

Proposed Changes to Section 320—Presentation of Information**Section 320****Presentation of Information**

320.1 Professional accountants in business are involved in the preparation and presentation of information to stakeholders both inside and outside the employing organization. Such stakeholders include management, those charged with governance, investors, regulators, lenders, and other creditors.

This information may assist stakeholders in understanding and evaluating aspects of the organization's state of affairs and in making decisions concerning the organization. This includes financial and non-financial information that may be made public or used for internal purposes.

Examples include:

- Operating and performance reports
- Decision support analyses
- Budgets and forecasts
- Information provided to the internal and external auditors
- Risk analyses
- General and special purpose financial statements
- Tax returns
- Reports filed with regulators and for legal compliance purposes

320.2 A professional accountant in business shall record, maintain, prepare or present information for which the professional accountant is responsible in a manner that is complete, fair and honest. In doing so the professional accountant shall have regard to the purpose for which the information is to be used, the context in which it is provided and the audience to whom it is addressed. In particular a professional accountant shall:

- Classify and record information in a timely and proper manner;
- Represent the facts accurately and completely in all material respects; and
- Describe clearly the true nature of business transactions or activities.

Consistent with the fundamental principle of objectivity, the professional accountant shall record, maintain, prepare or present such information without personal bias.

320.3 In cases where the professional accountant in business relies on the work of others the professional accountant shall take reasonable steps to be satisfied that such work enables the professional accountant to fulfill the obligations set out in paragraph 320.2.

320.4 A professional accountant in business who is responsible for the preparation or approval of information in accordance with an applicable reporting framework shall be satisfied that the information is presented in accordance with such reporting framework.

- 320.5 In other situations, including preparing or presenting pro-forma reports, non-standard measures (for example, “non-GAAP” supplementary measures), or forward-looking information such as budgets and forecasts, the professional accountant in business shall disclose such relevant information as is necessary to enable those who may rely on such information to form their own judgments. Such relevant information includes, if appropriate, any estimates, approximations and assumptions.
- 320.6 Consistent with the fundamental principle of integrity, the professional accountant in business shall not prepare or present information in a manner that is intended to:
- Mislead; or
 - Inappropriately influence decisions, or contractual or regulatory outcomes, that depend on the reported information.

Dissociation from Misleading Information

- 320.7 A professional accountant in business shall refuse to be or to remain associated with information the professional accountant determines is misleading. The professional accountant shall take steps to be dissociated from that information.

Such steps would include consulting the employing organization's policies and procedures (for example an ethics policy) regarding how such matters should be addressed internally, and discussing concerns that the information is misleading with the professional accountant's supervisor and/or the appropriate higher level(s) of management within the professional accountant's organization (for example, the supervisor's immediate superior or senior management) or those charged with governance.

- 320.8 If, after discussing such concerns with the supervisor and/or appropriate higher level(s) of management within the employing organization, the professional accountant concludes that appropriate action was not taken (for example, the information was not corrected), then the professional accountant shall consider actions which may include one or more of the following steps:
- Consulting legal counsel regarding the professional accountant's and the employing organization's responsibilities.
 - Consulting with a relevant professional body.
 - Determining whether any responsibilities exist to communicate to third parties, including users of the information, regulatory authorities or the employing organization's external accountant.

In considering any communication, the professional accountant shall remain alert to the fundamental principle of confidentiality.

- 320.9 If the professional accountant in business concludes that appropriate action was still not taken by the employing organization, then the professional accountant shall consider the professional accountant's continuing relationship with the employing organization.
- 320.10 The professional accountant is encouraged to document the facts, the accounting principles, or other relevant professional standards involved and the communications with other parties.

- 320.11 Where threats to compliance with the fundamental principles arise from financial interests, compensation and incentive linked to financial reporting and decision making the guidance in section 340 is relevant. Where the threats to compliance with the fundamental principles arise from pressure from others, the guidance in section 370 is relevant. Where the threats to compliance with the fundamental principles may constitute acts that are contrary to law or regulation (for example, fraud), the guidance in section 360 is relevant. Where the threats to compliance with the fundamental principles arise from conflicts of interest the guidance in section 310 is relevant.