

TAG-Audit Newsletter

Issue 5 - March 2018

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Abu-Ghazaleh: IASCA Discusses Status of Audit Profession at IFAC's Meeting in Belgium

BRUSSELS - The International Arab Society of Certified Accountants (IASCA) participated in the International Federation of Accountants (IFAC) Annual Council Meeting held in Brussels.

IASCA was represented by member of the Board and representative of IASCA in Palestine Mr. Jamal Melhem and IASCA Executive Director Mr. Salem Al Ouri.

During the meeting, participants discussed the status of the audit profession, plans and projects to develop high-quality international standards for professional auditors and accountants as well as suggested amendments to the mechanism of preparing and developing such standards.

Moreover, they discussed the performance of the Federation documented through annual reports and reports of affiliate committees, in addition to the 2018 Work Plan and professional studies and specialized papers, as well as a plan for supporting and developing the Palestinian

Association of Certified Public Accountants.

HE Dr. Talal Abu-Ghazaleh, Chairman of IASCA, praised the Society's supporting role, since its establishment in 1984, in developing accounting and audit professions in the Arab world in addition to building capacities of national professional societies and associations in these countries for the implementation of international standards and compliance with IFAC's good practices that contribute to the economic and social development in the Arab region.

The IFAC Meeting was attended by representatives of the World Bank and a host of international organizations concerned with the development of accounting and audit in the world, as well as representatives from 102 member countries of the Federation.

IASCA representative Melhem was selected to be a member of one of the main committees dealing with development of the profession in the world for



the 2018-2021 cycle which will enable IASCA to contribute to the profession's development worldwide and present the professional developments in the Arab region to IFAC members from other regions.

IFAC is the global organization for the accountancy profession dedicated to serving the public interest by strengthening the profession and contributing to the development of strong international economies. IFAC is comprised of over 175 members and associates in more than 130 countries and jurisdictions, representing almost three million accountants in public practice, education, government service, industry and commerce.

For the 15th Year, IFAC's Forum of Firms Renews Talal Abu-Ghazaleh International Membership

NEW YORK - The Forum of Firms (FOF), founded by the International Federation of Accountants (IFAC), has recently renewed Talal Abu-Ghazaleh & Co. International (TAGI) membership for the year 2018 after successfully maintaining its membership for the 15th year in a row.

In accordance with its membership standards in the FOF, TAGI will continue to demonstrate its commitment highest level of quality in auditing on an international level, and implement quality control standards based on the international standards issued by International Auditing and Assurance Standards Board (IAASB) in addition to the relevant national standards, and will be also committed to have policies and methodologies that conform with the national ethic requirements in the countries where it's operational.

It's worth mentioning that Talal Abu-Ghazaleh & Co. International is the only company from the Arab and the Middle East region that practices audit at an international level that has been listed as a full member of the Forum of Firms (FOF), whose membership includes the top 27 Global firms.

HE Dr. Talal Abu-Ghazaleh, the first Arab to be elected to the IFAC Board of Directors in 1990, affirmed TAGI's strong commitment to the professional quality and profession's ethics in its practices through the Organization's offices that are dispersed all over the world.

The Forum of Firms (FOF) is an independent association of international networks of firms that perform transnational audits. The objective of the Forum is to promote consistent and high-quality standards of financial reporting and

 **FORUM OF FIRMS**

January 30, 2018
Mr. Jamal Milhem
Executive Director
Talal Abu Ghazaleh & Co. International
PO BOX 1110 Ramallah
Palestine

Dear Mr. Milhem,

Re: FORUM OF FIRMS MEMBERSHIP

Further to your request, I report as follows:

The Forum of Firms (Forum) and the International Federation of Accountants (IFAC) are affiliated organizations with mutual recognition within one another's Constitution. The Transnational Auditors Committee (TAC) is the executive arm of the Forum and a committee of IFAC and, therefore, provides the official linkage between the Forum and IFAC.

The purpose of this letter is to confirm that Talal Abu Ghazaleh & Co. International (TAGI) is a member of the Forum of Firms effective June 2004.

Information about the Forum of Firms, including a register of members can be obtained from our website www.forumoffirms.org. From our website, we have attached a register of members of the Forum of Firms as of the date of this letter for your convenience.

Commitment to the obligations of membership in the Forum contributes to raising the standards of the international practice of auditing in the interest of users of the profession's services. Membership in the Forum is open to networks and to firms of all sizes that:

- Maintain appropriate quality control standards in accordance with International Standards on Quality Control issued by the IAASB, in addition to relevant national quality control standards and conduct, to the extent not prohibited by national regulation, regular globally coordinated internal quality assurance reviews;
- Have policies and methodologies for the conduct of transnational audits that are based, to the extent practicable, on ISAs;
- Have policies and methodologies which conform to the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants and national codes of ethics; and
- Agree to submit to the Secretary of the Forum an annual report, in a form approved by the TAC, indicating that it meets the membership obligations set forth above.

Kind Regards,


Sylvia Tsien
Forum of Firms – Authorized signatory
Executive Director – Knowledge, Operations and Technology

auditing practices worldwide. Members of the FOF are committed to adhering to and promoting the consistent application of high-quality audit practices worldwide.

IFAC is a New York-based global organization for the accountancy profession dedicated to serving public interest by strengthening the profession and contributing to the development of strong international economies. IFAC is comprised of over 175 members and associates in more than 130 countries, representing almost 3 million chartered accountants in the world.

TAGI is a global organization for professional services founded in 1972, providing its services through more than 110 offices worldwide covering various fields such as Accounting, Internal & External Auditing, Capacity Building and other Consulting services.

Issued IFRS Standards 2018 (Red Book)

LONDON - The IFRS Foundation announced the publication of the Issued IFRS Standards 2018 in PDF and bound volume format. The issued Standards are published annually. The bound volume of Standards used to be called the 'Red Book'.

This is the only official printed edition of the International Accounting Standards Board's authoritative pronouncements as issued on January 1, 2018.

IFRS Professional and Comprehensive subscribers already have access to the Issued IFRS Standards 2018 online.

What's new in this edition?

- IFRS 17 Insurance Contracts;
- amendments to two Standards: IFRS 9 Financial Instruments and IAS 28 Investments in Associates and Joint Ventures;
- Annual Improvements to IFRS Standards 2015–2017 Cycle (which contains amendments to IFRS 3, IFRS 11, IAS 12 and IAS 23);
- IFRIC 23 Uncertainty over Income Tax Treatments; and
- IFS Practice Statement 2 Making Materiality Judgements.



This edition is presented in three volumes sold together as a set:

- Part A contains the Conceptual Framework for Financial Reporting and the issued Standards;
- Part B contains the illustrative examples and implementation guidance that accompany the Standards, together with IFRS Practice Statements; and
- Part C contains the bases for conclusions that accompany the Standards.

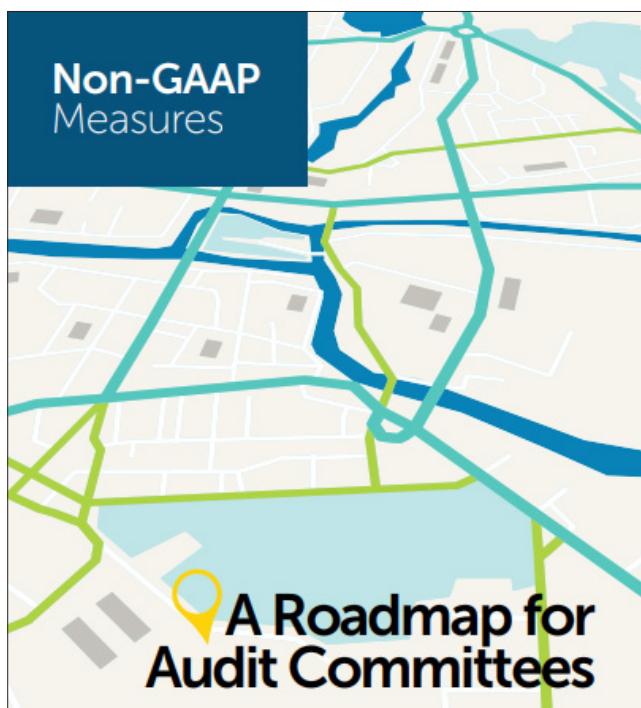
In April 2018, the IFRS Foundation will publish a second edition of the issued Standards—the Annotated Issued IFRS® Standards 2018—which will include the same content as the Issued IFRS Standards 2018 with additional annotations and explanatory material. The Annotated Issued IFRS® Standards 2018 will only be available in PDF format.

<http://www.ifrs.org>

Non-GAAP Measures: A Roadmap for Audit Committees

WASHINGTON, DC - The Center for Audit Quality (CAQ) released on March 16, 2018, a new publication designed to help audit committees enhance their oversight of non-GAAP measures used by company management.

Presenting themes that emerged at a series of multi-stakeholder roundtables, Non-GAAP Measures: A Roadmap for Audit Committees provides a set of key considerations for audit committees, including leading practices to assess whether a company's non-GAAP metrics present a balanced representation of the company's performance. GAAP information serves as a foundation for confidence in financial statements, but financial statement users also value non-GAAP financial measures, when presented appropriately.



In addition to the roadmap, the CAQ released a companion video featuring interviews with audit committee chairs that provides additional context and real-life examples of how audit committees are thinking about and overseeing non-GAAP measures.

Among other recommendations, the CAQ suggests that the audit committee:

Put itself in the shoes of investors when evaluating if the non-GAAP measures and related disclosures presented align with the company's overall strategy and performance. Ask management whether it has an internal

policy that provides guidelines for determining how non-GAAP measures are generated, calculated, and presented.

Discuss with management how the company makes changes to the non-GAAP measures it presents and the rationale for why it would or would not make changes. Ask the company to compare or benchmark its non-GAAP measures to its peers. Leverage external auditors as a resource when evaluating non-GAAP measures.

Review the publication on the CAQ's website: <https://www.thecaq.org/non-gaap-measures-roadmap-audit-committees>.

Accounting Policy Changes (Amendments to IAS 8)

LONDON - The International Accounting Standards Board tentatively decided to propose amending IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to lower the impracticability threshold regarding retrospective application of voluntary changes in accounting policies that result from agenda decisions. The proposed threshold would include a consideration of the costs and benefits of applying such changes retrospectively.



The Board published an exposure draft on March 27, 2018.

<http://www.ifrs.org>