

In Practice News

ISA (Ireland) 540

IAASA has published ISA (Ireland) 540 (Revised December 2018) Auditing Accounting Estimates and Related Disclosures and related conforming amendments to other ISAs (Ireland).

In August 2018, IAASA published its consultation on the Proposal to Revise ISA (Ireland) 540 Auditing Accounting Estimates, Including Fair Value Accounting Estimates, and Related Disclosures (Consultation Paper). The purpose of the consultation was to obtain the views of stakeholders with regard to IAASA's proposal to issue a revised version of ISA (Ireland) 540 to reflect recent revisions to the international standards on auditing issued by the International Auditing and Assurance Standards Board (IAASB).

Source: www.iaasa.ie

FRC prepares for a no-deal Brexit

The regulatory regime (in the UK) governing Third Country Auditors (TCA) is changing because of the UK leaving the EU. If there is no withdrawal agreement between the UK and the EU providing for an implementation period, the UK will apply the TCA regime to non-UK auditors that audit the accounts of companies from outside the UK that issue certain securities on a UK regulated market.

Section 1251 of the Companies Act 2006 provides the Secretary of State with a power to make regulations that require registered TCAs to pay periodical fees. This power has been delegated to the FRC and was most recently exercised by the Third Country Auditors (Fees) Instrument 2018. The Third Country Auditors (Fees) Instrument needs to be updated to reflect the legislative changes.

According to the FRC's calculations and estimates on the expected levels of work going forward, it has been decided not to change the level of fees required to be paid at this time. The FRC seeks stakeholder opinion on this position and any other comments regarding the drafting of the Instrument.

Source: www.frc.org.uk



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The SMP of the Future in a Changing World

This Global report recommends that small to medium sized practitioners and professional accountancy bodies must work together to adapt to change for an evolving future.

The report 'The SMP of the Future in a Changing World' commissioned by the Edinburgh Group – a coalition of 16 accountancy bodies from across the world - examines the landscape ahead for the Accountancy Profession.

This report offers recommendations for small to medium sized practitioners (SMPs) and Professional Accountancy Organisations (PAOs) about how they can work better together and sustain great working relationships.

The report also states that SMPs and the PAOs that support them should prepare together for a rapidly evolving future that sees many changes on the horizon. Changes include digital technologies, regulation and deregulation, to the education and skills needed to sustain and develop in this changing environment.

Eamonn Siggins, Chair of the Edinburgh Group said: 'In the face of a volatile and uncertain environment, our extensive global research provides a series of informed recommendations for SMPs and PAOs alike.

There are many opportunities ahead for both groups, coming at a time when collaboration is a must.'

'We know from our extensive research that SMPs expect and depend on their PAOs to offer tailored support. From guidelines, tools and networking opportunities, this support is vital for the future of SMPs success. The relationship is symbiotic and so demands proactivity on both sides.'

For SMPs, top of the list is the need to be proactive in seeking out new markets for their services and considering growth and diversification of their service offerings. They must also be cognizant of training requirements, recruitment and retention of accountancy-qualified and non-accountancy expertise and / or collaborations with other accountancy firms and service providers.

Key recommendations for PAOs include the need to be proactive in anticipating and understanding evolutions in the accountancy profession, while also ensuring training and development is available

to SMP members to help them to adapt to a changing world.

Mr Siggins concludes: 'The alliance between SMPs and PAOs is a powerful one, but it's also one that needs to be nurtured.'

'PAOs need to sustain close contact with their SMP members to understand their challenges and needs better, via roundtables, focus groups, surveys and case studies – and we know that many already do so. There is always more to be done and improvements can always be made. The foundations of the relationship between SMPs and PAOs are strong. But in the face of volatility, neither party can be complacent.'

The report is based on an SMP survey, which gave 1,906 responses in 11 languages from 52 countries, alongside interviews with key staff in Edinburgh Group professional accountancy organisations and a series of SMP case studies. It also includes a review of other academic research into SMPs.

The report is available to view in the Resources Section of the CPA website

About the Edinburgh Group

The Edinburgh Group (EG) is a coalition of 16 accountancy bodies from across the world, representing over 900,000 professional accountants in countries from Africa, North America, Asia, Australia, Europe and Latin America.

The mission of the EG, which was formed in 2000, is to ensure that the development of the international accountancy profession meets the needs of its diverse stakeholders, reflecting progress in the global economy and society at large.

