



May 2013

A&A Update

The Technical Standards Update of Crowe Horwath International

From the Standards Setters

FASB Releases Standard on Liquidation Basis of Accounting

The Financial Accounting Standards Board has issued an Accounting Standards Update aimed at improving financial reporting by clarifying when and how public and private companies and not-for-profit organizations should prepare statements using the liquidation basis of accounting.

The release is available [here](#).

US Auditing Standards Board (ASB) issues Exposure Draft on Using Internal Auditors

The ED, AU 610 *Using Internal Auditors*, issued in April 2013, with comments due by 15 July 2013, completes the ASB's clarity project. The proposed standard is substantially the same as, but not identical to, ISA 610 (Revised 2013). The proposed AU seems to allow more latitude than ISA 610 (Revised 2013) in evaluating the required objectivity of internal auditors, in particular when using internal auditors to provide direct assistance.

The ED and supporting material are available [here](#).

From the Regulators

Conflict Minerals Reports Don't Require Section 404 Audits

Companies need external auditors to gauge their compliance with a Dodd-Frank disclosure rule that deals with the use of minerals from war-torn Central Africa. But an SEC staffer said external reviewers of the disclosures have a much narrower range of responsibility than auditors reviewing financial reporting controls for compliance with Sarbanes-Oxley Section 404.

Headlines from Around the World

European Parliament Committee Approves 14-year Audit Firm Rotation

Members of the European Parliament Legal Affairs committee voted in favor of a proposal that would require companies to change auditors every 14 years. In certain cases, the time frame could be lengthened to 25 years. The new rules will be considered by the full parliament at a later date this year.

Singapore to Drop CPA and Use CA Designation

The Ministry of Finance of Singapore announced its approval of a plan to phase out the Certified Public Accountant of Singapore designation in favor of the new “Chartered Accountant of Singapore,” starting in July of this year. The new designation will be administrated by the island city-state’s Institute of CPAs, which also plans to change its name later this year. Current holders of the CPA Singapore credential will be switched over to the new designation in July 2013.

International Integrated Reporting Framework Draft Released

The International Integrated Reporting Council (IIRC) had released an ED of a proposed [International Integrated Reporting Framework](#). The Framework is expected to be a critical tool for businesses as they create integrated reports and drive integrated thinking in their organizations. Integrated reporting is the next step in the evolution of corporate reporting and communications, helping organizations to communicate a clear and candid picture of their performance to investors.

The IIRC is asking all stakeholders to provide feedback on the International Integrated Reporting Framework during its public consultation period, which closes July 15, 2013. The Framework has been released in English but will be available soon in additional languages.

Useful Links

- International Accounting Standards Board (IASB) www.iasb.org
- [IASB Exposure Drafts open for comment](#)
- International Auditing and Assurance Standards Board (IAASB) www.ifac.org/iaasb
- International Federation of Accountants (IFAC) www.ifac.org
- [IFRS Interpretations Committee \(IFRIC\)](#)
- Financial Accounting Standards Board (FASB) www.fasb.org
- Public Company Accounting Oversight Board (PCAOB) www.pcaob.org
- [American Institute of CPAs Auditing Standards Board \(AICPA ASB\)](#)
- United States Securities and Exchange Commission (SEC) www.sec.gov
- [European Commission \(EC\)](#)
- Forum of Firms (FoF) www.ifac.org/Forum_of_Firms
- Transnational Auditors Committee (TAC) www.ifac.org/TransnationalAuditors
- [TAC Guidance Statement No. 1, Definition of Transnational Audit](#)
- UK Financial Reporting Council www.frc.org.uk
- [AICPA Center for Audit Quality document explaining PCAOB inspections](#)

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