



Financial Reporting Frameworks

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Objectives

- Review
 - History of international accounting standards
 - IFRS
 - IFRS for SMEs
 - IPSASB
 - Financial reporting frameworks in US
 - Financial reporting frameworks in Canada

History

- 1966 - Idea of int'l accounting standards
- 1967 - Accountants International Study Group formed
- 1973 - International Accounting Standards Committee (IASC) formed
- 2001 - International Accounting Standards Board (IASB) formed

IASC

- Lasted 27 years, until restructured
- Issued 41 “International Accounting Standards”
- Standards known as IAS 1 to IAS 41
- Standards still effective, until superseded
- Standing Interpretations Committee issued interpretations known as SICs

IASB

- Adopted IAS 1 to IAS 41
- Revised numerous IASs
- Issued 17 “International Financial Reporting Standards” (IFRS)
- IFRS Interpretations Committee - formerly (IFRIC) has issued 23 interpretations

IFRS

- Worldwide adoption:
 - **Required** for all/most domestic public entities - 144 countries (87%)
 - **Permitted/required** for some domestic public entities - 13 countries (8%)
 - **Not permitted or allowed** for domestic public entities - 9 countries (5%)
 - Total 166 countries

Implementation of IFRS in the USA

- 2002 Norwalk Agreement
- 2007 SEC accepts IFRS for non-US entities
- 2008 SEC issues “roadmap” for US entities
- 2012 SEC issues report on incorporating IFRS in US reporting
- 2013 FASB selected as part of IFRS’s Accounting Standards Advisory Forum

IFRS for SMEs

- Based on IFRS
 - Modifications to reflect needs & cost-benefit considerations
- Designed for small and medium-sized entities that:
 - Do not have public accountability and
 - Publish general purpose financial statements for external users
- Not expected to be updated more often than once in 3 years
- Less complex, fewer options, and reduced disclosures

IFRS for SMEs - Adoption

- Worldwide adoption:
 - Permitted or required - 85 countries (57%)
 - Currently under consideration - 11 countries (7%)
 - Not used or under consideration - 54 countries (36%)
 - Total 150 countries

Key differences between IFRS & IFRS for SMEs

- Statement of changes in equity
- Research and development costs
- Financial instruments
- Intangible assets
- Investment property

IPSASB

- International Public Sector Accounting Standards Board
- Since 1997, IPSASB issued 38 accrual standards and a cash basis standard for countries moving to accrual basis
- In 2014 issued global conceptual framework
- Adopted by 18 national governments

Accounting Frameworks in USA

- FASB = US GAAP (includes NPOs)
- Non-GAAP
 - Financial Reporting Framework for SME (AICPA)
 - Cash basis
 - Tax basis
 - Regulatory basis

Accounting Frameworks in Canada

- 5 different accounting frameworks
 - Public entities - IFRS
 - Private enterprises
 - NPOs
 - Pension plans
 - Pre-changeover Canadian GAAP

QUESTIONS?



Thanks for your attention

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