

Integra International Audit & Accounting Alert

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Worldwide Update

Periodic roundup of recent and upcoming actions and activities by audit and accounting organizations throughout the world.

International

IASB – International Accounting Standards Board (www.ifrs.org)

1. **Conceptual Framework for Financial Reporting and Amendments to References to the Conceptual Framework in IFRS Standards**, issued March 27, 2018, revises the Conceptual Framework updates references in the standards. See second article in this issue for further details.
2. **Exposure Draft- Accounting policy changes (Proposed amendments to IAS 8)**, issued March 27, 2018, proposes “that in deciding how far back to go in applying a change in accounting policy that results from an agenda decision, a company will consider not only whether it is practicable but also the benefits to users and costs to the company of making the change.” The comment period ends July 27, 2018.

IFAC – International Federation of Accountants (www.ifac.org)

1. **International Ethics Standards Board (IESBA) - International Code of Ethics for Professional Accountants (including International Independence Standards)**, released April 9, 2018, is a complete rewriting and substantive revision of the code to address “key ethics advances over the past four years.”
2. **Regulatory Divergence: Costs, Risks, Impacts: An International Financial Sector Study**, released April 11, 2018 by IFAC and BIAC (Business at the OECD). The survey found that inconsistent regulation between different jurisdictions caused substantial “tangible economic costs, financial risks and barriers to economic growth. It also offers recommendations for the future in what the report calls ‘actionable steps to curb the impacts of financial regulatory divergence’ – from ‘aligning regulatory definitions to enhancing transparency in rule making, monitoring, and enforcement processes.’”

ACCA – Association of Chartered Certified Accountants (www.accaglobal.com/)

1. **Key Audit Matters: unlocking the secrets of the audit**, report published March 13, 2018. See first article in this issue for details.
2. **Tenets of a Quality Audit**, published February 15, 2018, to build upon the IAASB’s *A Framework for Audit Quality*, issued in 2014, “and articulate the features that a quality audit should possess, recognising that these factors can sometimes exist in mutual tension.”

IFIAR International Forum of Independent Audit Regulators (www.ifiar.org)

1. **Survey of Inspection Findings – 2017**, issued March 8, 2018. See first article in this issue for details.

Africa, Europe, India, and the Middle East (AEIME)

FRC – *Financial Reporting Council of the UK* (www.frc.org.uk)

1. **Audit Enforcement Procedure Sanctions Policy and Accountancy Scheme Sanctions Guidance**, issued April 9, 2018, in response to an independent review of sanctions policy in 2017, updates the advisory policies increasing penalties and broadening enforcement options for lack of compliance and inappropriate activities.

Americas, Asia, Australia and New Zealand (AAANZ)

AICPA

1. **Blockchain Technology and Its Potential Impact on the Audit and Assurance Profession**, white paper issued March 15, 2018 by the AICPA, the Chartered Professional Accountants of Canada, and University of Waterloo, “discusses how financial statement auditing might evolve with blockchain technology and also considers new assurance services and future roles for CPAs.”
2. **Center for Audit Quality - Cybersecurity Risk Management Oversight: A Tool for Board Members**, issued April 12, 2018, “provides key questions board members can use as they discuss cybersecurity risks and disclosures with management and CPA firms.”
3. **Professional Ethics Executive Committee (PEEC) – Exposure Draft – Revised Interpretation – Information Systems Services**, issued March 15, 2017, expands and clarifies the rule on independence for these services. The comment period ends June 15, 2018.

FASB – *Financial Accounting Standards Board* (www.fasb.org)

1. **Exposure Draft, Intangibles—Goodwill and Other— Internal-Use Software - Customer’s Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract and Disclosures for Implementation Costs Incurred for Internal Use Software and Cloud Computing Arrangements**, issued March 1, 2018, clarifies the accounting when a license to internal-use software is or is not included in the cloud computing arrangement. The comment period ends April 30, 2018.
2. **Technical Corrections and Improvements to Financial Instruments—Overall - Recognition and Measurement of Financial Assets and Financial Liabilities – ASU 2018-03**, issued February 28, 2018, generally for clarification and to correct unintended application of guidance. Effective generally when the new lease standard is adopted. Effective generally in 2018 or later, depending on entity type and year end.

GASB – *Governmental Accounting Standards Board* (www.gasb.org)

1. **GASB Statement No. 88 – Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements**, issued April 2, 2018, “clarifies which liabilities governments should include in their note disclosures related to debt. This Statement requires that all debt disclosures present direct borrowings and direct placements of debt separately from other types of debt. Direct borrowings and direct placements may expose a government to risks that are different from or additional to risks related to

other types of debt. Statement 88 also requires the disclosure of additional essential debt-related information for all types of debt.” Effective for periods beginning after June 15, 2018.

PCAOB – *Public Company Accounting Oversight Board* (www.pcaob.org)

1. **External Stakeholder Survey** – announced April 17, 2018, seeking input for the PCAOB five year strategic plan covering 2018-2022. The survey is open through May 15, 2018.

Additional A & A News

[How we will learn to love big data in 2018](https://www.icas.com/ca-today-news/how-we-will-learn-to-love-big-data-in-2018)

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[New Indian Accounting Standard promotes transparency in financial reporting](https://economictimes.indiatimes.com/news/economy/policy/govt-notifies-new-accounting-standard-effective-april-1/printarticle/63536056.cms)

(<https://economictimes.indiatimes.com/news/economy/policy/govt-notifies-new-accounting-standard-effective-april-1/printarticle/63536056.cms>)

[Life sciences companies adjust to new accounting rules](https://www.accountingtoday.com/news/life-sciences-companies-adjust-to-new-accounting-and-tax-reform-rules)

(<https://www.accountingtoday.com/news/life-sciences-companies-adjust-to-new-accounting-and-tax-reform-rules>)

[Lease Accounting: What’s the Holdup?](http://ww2.cfo.com/accounting/2018/03/lease-accounting-holdup/)

(<http://ww2.cfo.com/accounting/2018/03/lease-accounting-holdup/>)

[7 tips to have an influence on future standards](http://blog.aicpa.org/2018/04/7-tips-to-have-an-influence-on-future-standards-1.html#sthash.De6R2xnL.dpbs)

(<http://blog.aicpa.org/2018/04/7-tips-to-have-an-influence-on-future-standards-1.html#sthash.De6R2xnL.dpbs>)

[UK watchdog to scrutinize quality of hires at top auditors](https://www.reuters.com/article/us-britain-accounts-regulator/uk-watchdog-to-scrutinize-quality-of-hires-at-top-auditors-idUSKBN1HH0OV)

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