

# International Federation of Accountants

## Session 4B

### Skills Required For Financial Information Preparers

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# Skills Required For Financial Information Preparers

- Many preparers of financial information are not professional accountants
- Therefore most people responsible for the preparation of financial information are not members of a professional body and are not bound by an acceptable code of ethical behaviour
- More and more CFO's of large publicly accountable organisations are not professional accountants or members of a professional body. Many have MBA qualifications which, on its own, generally does not entitle them to professional body membership
- With the global adoption of IFRS the task of preparing and reporting financial information has become extremely complex – surely there is a pressing need for this task to be completed by professional accountants

# Skills Required For Financial Information Preparers

- With many of the high profile corporate collapses much of the media and regulatory focus has been on the auditors with far less attention given to the people who prepare the financial information in the first instance
- The importance of sovereign debt within the financial global environment has been exposed in the recent global financial crisis and it has been shown for the first time maybe to have an increasing risk profile. Therefore there is greater focus on the financial information of public entities and most of them do not subscribe to an accrual basis of accounting and certainly their financial information is not prepared by professional accountants

# Skills Required For Financial Information Preparers

- What role can LAC PAOs play in raising the unsatisfactory situation in their countries, How can regulators and governments become engaged in this debate and hopefully take some action to insist on improvements?
- Is it an appropriate situation whereby the auditing of financial information is highly regulated, when there is no regulation over the initial preparation of this information?
- Are the people responsible for the governance of public interest entities appropriately discharging their responsibilities for the preparation of “true and fair” financial information?
- Should there be some form of regulation over those people who prepare financial information for entities of public interest? In so, how would implementation of this be achieved?
- Are the International Education Standards (IES's) of IFAC the appropriate starting point for the educational requirements of preparers of financial information?
- What can the IFAC committee “Professional Accountants in Business” do to highlight this issue and contribute to any ensuing debate?