standard setters and others on matters which are relevant to the public benefit sector. CIPFA Policy and Technical Directorate develops these responses taking expert advice from members of CIPFA's Accounting and Auditing Standards Panel.

More information on the work of the Accounting and Auditing Standards Panel can be found online at <http://www.cipfa.org.uk/panels/accounting/index.cfm>

This "in brief" publication is part of the Accounting and Auditing Standards Update for April 2008, which comprises:

Standards Developments in Brief

Annex A: Activity Summary

Annex B: Background to the consultation process

These are published on the CIPFA website both individually and in a single document, available from

<http://www.cipfa.org.uk/panels/accounting/newstandards.cfm>

Standards Developments In Brief

Financial Reporting

New Standards and Guidance

Accounting Standards Board

A revised FRSSE has been published, and FRS 25 'Financial Instruments: Presentation' has been amended to reflect IASB amendments to IAS 32 on which it is based.

International Accounting Standards Board

'Improvements to IFRSs' was issued in May 2008, including a large number of detailed amendments. IASB also issued an amendment to IAS 39 providing additional guidance on the designation of a hedged item. IFRIC issued 2 interpretations relevant to real estate construction and hedging investments.

International Public Sector Accounting Standards Board

No new IPSAS guidance was produced.

Financial Reporting Advisory Board

RABIG guidance on PFI accounting has been released, applicable from 2009-10, and thus relevant to the 2008-09 shadow accounts which will provide comparatives for 2009-10.

CIPFA Responses to Consultations

All sectors

CIPFA responded to an ASB/PAAinE paper on Pensions Reporting. CIPFA also responded to IPSASB consultations on reporting on Social Benefits and Service Concessions. The Social Benefits consultation included a proposed project brief for Fiscal Sustainability Reporting, which might be seen as the long term underpinning for the public sector 'going concern' concept.

Open Consultations

UK general/ corporate sector

The ASB is consulting on improvements to UK FRS, in line with the IASB 'Improvements to IFRS'. CIPFA will not be responding to the FRC consultation on 'Going Concern and Financial Reporting'.

UK public sector

The ASB has also issued FRED 42 'Heritage Assets' which seeks to resolve reporting issues discussed in the previous FRED 40 and two earlier discussion papers.

International Accounting Standards Board

Between May and August 2008, consultations were started on the 2008 round of 'Improvements to IFRS', and simplifying IAS 33 'Earnings Per Share'.

International Public Sector Accounting Standards Board

No new IPSASB consultations were initiated.

Auditing

New Standards and Guidance

<i>Auditing Practices Board</i>	Bulletin 2008/7 provides updated Auditor's Reports for Public Sector Financial Statements, while Practice Note (PN) 19(I) provides updated guidance for ROI bank audits. <i>In September, APB also published Bulletin 2008/8 on Audit Reports for Short Accounting Periods.</i>
<i>Financial Reporting Council</i>	FRC has released Guidance On Auditor Liability Limitation Agreements
<i>International Auditing and Assurance Standards Board</i>	IAASB has issued 4 redrafted 'clarity' ISAs.

CIPFA Responses to Consultations

<i>Auditing Practices Board</i>	CIPFA responded to the consultation on revised Practice Note 11, The Audit Of Charities in the UK, making only presentational suggestions.
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Open Consultations

<i>Auditing Practices Board</i>	The APB consulted on revised guidance for the audit of credit unions, which CIPFA will not be responding to. In September, the APB also consulted on revisions to ISA 700.
<i>International Auditing and Assurance Standards Board</i>	No IAASB consultations were initiated during the period.