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Appendix 1. International Accounting Standards

The following IASs were in effect at 30 September 2000.^{61,62}

IAS 1	Presentation of Financial Statements	IAS 26	Accounting and Reporting by Retirement Benefit Plans
IAS 2	Inventories	IAS 27	Consolidated Financial Statements and Accounting for Investments in Subsidiaries
IAS 7	Cash Flow Statements	IAS 28	Accounting for Investments in Associates
IAS 8	Profit or Loss for the Period, Fundamental Errors and Changes in Accounting Policies	IAS 29	Financial Reporting in Hyperinflationary Economies
IAS 10	Events After the Balance Sheet Date	IAS 30	Disclosures in the Financial Statements of Banks and Similar Financial Institutions
IAS 11	Construction Contracts	IAS 31	Financial Reporting of Interests In Joint Ventures
IAS 12	Income Taxes	IAS 32	Financial Instruments: Disclosures and Presentation
IAS 14	Segment Reporting	IAS 33	Earnings Per Share
IAS 15	Information Reflecting the Effects of Changing Prices	IAS 34	Interim Financial Reporting
IAS 16	Property, Plant and Equipment	IAS 35	Discontinuing Operations
IAS 17	Leases	IAS 36	Impairment of Assets
IAS 18	Revenue	IAS 37	Provisions, Contingent Liabilities and Contingent Assets
IAS 19	Employee Benefits	IAS 38	Intangible Assets
IAS 20	Accounting for Government Grants and Disclosure of Government Assistance	IAS 39	Financial Instruments: Recognition and Measurement
IAS 21	The Effects of Changes in Foreign Exchange Rates	IAS 40	Investment Property
IAS 22	Business Combinations		
IAS 23	Borrowing Costs		
IAS 24	Related Party Disclosures		
IAS 25	Accounting for Investments		

⁶¹ Source: IASC Website: www.iasc.org.uk

⁶² The following IASs have been withdrawn:

- IAS 3 was replaced by IAS 27 and IAS 28.
- IAS 4 was replaced by IASs 16, 22, and 38.
- IAS 5 was replaced by IAS 1.
- IAS 6 was replaced by IAS 15.
- IAS 9 (Research and Development Costs) was superseded by IAS 38.
- IAS 13 was replaced by IAS 1.

Appendix 2. IASC Work Plan

The Work Plan of the International Accounting Standards Committee (IASC) at 30 September 2000 is as follows.⁶³

Issue	Plan
Agriculture	<ul style="list-style-type: none"> • Exposure Draft E65: published July 1999. • Final IAS: planned 4th quarter 2000
Business Combinations	<ul style="list-style-type: none"> • Added to Agenda: 4th quarter 1998. • G4+1 Discussion Paper: published 2nd half 1998. • Specific IASC steps are not yet determined.
Business Reporting on the Internet	<ul style="list-style-type: none"> • Staff Research Project. • Discussion Paper: published November 1999. • Added to the Board's Work Program: March 2000.
Emerging Economies	<ul style="list-style-type: none"> • Project Added to Agenda April 1998. • August 2000: Survey on Barter Transactions.
Extractive Industries (including Mining and Oil and Gas)	<ul style="list-style-type: none"> • Project Added to Agenda April 1998. • Issues Paper: planned 3rd quarter 2000.
Financial Instruments – Comprehensive Project	<ul style="list-style-type: none"> • Issues Paper: published 1st quarter 1997. • Joint Working Group Report including draft Exposure Draft: planned 2000.
Financial Instruments – Recognition and Measurement	<ul style="list-style-type: none"> • Final IAS 39: published December 1998. • Exposure Draft E66, Limited Revisions to IAS 39: published July 2000. • Implementation guidance is being developed.
Insurance	<ul style="list-style-type: none"> • Project approved April 1997. • Issues Paper: published December 1999.
Pension Plan Assets	<ul style="list-style-type: none"> • Exposure Draft E67: published July 2000.

⁶³ Source: IASC Website. www.iasc.org.uk

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Issue	Plan
Present Value (formerly 'Discounting')	<ul style="list-style-type: none">• Project Added to Agenda April 1998.• Issues Paper: planned 2nd half 2000.
Reporting Financial Performance	<ul style="list-style-type: none">• G4+1 Position Paper: published August 1999.• Draft Statement of Principles: planned 4th quarter 2000
Disclosures by Banks and Similar Financial Institutions	<ul style="list-style-type: none">• Steering Committee appointed: June 2000
Tax Consequences of Dividends	<ul style="list-style-type: none">• Exposure Draft ED 68: published July 2000
Transition	<ul style="list-style-type: none">• Undecided

Appendix 3. History of International Accounting Standards

- 1966** Lord Benson, the President of the Institute of Chartered Accountants of England and Wales (ICAEW) visits the United and Canada – the Accountants' International Study Group is established to study major accounting issues.
- 1973** The International Accounting Standards Committee (IASC) is established.
- 1974** First Exposure Draft (ED) is published.
IAS 1 *Disclosure of Accounting Policies* is published.
- 1977** The International Federation of Accountants (IFAC) is formed – IASC remains an autonomous body with a close relationship with IFAC (All IFAC members are also IASC members).
- 1980** The United Nations Intergovernmental Working Group on Accounting and Reporting meets for the first time – IASC presents a position paper on cooperation.
- 1984** IASC and the United States Securities Exchange Commission (SEC) meet formally for the first time.
- 1985** Organization for Economic Cooperation and Development (OECD) forum on accounting harmonization.
IASC responds to SEC multinational prospectus proposals.
- 1987** Comparability and Improvements project started.
International Organization of Securities Commissions (IOSCO) joins Consultative Group and supports Comparability project.
IASC publishes the first bound volume of IASs.
- 1988** IASC publishes survey on the use of IASs.
The United States Financial Accounting Standards Board (FASB) joins Consultative Group and joins Board as observer.
- 1989** Fédération des Experts Comptables Européens (FEE) President argues that Europe's best interests are served by international harmonization and greater involvement in IASC.
Framework for the Preparation and Presentation of Financial Statements approved.
IFAC *Public Sector Guideline* requires government business enterprises to follow IASs.
- 1990** European Commission joins Consultative Group and joins the IASC Board as an observer.
- 1991** First IASC Conference of Standard Setters (organized in conjunction with FEE and FASB).
FASB plan supports International Accounting Standards.
- 1993** IOSCO agrees list of core standards and endorses IAS 7 *Cash Flow Statements*.

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- 1994** Comparability and Improvements Project completed with approval of 10 revised IASs.
SEC accepts three IAS treatments plus IAS 7.
IASC Board meets standard setters to discuss ED48 *Financial Instruments*.
- 1995** FASB agrees to work with IASC on Earnings per Share.
IASC agrees with IOSCO to complete core standards by 1999 – on successful completion, IOSCO will consider endorsing IASs for cross-border offerings.
European Commission supports IASC / IOSCO agreement and use of IASs by EU multinationals.
- 1996** With minor exceptions, the EU Contact Committee finds IASs compatible with EU directives.
United States Congress calls for 'a high-quality comprehensive set of generally accepted International Accounting Standards'.
Australian Stock Exchange supports program to harmonize Australian standards with IASs.
Ministers at World Trade Organisation (WTO) encourage successful completion of International Accounting Standards.
- 1997** Standing Interpretations Committee formed.
IASC and FASB issue similar standards on Earnings per Share.
People's Republic of China becomes a member of IASC and IFAC, and joins IASC Board as an observer.
FEE calls on Europe to use IASC's Framework.
- 1998** New laws in Belgium, France, Germany and Italy allow large companies to use IASs domestically.
First official translation of IASs (German).
IFAC Public Sector Committee (PSC) publishes the draft *Guideline for Governmental Financial Reporting* as a platform for a set of International Public Sector Accounting Standards (IPSASs), to be based on IASs.
- 1999** Core standards completed with approval of IAS 39 in December.
G7 Finance Ministers and IMF urge support for IAS to 'strengthen the international financial architecture'.
New IFAC International Forum on Accountancy Development (IFAD) commits to 'support the use of IASs as the minimum benchmark' worldwide.
European Community (EC) single market plan for financial services includes use of IAS.
FEE urges allowing European companies to use IASs without EC Directives and phase-out United States GAAP (generally-accepted accounting principles).

- 2000** | Eurasian Federation of Accountants and Auditors plans adoption of IAS in CIS countries.
The SEC unanimously approves and issues a concept release seeking feedback on the acceptability of IASs in the United States.
IOSCO recommends that its members allow multinational issuers to use 30 IASC standards in cross-border offerings and listings.
European Commission announces plans to require IASC standards for all EU listed companies from no later than 2005.
IFAC Public Sector Committee (PSC) approves first eight International Public Sector Accounting Standards (IPSASs) and issues seven more EDs.
IASC board approves constitutional amendments to replace board with 19 trustees.
- 2001** | New IASC Structure effective from 1 January.

Appendix 4. IASC Standard-Setting Process

The International Accounting Standards Committee (IASC) process for developing an IAS is as follows:

- The IASC Board selects a topic that needs an IAS and assigns it to a Steering Committee. All IASC members are invited to comment.
- The Steering Committee considers the issues involved and presents a point outline to the Board.
- The Steering Committee receives Board's comments and prepares preliminary draft.
- The draft is reviewed by the Board and circulated to all members for their comments.
- The Steering Committee prepares a revised draft, which, after approval by at least two-thirds of the Board, is published as an Exposure Draft (ED). Comments are invited from all interested parties.
- Member bodies refer drafts to their own research committees for guidance.
- At the end of six months, comments are submitted to IASC and these are considered by the Steering Committee.
- The Steering Committee then submits a revised draft to the Board for approval as an IAS. The issue of the Standard requires approval of three-quarters of the Board.
- The approved IAS is sent to all member bodies for translation and publication.

Further information on the IASC is available from www.IASC.org.uk and:

Narayan, Francis, B., Ted Godden and Barry Reid. 2000. *Reference Manual on International Accounting and Auditing Standards*: Asian Development Bank.

Appendix 5. International Standards on Auditing

The following International Standards on Auditing (ISAs) and International Auditing Practice Statements (IAPSS) were in effect at 30 September 2000.

International Standards on Auditing (ISAs)			
100	Assurance Engagements	540	Audit of Accounting Estimates
120	Framework of ISAs	550	Related Parties
200	Objective and General Principles Governing an Audit of Financial Statements	560	Subsequent Events
210	Terms of Audit Engagements	570	Going Concerns
220	Quality Control for Audit Work	580	Management Representations
230	Documentation	600	Using the Work of Another Auditor
240	Fraud and Error	610	Considering the Work of Internal Auditing
250	Consideration of Laws and Regulations in an Audit of Financial Statements	620	Using the Work of an Expert
300	Planning	700	The Auditor's Report on Financial Statements
310	Knowledge of the Business	710	Comparatives
320	Audit Materiality	720	Other information in documents containing Audited Financial statements
400	Risk Assessments and Internal Control	800	The Auditor's Report on Special Purpose Audit Engagement
401	Auditing in a Computer Information Systems Environment	810	The Examination of Prospective Financial Information
402	Audit Considerations Relating to Entities Using Service Organizations	910	Engagements to Review Financial Statements
500	Audit Evidence	920	Engagements to Perform Agreed-Upon Procedures Regarding Financial Information
501	Audit Evidence-Additional Considerations for Specific Items	930	Engagements to Compile Financial Information
505	External Confirmations		Glossary of Terms
510	Initial Engagements - Opening Balances		Preface to ISAs and RSs
520	Analytical Procedures		
530	Audit Sampling and other Selective Testing Procedures		

International Auditing Practice Statements (IAPs)

<p>1000 Inter-Bank Confirmation Procedures</p> <p>1001 CIS Environments-Stand-Alone Microcomputer Systems</p> <p>1002 CIS Environments-On-Line Computer Systems</p> <p>1003 CIS Environments-Database Systems</p> <p>1004 The Relationship Between Bank Supervisors and External Auditors</p> <p>1005 The Special Consideration in the Audit of Small Entities</p>	<p>1006 The Audit of International Commercial Banks</p> <p>1007 Communications with Management</p> <p>1009 Computer - Assisted Audit Techniques</p> <p>1010 The Consideration of Environmental Matters in the Audit of Financial Statements</p> <p>1011 Implications For Management And Auditors Of The Year 2000 Issue</p>
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More information on International Standards on Auditing is available from www.IFAC.org.

Appendix 6. Public Sector Accounting Standards

The first eight International Public Sector Accounting Standards (IPSASs) that were issued by IFAC on 24 May 2000 are as follows:

- IPSAS 1 *Presentation of Financial Statements* prescribes the overall considerations for the presentation of financial statements, guidance for the structure and minimum requirements for the content of financial statements prepared under the accrual basis of accounting.
- IPSAS 2 *Cash Flow Statements* requires the provision of information about the historical changes in cash and cash equivalents of an entity by means of a cash flow statement which classifies cash flows during the period from operating, investing and financing activities. Cash flow information allows users to ascertain how a public sector entity raised the cash it required to fund its activities and the manner in which that cash was used.
- IPSAS 3 *Net Surplus or Deficit for the Period, Fundamental Errors and Changes in Accounting Policies* requires the classification and disclosure of extraordinary items and the separate disclosure of certain items in the financial statements. It also specifies the accounting treatment for changes in accounting estimates, changes in accounting policies and the correction of fundamental errors..
- IPSAS 4 *The Effect of Changes in Foreign Exchange Rates* deals with accounting for foreign currency transactions and foreign operations. IPSAS 4 sets out the requirements for deciding which exchange rate to use and how to recognize in the financial statements the financial effect of changes in exchange rates.
- IPSAS 5 *Borrowing Costs* prescribes the accounting treatment for borrowing costs and generally requires the immediate expensing of borrowing costs. However, the Standard permits, as an allowed alternative treatment, the capitalization of borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset.
- IPSAS 6 *Consolidated Financial Statements and Accounting for Controlled Entities* requires all controlling entities to prepare consolidated financial statements which consolidate all controlled entities on a line by line basis. The Standard also contains a detailed discussion of the concept of control as it applies in the public sector and

guidance on determining whether control exists for financial reporting purposes.

- IPSAS 7 *Accounting for Investments in Associates* requires all investments in associates to be accounted for in the consolidated financial statements using the equity method of accounting, except when the investment is acquired and held exclusively with a view to its disposal in the near future in which case the cost method is required.
- IPSAS 8 *Financial Reporting of Interests in Joint Ventures* specifies proportionate consolidation as the benchmark treatment for accounting for such joint ventures entered into by public sector entities. IPSAS 8 also permits – as an allowed alternative – joint ventures to be accounted for using the equity method of accounting.

The following Exposure Drafts (EDs) have also been issued:

- ED 9 *Financial Reporting under the Cash Basis of Accounting* sets out the overall considerations for the presentation of the financial statements under the cash basis of accounting, guidelines for their structure, and minimum requirements for their content.
- ED 10 *Revenue from Exchange Transactions* proposes requirements for the accounting treatment of revenue arising from exchange transactions and addresses the issue of revenue recognition for these transactions.
- ED 11 *Inventories* proposes the accounting treatment for inventories under the historical cost system.
- ED 12 *Construction Contracts* proposes requirements for the accounting treatment of revenue and costs associated with construction contracts.
- ED 13 *Financial Reporting in Hyperinflationary Economies* proposes requirements for financial reporting under conditions of hyperinflation.
- ED 14 *Property, Plant and Equipment* proposes the accounting treatment for property, plant and equipment, including the timing of their initial recognition, and the determination of their ongoing carrying amounts and related depreciation.
- ED 15 *Leases* proposes requirements for the accounting treatment of leasing transactions.

These standards and exposure drafts, and other guidance and reference materials, can be downloaded from www.IFAC.org.