

## The Latest Global Knowledge, Resources and News from the IFAC Gateway

### IFAC

- **New Platform from IFAC Offers Digital Access to International Accountancy Standards – eIS:**

IFAC unveiled a new [online resource](#) providing unprecedented access to the international standards that support and distinguish the accountancy profession. eIS, short for e-International Standards, provides direct access to the standards developed by the [International Audit and Assurance Standards Board \(IAASB\)](#), the [International Ethics Standards Board for Accountants \(IESBA\)](#), and the [International Public Sector Accounting Standards Board \(IPSASB\)](#), alongside key support, reference, and guidance materials, available to contextualize the language and provide enhanced transparency. Visit the [platform](#) today!

- **IFAC & IAASB Release Less Complex Entities Consultation Survey!**

While the IAASB encourages all interested stakeholders to [respond to the consultation in writing](#), it recognizes that some may not have the time or resources to do so. To help, IFAC and the IAASB developed a [survey to offer an alternative way to participate](#) in the consultation and provide your views. The **survey is open until January 14, 2022.**

- **The Latest on Sustainability Reporting:**

Visit IFAC's dedicated [Sustainability Standards](#) webpage.

- [IFAC Pledges Ongoing Support for New International Sustainability Standards Board](#): IFAC welcomes the [establishment of the International Sustainability Standards Board \(ISSB\)](#) working in close cooperation with the International Accounting Standards Board (IASB), under the governance structure and leadership of the IFRS Foundation! IFAC also welcomes commitments to combine the CDSB and Value Reporting Foundation with the IFRS Foundation—providing much needed consolidation and contributing support and resources toward the success of the new ISSB. This positions the ISSB to build upon the high-quality work of existing sustainability-related initiatives and harmonize the standard-setting landscape—delivering a *comprehensive* global baseline of sustainability information material to enterprise value, connected to financial reporting through the fundamental concepts and guiding principles of integrated reporting.
- [IFAC Publication Highlights Opportunities in Sustainability Information for Small Businesses and Their Advisers](#): IFAC [released](#) a publication, "[Sustainability Information for Small Businesses: The Opportunity for Practitioners](#)," exploring the diverse benefits of embracing sustainability information. Small businesses make up more than 90 percent of businesses worldwide; they are critical to achieving sustainable outcomes for economies, the environment and society. This publication was developed with advice and guidance from the [IFAC Small and Medium Practices \(SMP\) Advisory Group](#) and builds on the Advisory Group's work on [practice transformation](#).
- IFAC [published a framework for implementing global sustainability standards at the local level](#), focusing on the [building blocks approach](#) previously published. IFAC believes that jurisdictions must begin examining how global standards that the International Sustainability Standards Board (ISSB) intends to develop, starting with climate, can fit together with sustainability-related reporting requirements set at the jurisdictional level. An ISSB climate standard is expected to be completed around June 2022.

- **[Don't Forget! IAASB's Revised AUP Standard Becomes Effective as of January 1, 2022](#)**

Agreed-upon procedure (AUP) engagements are widely used in many jurisdictions. Demand for AUP engagements continues to grow, particularly related to needing increased accountability around funding and grants. The revised ISRS will be effective for AUP engagements for which the terms of engagement are agreed on or after January 1, 2022. For engagements covering multiple years, practitioners may wish to update the terms of engagement so that the AUP engagements will be conducted in accordance with the revised standard.

- **[Preparing for the New Quality Management Standards: ISQM 1 Quality Objectives and Quality Risks](#)**

ISQM 1 sets out three steps to the risk assessment process. The first step is establishing quality objectives, followed by identifying and assessing quality risks, which provide the basis for the design and implementation of responses, the final step. The first article of the series will focus on the first two steps of the risk assessment process.

- **[Financial Inclusion through Digital Inclusion](#)**

It is estimated that around two billion people worldwide have no access to the types of basic financial services delivered by regulated financial institutions and banks. It's clear that financial inclusion should be a basic goal of the global economic system, but banks are deterred from this goal due to a lack of profitability in servicing lower to middle income segments of the population, and because of a lack of digital inclusion. It comes down to two simple changes. The creation of national identity schemes and access to basic mobile phone technology. These two factors are responsible for the greatest ever financial mobilization that the world has ever seen.

## Ethics

- **2021 Handbook of the International Code of Ethics for Professional Accountants is [now available!](#)**

This 2021 edition contains recently approved revisions to the Code, including: the revisions to Part 4B to align terms and concepts used in the Code to those in the International Auditing and Assurance Standards Board's (IAASB) International Standard on Assurance Engagements (ISAE) 3000 (Revised). Those revisions became effective in June 2021. It also contains the revisions to Parts 1 and 2 to promote the role and mindset expected of professional accountants. Those revisions will become effective in December 2021. Early adoption is encouraged.

- **New Report on Ethics and Digital Change**

As the world becomes more complex, maintaining ethical standards becomes both more challenging and increasingly important. To help guide financial professionals, the Chartered Professional Accountants of Canada (CPA Canada), the Institute of Chartered Accountants of Scotland (ICAS), and IFAC have released [Complexity and the professional accountant: Practical guidance for ethical decision-making](#), the first in a series of four thought leadership pieces.

- **New IESBA Measures to Strengthen Auditor Independence:**

IESBA released revisions to the [Non-Assurance Services \(NAS\)](#) and [fee-related provisions](#) of the International Code of Ethics for Professional Accountants (including International Independence Standards) (the Code). The revised NAS and fee-related provisions significantly strengthen the guardrails around auditor independence in two important areas that have the potential to create incentives influencing auditor behavior—non-assurance services provided to audit clients and fees. The revised NAS and fee-related provisions **become effective for audits of financial statements for periods beginning on or after December 15, 2022. Early adoption is permitted and encouraged—[visit the dedicated webpage here.](#)**

## Audit

- **IAASB Issues LCE Exposure Draft!**

IAASB approved the [exposure draft](#) of the proposed separate standard for audits of [Less Complex Entities](#). This landmark new draft standard responds to demands to have a set of high-quality requirements tailored for the needs of less complex entities (LCEs). The new standard for audits of financial statements of LCEs will provide a globally consistent approach at a time where several jurisdictional-specific LCE standards or related initiatives are arising. [Comments are requested by January 31, 2022](#). Mark your calendars so you can add your voice to this important public consultation!

- [Proposed ISA for Audits of Financial Statements of Less Complex Entities – It's Time for Your Feedback!](#) — This article summarizes the background and full process that went into developing the landmark proposed standard. Now the IAASB welcomes input on all matters addressed in the exposure draft. IAASB would especially like to hear from stakeholders that would be directly affected by the standard—e.g., users of financial statements of LCEs, owners and management of LCEs, legislative or regulatory authorities or relevant local bodies with standard-setting authority, and auditors that serve LCEs—in relation to the direction of the project and the structure and content of the proposed standard, as well as specific key issues.
- The IAASB has also published [Supplemental Guidance on Auditor Reporting](#) to provide further guidance on modifications and other changes to the auditor's report when using the proposed standard and "[Mapping](#)" documents to help users navigate between existing, equivalent International Standards on Auditing and the requirements in the newly proposed International Standard on Auditing for Less Complex Entities (ISA for LCE).

- **Quality Management Standards:**

- **New!** Implementation Guides for [First-time Implementation of ISQM 1](#) and [ISQM 2](#).
- **Webinar Series on Quality Management presented by IFAC & IAASB concluded on August 18th** – the recordings are available [here!](#)

- **2020 Handbook of International Quality Control, Auditing, Review, Other Assurance, and Related Services Pronouncements is [now available!](#)**

## Education

- [Revisions to IES 2, 3, 4, and 8 are now effective, as of January 1, 2021](#). The revisions to these standards reflect the increasing demand for accountants skilled in information and communications technologies and place further emphasis on the professional skepticism skills and behaviors. These apply to both aspiring and professional accountants.

## Public Sector

- **New Q&A Publication: Public Sector Specific Financial Instruments Under IPSAS**

This Questions and Answers (Q&A) [publication](#) is issued by the staff of the International Public Sector Accounting Standards Board (IPSASB) provides information on accounting for certain public sector specific financial instrument transactions. This publication highlights IPSAS guidance included to aid constituents in accounting for certain public sector specific transactions.

- **Amendments to IPSAS 5, Borrowing Costs - Non-Authoritative Guidance**

This [pronouncement](#) adds of non-authoritative guidance to IPSAS 5, Borrowing Costs. The non-authoritative guidance adds implementation guidance and illustrative examples to IPSAS 5. The new material in ED 74 illustrates how the existing principles for when borrowing costs can be capitalized are applied in various regularly encountered public sector scenarios. No amendments are proposed to the authoritative material in IPSAS 5.

- [2021 Handbook of International Public Sector Accounting Standards](#), published as of January 31, 2021, is now available.