

TAG-Audit Newsletter

Issue 12 - December 2018

tagi.com | tagorg.com

TAGI Participates in the Annual FOF, IFAC Meetings

NEW YORK- Talal Abu-Ghazaleh International (TAGI) participated in the Forum of Firms (FOF) and the International Federation of Accountants (IFAC) meetings which were held recently over a three day period in New York.

The three-day meetings discussed the suggested IFAC Strategy and the professional boards activities and strategies including: development and updates on the International Auditing Standards (ISAs), International Accounting Standards (IAS), International Accounting Educations Standards (IAES), International Ethics Standards for Accountants, the amendments on ISA 220, International Standard on Quality Control (ISQC) 1, “Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and other Assurance and Related Services Engagements” and International Standards on Quality Control (engagement quality Review). ISQC 2 which will be issued as an exposure draft by the end of December 2018 in addition to the annual reports of the forum and the Transnational Audit Committee, TAC and updates on the profession from different regions.

HE Dr. Abu-Ghazaleh, chairman of Talal Abu-Ghazaleh Organization, expressed his satisfaction with TAG-Org’s achievements at the global level, and its contribution to the global profession, affirming that TAGI will continue with its strategy of globalizing the auditing network to cover all continents, maintaining and developing the quality of professional services with full compliance with international auditing standards and the Code of Ethics issued by IFAC.

Mr. Jamal Milhem, member of TAG-Org Management Council and TAG-Org Executive Director in Palestine, represented the firm in the meetings.



The Forum of Firms (FOF, Forum) 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 auditing practices worldwide. Members of the FoF are committed to adhering to and promoting the consistent application of high-quality auditing 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 180 members and associates in more than 130 countries, representing almost 3 million chartered accountants worldwide.

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. TAGI joined FOF since its establishment by IFAC in 2002.

TAGI Quality Control Inspection Program of 2018 Completed

AMMAN - Talal Abu-Ghazaleh & Co. International (TAGI) completed the annual periodic Quality Control (QC) review procedures at TAGI offices related to audit, review, assurance and other related professional services. This inspection is an important component of an audit firm's overall quality assurance process.

In line with the vision of HE Dr. Talal Abu-Ghazaleh, chairman and founder of Talal Abu-Ghazaleh Organization, the inspection covered elements of the quality control system that should be implemented at each office in accordance with the Firm's policies

and procedures, the requirements of the International Standard on Quality Control No. 1 and the relevant Quality Control and professional standards in each country.



The inspection included a sample of paper files for some assignments and other related reports to assess the level of compliance with the elements of the quality control system and relevant professional standards.

Abu-Ghazaleh: The Overwhelming Knowledge Revolution will not allow the Auditing Profession to remain as is

KUWAIT - Kuwait Accountants and Auditors Association (KAAA) organized the 6th Professional Conference for Accounting and Auditing under the patronage of the Minister of Commerce and Industry HE Mr. Khaled Al-Roudan in the presence of HE Dr. Talal Abu-Ghazaleh, the keynote speaker in his capacity as Chairman of the International Arab Society of Certified Accountants (IASCA).

In his speech at the Conference held under the theme 'Challenges and Aspirations for the Future of the Profession', Dr. Abu-Ghazaleh affirmed that the world is embracing the Fourth Industrial Revolution (Knowledge Revolution) which will be more influential and significant than previous revolutions, noting that the "overwhelming Knowledge Revolution will not allow the auditing profession to remain as it is and we will have to adapt to the Revolution's requirements and imperatives."

Moreover, Dr. Abu-Ghazaleh noted, "in the next 20 years, the auditing profession will be transformed from the 'Human Auditor' to the 'Audit Tech' program which will be more accurate, fast and capable of detecting errors and irregularities."

According to Dr. Abu-Ghazaleh, the Audit Tech program will be based on International Accounting Standards, International Standards on Auditing and Audit Programs saying that competition between companies and auditing offices will be centered on the quality of their program.



Additionally, Dr. Abu-Ghazaleh stated that "in the transitional phase, the 'Audit Tech' will be defined as 'The Auditor' and the human auditor will no longer exist, however, human auditors will become technical experts who will be required to submit results through the 'Audit Tech' program along with their observations, conclusions and recommendations."

He also stated that 'we have to realize that auditors will become the program makers and developers from which they would extract data to submit to the concerned entities', emphasizing that they will have no other choice.

For his part, Minister Al-Roudan said that the Conference undertook the mission of identifying the challenges and aspirations of the future of accounting by the concerned authorities in Kuwait, the Cooperation Council for the Arab States of the Gulf, the other Arab countries and those concerned about the profession as well as financial report developers, academics and the relevant government authorities.

He pointed out that these are the most capable individuals for developing future plans that face challenges and meet modern trends in the Accounting Information Systems, thus contributing to making the profession one of the enabling and supporting tools for economic decision makers in light of recent developments, particularly adopting the full disclosure principle, promoting the principle of transparency and building rules of governance.

Meanwhile, KAAA Chairman Mr. Saqer Al-Hees highlighted the enormous challenges and obstacles faced by the accounting and auditing professions, noting that it is the responsibility of the profession's staff and associates to develop Accounting Science to keep abreast of continuous advancements.

He added that Accounting Science has become one of the economic decision-making tools and the main contributor in achieving sustainable development, stressing the need to draft legal legislations that

regulate performance and establish common formulas to solve practical problems resulting from application.

The participants tackled other important topics including: challenges and aspirations for the future of the accounting profession and its relation with others, auditing and its role in combating fraud and corruption, tax and Zakat and their applications, governance and internal auditing in public and private sectors, modern trends in Accounting Information Systems; their quality and relation in the development of the profession in emerging markets.

It's noteworthy to mention that Kuwait's Speaker of the National Assembly HE Mr. Marzouq Al-Ghanim honored Dr. Abu-Ghazaleh and the Arab International Society of Certified Accountants in a ceremony for honoring the Conference's sponsors and organizers in addition to outstanding students in Kuwait.

Abu-Ghazaleh: IASCA Participates in the World Standard Setters Conference

LONDON - The International Arab Society of Certified Accountants (IASCA) took part in the annual conference of the World Standards Setters (WSS) convened by the International Financial Reporting Standards (IFRS) Foundation.

IASCA Chairman, HE Dr. Talal Abu-Ghazaleh said that participation in the Conference comes in line with the vision of the Society on the importance of exchanging experiences in the area of international standards, and to keep abreast of any new developments in this field, so that the Society performs its duties in accordance with the best practices as well as updating the training and qualifying approaches of the Certified Accountants according to the latest version of international standards.

During the inauguration ceremony, Mr. Hans Hoogervorst, chairman of the International Accounting Standards Board (IASB) stressed the importance of the role of National Standards Setters in providing opinions, proposals, and information considered to be vital to the development of the International Financial Reporting Standards.

The conference shed light on a number of topics, including the implementation strategy of the new



International Financial Reporting Standards, namely: the International Financial Reporting Standard 9 "Financial Instruments", the International Financial Reporting Standard 15 "revenues generated from contracts concluded with clients", the International Financial Reporting Standard 16 "Leasing Contracts", and the International Financial Reporting Standard 17 "Insurance Contracts". Goodwill and depreciation of assets, financial instruments, risk management, and inter-bank exchange rate were also discussed.

Also during the conference, a number of sessions were organized to discuss the conceptual framework of the International Financial Reporting Standards, their nature, goals, and the need to apply them.