APPENDIX C:

OTHER RELEVANT PUBLICATIONS

General
- IFACnet is the global, multilingual search engine developed by the International Federation of Accountants and its members to provide accountants and others with access to global resources and information. IFACnet can be accessed free-of-charge at www.ifacnet.com.
- In November 2006, the CEOs of the international audit networks (BDO, Deloitte, Ernst & Young, Grant Thornton, KPMG, and PricewaterhouseCoopers) published a vision statement entitled The Global Capital Markets and the Global Economy. They present this paper to start a dialogue within the financial reporting supply chain about how global financial reporting and public company auditing procedures must adapt to better serve capital markets around the world.
- On April 2007, the UK regulator Financial Services Authority published a paper, entitled Principles-based Regulation - Focusing on the Outcomes that Matter, setting out its move away from more detailed rules towards a more principles-based regulatory regime to promote efficient, orderly and fair financial markets.
- The Financial Stability Forum is an organization that brings together senior financial representatives of national financial authorities, international financial institutions, international regulatory and supervisory groupings, committees of central bank experts, and the European Central Bank to promote international financial stability through information exchange and international cooperation in financial supervision and surveillance. See also: www.fsforum.org.
- The Fédération des Experts Comptables Européens is the representative organization for the accountancy profession in Europe. It issues many comment letters, fact sheets and position papers on issues raised in this financial reporting supply chain survey. See for example, its work on auditors’ liability and the 2007 FEE paper Selected Issues Relating to Financial Statement Audits – Inherent Limitations, Reasonable Assurance, Professional Judgement and its Documentation, and Enforceability of Auditing Standards. The appendix to this paper also contains a short informal treatment of examples of the responsibilities of participants in the financial reporting supply chain.
- In November 2007, the World Bank opened the Vienna Centre for Financial Reporting Reform (CFRR) in an effort to better assist countries in Europe and Central Asia in meeting the financial reporting standards needed for EU accession and to meet the emerging needs of middle income countries in the Region. CFRR will be working on financial management, auditing and accounting, private sector development, project management and administrative issues. For more information, please visit CFRR’s website at: www.worldbank.org/cfrr.

Corporate Governance
- The Organisation for Economic Co-operation and Development (OECD) published the OECD Principles of Corporate Governance: 2004. The purpose of this guidance is to assist the preparers of enterprise reporting in producing disclosures on corporate governance which will address the major concerns of investors and other stakeholders.
- The United Nations Conference on Trade and Development issued the Guidance on Good Practices in Corporate Governance Disclosure. The purpose of the guidance is to help those responsible for preparing company reports to produce disclosures on corporate governance that address the major concerns of investors and other stakeholders.
- Through the following website, the European Corporate Governance Institute is making available the full texts of corporate governance codes, principles of corporate governance and corporate governance reforms both in Europe and elsewhere. See: www.ecgi.org/Store/
- In 2006, the Professional Accountants in Business Committee of IFAC published Internal Controls - A Review of Current Developments. This information paper reviews current developments and some of the latest thinking in the area of internal control. See also: www.ifac.org/Store/
- In 2007, Ernst & Young published the findings of an international survey about the current status and future direction of thinking about (internal) controls in a report called From Compliance to Competitive Edge. Respondents believe there is competitive advantage to be gained from taking a more professional approach to internal control.
- In 2007, IFAC published the international good practice guidance Defining and Developing an Effective Code of Conduct for Organisations. This guidance paper helps organizations to encourage an ethics-based culture and to define and develop a code of conduct. It also refers to the most significant resources in this area. See also: www.ifac.org/Store/
- In 2006, the Institute of Chartered Accountants in Australia published Accountants and Ethics, a white paper on key observations arising from a forum on ethics.
- In July 2003, the Fédération des Experts Comptables Européens issued a discussion paper on The Financial Reporting and Auditing Aspects of Corporate Governance, which details the elements of good corporate governance relevant to the process of financial reporting and auditing and considers the fundamental relationships and obligations between the company boards, auditors, shareholders and other stakeholders in an effective corporate governance system.
Financial Reporting

• The CFA Institute is the global, not-for-profit association of investment professionals. In July 2007, it published A Comprehensive Business Reporting Model: Financial Reporting for Investors as a framework for developing financial reports and disclosures that meet the needs of investors, such as equity investors, creditors, and other providers of capital. See also: www.cfainstitute.org.

• The International Accounting Standards Board (IASB) is an independent accounting standard setter based in the UK. The IASB publishes International Financial Reporting Standards (IFRS).

• In 2007, the Transnational Auditors Committee of IFAC published Perspectives on the Global Application of IFRS. This report illustrates the progress made with International Financial Reporting Standards and sets out examples of good practices that the network firms are implementing. See also: www.ifac.org/Store.

• The Securities and Exchange Commission (SEC) is the primary overseer and regulator of the U.S. securities markets. Its mission is to protect investors, maintain fair, orderly, and efficient markets, and facilitate capital formation. It is the responsibility of the SEC to interpret federal securities laws; issue new rules and amend existing rules; oversee the inspection of securities firms, brokers, investment advisers, and ratings agencies; oversee private regulatory organizations in the securities, accounting, and auditing fields; and coordinate U.S. securities regulation with federal, state, and foreign authorities. See also: www.sec.gov.

• In November 2007, the SEC approved rule amendments under which financial statements from foreign private issuers in the U.S. will be accepted without reconciliation to U.S. GAAP only if they are prepared using IFRS as issued by the IASB. In addition, the SEC plans a Concept Release relating to issues surrounding the possibility of treating U.S. and foreign issuers similarly in this respect by also providing U.S. issuers the alternative to use IFRS. See: www.sec.gov/spotlight/ifrsroadmap.htm.

• In a speech in November 2007, the European Commissioner for Internal Market and Services, Charlie McCreevy, stated, “Now it will be Europe’s turn to accept accounts in US GAAP. This decision will have to be taken next year. And it is certainly my intention to propose that no reconciliation to IFRS will be needed for companies filing their accounts under US GAAP. This is the only sensible way forward.” See also: www.ec.europa.eu/internal_market/accounting/index_en.htm.

• The Financial Accounting Standards Board (FASB) is the designated organization in the private sector for establishing standards of financial accounting and reporting in the U.S. In 2002, FASB and IASB announced the issuance of a Memorandum of Understanding, formalizing their commitment to the convergence of the U.S. and international accounting standards. See also: www.fasb.org.

• The Canadian Institute of Chartered Accountants, an IFAC member body, has a group devoted to improving "Beyond GAAP" reporting. Its 2004 publication, Management’s Discussion and Analysis: Guidance on Preparation and Disclosure, has spawned several other releases, including a paper discussing disclosure of the financial effects of climate change. In early 2008, the group expects to publish a draft release to improve the comparability, consistency, and transparency of the non-GAAP financial measures Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) and Free Cash Flow. This will complement earlier guidance for reporting distributable cash in publicly traded income trusts. All these publications are available through www.cica.ca/cpr.

• The Institut der Wirtschaftsprüfer in Deutschland e.V., an IFAC member body, published in 2007 a discussion paper called Additional Issues in Relation to a Conceptual Framework for Financial Reporting. It takes the view that a more thorough examination of the cost-benefit concept, of the reliability aspect of decision-useful information, and of the stewardship objective for financial reporting, would indicate that IASB's preliminary approach to financial reporting may lead to standard setting that focuses on financial reporting outcomes without addressing the financial reporting processes and related costs needed to achieve those outcomes.

• The European Financial Reporting Advisory Group (EFRAG) was set up in 2001 to assist the European Commission in the endorsement of IFRS. In cooperation with the Spanish standard setter, the Instituto de Contabilidad y Auditoría de Cuentas, EFRAG published in November 2006 the following discussion paper: The performance reporting debate - What (if anything) is wrong with the good old income statement? This paper identifies the (more technical) issues to determine the future direction of performance reporting that will be further debated in a second paper.

• In cooperation with the Accounting Standards Board, Foreningen af Statsautoriserede Revisor, Deutsches Rechnungslegungs Standards Committee, Komitet Standardów Rachunkowo ci, EFRAG published in June 2007 a comment on the IASB/FASB conceptual framework project: Stewardship/accountability as an objective of financial reporting. It discusses whether stewardship/accountability should be a separate objective of financial reporting in the converged IASB/FASB framework, besides the (overall) objective of providing information that is useful to users in making investment, credit and similar resource allocation decisions.

The Audit of Financial Reports

• The 2008 Handbook of International Auditing, Assurance and Ethics Pronouncements includes all pronouncements issued by the International Auditing and Assurance Standards Board as of December 31, 2007, as well as the IFAC Code of Ethics for Professional Accountants. See also: www.ifac.org/Store.

• In a project on Improvement of the International Credibility of Korean Accounting Transparency, the Korean Institute of Certified Public Accountants, an IFAC member body, initiated, among other things, the adoption of global auditing standards. See: www.kicpa.or.kr/english/html/w020101.jsp.

• The American Institute of Certified Public Accountants, an IFAC member body, has created the Audit Committee Effectiveness Center that presents the guidance and tools to make audit committee best practices actionable. The guidance can be used by
Usefulness of Financial Reports

- The European Financial Reporting Advisory Group issued in 2006 the discussion paper: What if anything is wrong with the good old income statement? The paper identifies and analyzes the arguments of those who believe that fundamental changes are needed to the existing performance reporting model, and also explains the reasoning of those who believe such changes are not needed. See: www.efrag.org

- On June 27, 2007, the US SEC established the Advisory Committee on Improvements to Financial Reporting to examine the US financial reporting system with the goals of reducing unnecessary complexity and making information more useful and understandable for investors. See: www.sec.gov/about/offices/oca/acifr.shtml

- In 2007, PricewaterhouseCoopers conducted a survey of the views of investors and analysts from the UK, US, Canada, Germany, France and Australia: Corporate reporting: Is it what investment professionals expect?

- In April 2007, PricewaterhouseCoopers published Corporate reporting— a time for reflection, a survey of the Fortune Global 500 companies’ narrative reporting. It investigates what the narratives actually communicate and to what extent companies are meeting the information needs of investors.

- A study by the KPMG International Financial Reporting Group of nearly 200 companies in 16 countries has found that approaches taken in the application of IFRSs are influenced primarily by a company’s country of domicile and its previous national accounting standards, rather than by its industry. The study is for sale via www.kpmgifrg.com.

- In September 2007, KPMG issued the results of a Survey of Leading Investors, which shows that many investors believe that accounts are increasingly becoming regulatory filings rather than documents offering real insight into the ongoing performance of a business, highlighting a need for more information on company strategy and markets in which the business operates.

- In June 2007, KPMG published International Financial Reporting Standards - The quest for a Global Language, in which a range of senior industry, accounting and regulatory figures give their views on the implementation to date of IFRS, and the key challenges that lie ahead.

- In 2004, Deloitte, in cooperation with the Economist Intelligence Unit, examined key non-financial metrics in a report titled In the Dark: What boards and executives don’t know about the health of their businesses. It concludes that the majority of board members and senior executives say they need incisive non-financial information on their companies’ key drivers of success, but largely find such data to be lacking or, when available, of mediocre to poor value. A follow-up survey in 2007 called In the Dark II, finds many board members and senior executives are still in the dark about the overall health of their organizations and have a lack of high-quality non-financial data upon which they can act.

- Since January 2007, the Dutch government is capable of communicating with entrepreneurs in the XBRL reporting language. The whole financial reporting supply chain is taking part in this initiative: the State, governmental bodies, intermediaries, software suppliers, professional and service organizations and employers’ organizations. See the brochure XBRL for companies: What does it mean for you?

- Since July 2002, all providers of complex financial products in The Netherlands have been obliged to provide a Financial Information Leaflet, which describes all the characteristics of the product and, therefore, gives a simple overview of all the various advantages and disadvantages. See also: www.afm.nl/english

- The article The Lord of Global Standards by R. Hussey & A. Ong (2005), is a satire on Tolkien’s Lord of the Rings. It provides, in a humorous style, an analysis of the rules vs. principles approach debate to international accounting harmonization.

- In 2007 the European Commission started encouraging Member States to create an electronic network interconnecting the national repositories which store financial information on listed companies. This will facilitate investors’ access to historical information on companies’ performance and financial position as well as on changes in major shareholdings. See also: Storage of regulated information.

- In 2007, the Institute of Chartered Accountants in England and Wales, an IFAC member body, published EU implementation of IFRS and the Fair Value Directive. This study evaluates the application of IFRS and the Fair Value Directive across EU industries, market places and member states. It also features an evaluation of the reactions to the transition to IFRS reporting of preparers, users and auditors through an on-line survey and roundtables held across the EU.