

Accounting and Auditing Standards Update

reflecting developments from May 2010 to August 2010

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CIPFA, the Chartered Institute of Public Finance and Accountancy, is the professional body for people in public finance. Our 14,000 members work throughout the public services, in national audit agencies, in major accountancy firms, and in other bodies where public money needs to be effectively and efficiently managed.

As the world's only professional accountancy body to specialise in public services, CIPFA's portfolio of qualifications are the foundation for a career in public finance. They include the benchmark professional qualification for public sector accountants as well as a postgraduate diploma for people already working in leadership positions. They are taught by our in-house CIPFA Education and Training Centre as well as other places of learning around the world.

We also champion high performance in public services, translating our experience and insight into clear advice and practical services. They include information and guidance, courses and conferences, property and asset management solutions, consultancy and interim people for a range of public sector clients.

Globally, CIPFA shows the way in public finance by standing up for sound public financial management and good governance. We work with donors, partner governments, accountancy bodies and the public sector around the world to advance public finance and support better public services.

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 update provides information on standards developments in the fields of accounting and audit (in this context normally referring to 'external' or 'independent' audit). It reflects standards, other guidance and consultations developed or reviewed by

- UK standard setters including the Financial Reporting Council (FRC) and particularly its operating bodies the Accounting Standards Board (ASB), and the Auditing Practices Board (APB)
- International standard setters, including the International Accounting Standards Board (IASB), International Public Sector Accounting Standards Board (IPSASB) and the International Auditing and Assurance Standards Board (IAASB)
- Interpreters of financial reporting standards, including SORP making bodies, HM Treasury and other 'relevant authorities' for central government, the devolved administrations, local government and health sectors, and the Financial Reporting Advisory Board (FRAB)
- Other bodies developing, interpreting or commenting on standards matters relevant to financial reporting and audit

Weblinks provide information from the issuer's website where available. Overview diagrams are provided at Annex B to this update. More detailed background and information on the public services dimension of standard setting are provided in *Accounting and Auditing Standards: A Public Services Perspective (Fully Revised Third Edition 2007)* which is available from the CIPFA shop [\[link\]](#)



Standards Developments In Brief

Financial Reporting

New Standards and Guidance

Accounting Standards Board / Financial Reporting Council

The ASB Urgent Issues Task Force issued an IFRIC convergent UITF.

International Accounting Standards Board

The IASB issued its Annual Improvements amendments to standards for 2010

CIPFA Responses to Consultations

Private sector

CIPFA responded to the ASB's mainly IFRS converged FRED Improvements, and IASB consultations on proposed amendments to IAS 37 and the IASB Conceptual Framework - Reporting Entity.

Public sector

CIPFA responding to an ED of a revised RSL SORP, and 2 IPSASB EDs on Service Concessions and Annual Improvements.

Open Consultations

UK private sector

There are no ASB consultations open at present.

UK public benefit sector

Three FReM Exposure Drafts were issued; CIPFA provides inputs to FRAB discussions but does not respond formally to these.

International Accounting Standards Board

The IASB issued 6 Exposure Drafts and an ED IFRIC between May and September, and CIPFA will consider responding to four of these: the others are very private sector focussed.

Auditing

New Standards and Guidance

No new auditing standards or guidance were issued.

CIPFA Responses to Consultations

Private sector/all sector There were no IAASB or APB consultations to respond to.

Public sector

Open Consultations

Auditing Practices Board The APB has issued 5 proposed revisions of Practice Notes, mainly updating them to reflect the application of clarified ISAs (UK & Ireland) and some changes to law and regulations. CIPFA expects to respond to 3 of these which are relevant to audits of public benefit sector entities.

IAASB The IAASB has issued an ED of a revised ISA 610 on using the work of Internal Auditors, to which CIPFA will respond.