

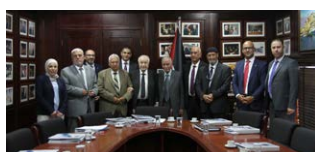
TAG-Audit Newsletter

Issue 74 - April 2024

tagi.com | tag.global

Talal Abu-Ghazaleh & Co. International (TAG-Audit) is a leading global accounting and auditing firm. It is considered as an independent member company of Talal Abu- Ghazaleh organization (TAG-Org). TAG-Audit provides a complete range of internal auditing, external auditing, taxation, and other financial services based on international professional standards.

IN THIS ISSUE



Dr. Abu-Ghazaleh Renews ASCA Professional Accountants' Scholarships in Gaza and Palestinian Refugee Camps 2



The Increase in Global Public Debt: A Warning of a Global Financial Crisis 3



New IFRS Accounting Standard will aid investor analysis of companies' financial performance 4



Equipping Accountants for Sustainability Reporting: IFAC Proposes Enhancements to International Education Standards 5



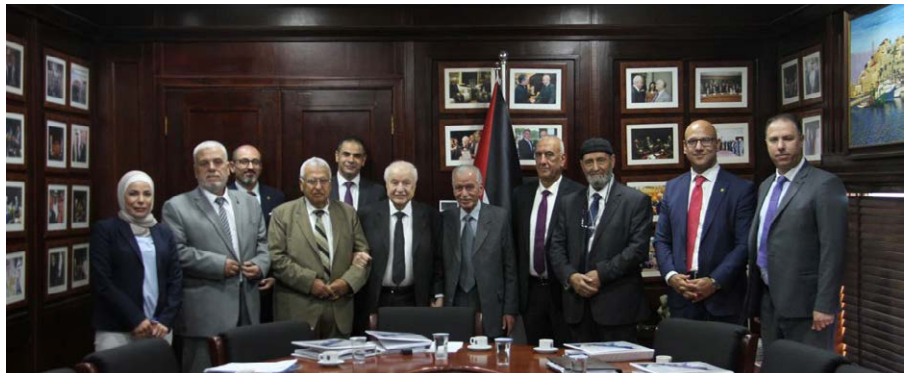
IAASB Announces New Strategy and Work Plan to Advance Global Audit and Assurance Standards 6



IPSASB Issues Improvements To IPSAS, 2023 7

Dr. Abu-Ghazaleh Renews ASCA Professional Accountants' Scholarships in Gaza and Palestinian Refugee Camps

AMMAN - The Arab Society Certified Accountants (ASCA Jordan), a member of the Talal Abu-Ghazaleh Foundation (TAG-Foundation), has held its 34th Ordinary Assembly meeting, which was chaired by HE Dr. Talal Abu-Ghazaleh, ASCA chairman.



During the meeting, Dr. Abu-Ghazaleh commended the efforts exerted by ASCA's Board of Directors, particularly its founders, for their unwavering support over the past 39 years in enhancing the Society's business operations and activities, noting that ASCA remains the sole organization in the region that has been working as a qualifying, educational, and training accounting association since its establishment in 1986.

During the session Dr. Abu-Ghazaleh announced the renewal of the scholarships offered to accountants and graduates in accounting, commerce, and economics in the Gaza Strip and Palestinian refugee camps, pointing out that such scholarships came as an extension of the previous initiative that was launched in 2001 in order to qualify 1000 Palestinian accountants in both the West Bank and Gaza Strip by building their accounting capacities, in order to bolster this vital sector in the Palestinian economy by enhancing the skills and knowledge of a greater number of accountants to address workforce shortages and support businesses. In his capacity as the Chair of IASCA,

Dr. Abu-Ghazaleh also decided to offer free membership to each individual who registers with ASCA (Jordan) as the goal of this decision is to promote and grow ASCA (Jordan) membership.

Dr. Abu-Ghazaleh further underscored ASCA's ongoing commitment to advancing accounting, management, and related fields, commending the level of excellence the Society has attained. He also praised the dedicated efforts of the Society's management, staff, as well as the Board of Directors for their contributions towards this achievement.

Dr. Abu-Ghazaleh also lauded ASCA for its significant accomplishments throughout 2023, highlighting its role in facilitating, developing, and funding a diverse array of translated materials issued by the International Federation of Accountants (IFAC).

Mr. Salem Al-Ouri, IASCA executive director, delivered the Board's report on IASCA's activities for the year ending on 31/12/2023, along with its future plans. The report highlighted the benefits offered to the Society's members and outlined key

professional publications that were translated, printed, and published; including the monthly professional newsletter.

On the training and qualifications front, the report highlighted the training courses that were conducted through various methods, including digital and face-to-face sessions, held in Jordan and Arab countries. Additionally, the report underscored the ongoing efforts carried out to strengthen cooperation and establish collaboration agreements between several entities at both local and international levels.

It is noteworthy mentioning that the Arab Society Certified Accountants (ASCA Jordan) consistently endeavors to advance the fields of accounting and management, along with other related disciplines and principles applicable to professional services. ASCA also strives to elevate the standards of competence, practice, and code of conduct to achieve the highest professional levels. This commitment is demonstrated through its dedication to promoting accounting publications and its proactive approach to keep abreast of new and emerging trends in accounting and auditing.

The Increase in Global Public Debt: A Warning of a Global Financial Crisis

Global public debt levels (which includes the debts of countries, companies, and households) have risen dangerously and unprecedentedly in recent years, reaching \$307 trillion in the third quarter of 2023. This represents 336% of the total global gross domestic product (GDP), more than three times what the global economy produces.



The reasons behind this significant increase in public debt include the high costs of combating the coronavirus pandemic in recent years, large trading volumes in the financial market, increased government spending in many countries, in addition to interest rates rising to unprecedented levels during the past year, during which global public debt grew by around \$10 trillion

This increase in public debt poses a major challenge to the global economy, as it forces countries, companies, and individuals to limit spending and investment, resulting in an economic growth slowdown. Additionally, this reality may lead some debtors to default, increasing the risks and repercussions of a global financial crisis, especially considering that the debt service costs continue to rise steadily, reaching very high levels.

The debts of countries constitute a significant part of the global public debt. According to data from the International Monetary Fund, government debts amounted to \$87.3 trillion, posing a threat to all countries, including advanced ones. More than 100 countries will be compelled to reduce their spending on infrastructure, healthcare, education, and social protection services, especially since over 60% of countries classified as having low income face significant challenges in managing their debts.

The main challenge, however, is whether there is a solution to the problem of global debt. Despite the efforts of economic and political experts, the prospects remain unclear. If serious measures are not taken to address this problem, there is a significant risk to the stability of the global financial system, especially in light of the serious repercussions of the Zionist aggression on Gaza Strip and the risks it poses to shipping in the Red Sea, leading to increased shipping costs, in addition to the significant losses incurred by companies supporting the Zionist entity.

The significant and continuous increase in the size of public debt serves as a red flag for the world, reminding us of the necessity to control debt and steer economies toward financial sustainability. Governments, international institutions, and companies must work together to find innovative solutions to this growing financial problem before it leads to a major crisis threatening global stability.

New IFRS Accounting Standard will aid investor analysis of companies' financial performance

The International Accounting Standards Board (IASB) completed its work to improve the usefulness of information presented and disclosed in financial statements. The new Standard, IFRS 18 Presentation and Disclosure in Financial Statements, will give investors more transparent and comparable information about companies' financial performance, thereby enabling better investment decisions. It will affect all companies using IFRS Accounting Standards. IFRS 18 introduces three sets of new requirements to improve companies' reporting of financial performance and give investors a better basis for analysing and comparing companies:

Improved comparability in the statement of profit or loss (income statement)

Currently there is no specified structure for the income statement. Companies choose their own subtotals to include. Often companies report an operating profit but the way operating profit is calculated varies from company to company, reducing comparability.¹

IFRS 18 introduces three defined categories for income and expenses—operating, investing and financing—to improve the structure of the income statement, and requires all companies to provide new defined subtotals, including operating profit. The improved structure and new subtotals will give investors a consistent starting point for analysing companies' performance and make it easier to compare companies.

Enhanced transparency of management-defined performance measures

Many companies provide company-specific measures, often referred to as alternative performance measures. Investors find this information useful. However, most companies don't currently provide enough information to enable investors to understand how these measures are calculated and how they relate to the required measures in the income statement. IFRS 18 therefore requires companies to disclose explanations of those company-specific measures that are related to the income statement, referred to as management-defined performance measures. The new requirements will improve



the discipline and transparency of management-defined performance measures, and make them subject to audit.

More useful grouping of information in the financial statements

Investor analysis of companies' performance is hampered if the information provided by companies is too summarised or too detailed. IFRS 18 sets out enhanced guidance on how to organise information and whether to provide it in the primary financial statements² or in the notes. The changes are expected to provide more detailed and useful information. IFRS 18 also requires companies to provide more transparency about operating expenses, helping investors to find and understand the information they need.

Andreas Barckow, IASB Chair, said:

IFRS 18 represents the most significant change to companies' presentation of financial performance since IFRS Accounting Standards were introduced more than 20 years ago. It will give investors better information about companies' financial performance and consistent anchor points for their analysis.

IFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027, but companies can apply it earlier. Changes in companies' reporting resulting from IFRS 18 will depend on their current reporting practices and IT systems. IFRS 18 replaces IAS 1 Presentation of Financial Statements. It carries forward many requirements from IAS 1 unchanged. IFRS 18 is the culmination of the IASB's Primary Financial Statements project.

<https://www.ifrs.org/news-and-events/news/2024/04/new-ifrs-accounting-standard-will-aid-investor-analysis-of-companies-financial-performance/>

Equipping Accountants for Sustainability Reporting: IFAC Proposes Enhancements to International Education Standards



**International
Federation
of Accountants**

The International Federation of Accountants (IFAC) has unveiled proposed changes to the International Education Standards (IESs) that embed sustainability-from analysis to reporting to assurance-across aspiring professional accountants’ training.

IFAC CEO Lee White emphasized the significance of the proposed changes, stating, “Investors and other stakeholders need sustainability reports and disclosures that are on par with the high-quality, decision-useful financial reports that accountants already deliver. To be future-fit, accountants must develop the right competencies to meet this need. The proposals provide a robust framework for the profession to develop capable accountants who produce, report, and assure sustainability information.”

Key proposals include:

- Emphasizing working with experts and in multi-disciplinary teams;
- Introducing key sustainability reporting concepts, such as systems thinking, value chains and scenario analysis;
- Referencing relevant sustainability reporting and assurance standards; and
- Creating a new assurance competence area and learning outcomes.

Additionally, IFAC has proposed changes to IES 6, Initial Professional Development – Assessment of Professional Competence, to modernize the standard to align with current good practice and clarify previously-existing requirements. This includes introducing new principles emphasizing integrity, authenticity, equity, and inclusion. These changes will aid professional accountancy organizations, universities, and training programs in evaluating candidates’ readiness for the professional accountant role.

<https://www.ifac.org/news-events/2024-04/equipping-accountants-sustainability-reporting-ifac-proposes-enhancements-international-education>

IAASB Announces New Strategy and Work Plan to Advance Global Audit and Assurance Standards

The International Auditing and Assurance Standards Board (IAASB) published its approved strategy and work plan aimed at enhancing consistency and quality of audit and assurance standards worldwide. Elevating Trust in Audit and Assurance: IAASB's Strategy and Work Plan for 2024-2027 reflects the crucial role of audit and assurance in fostering trust in the world's economies.

“Audit and assurance play vital roles in the world's economies,” said IAASB Chair Tom Seidentstein. “At their best, audit and assurance practitioners enhance trust in markets and assist in efficient, sustainable resource allocation. That is why the IAASB is dedicated to developing relevant, high-quality standards under a rigorous and transparent due process.”

The IAASB's previous strategy (2020-2023) saw significant progress on key objectives, including adopting agile methodologies and engaging with a broader range of stakeholders. Notable achievements include the suite of quality management standards, an enhanced special considerations standard for audits of group financial statements, the International Standard on Auditing for Audits of Financial Statements of Less Complex Entities (known as the ISA for LCE), and developing a proposed standard for sustainability assurance engagements, among other achievements.

Building upon these successes, the new Strategy reaffirms the IAASB's commitment to serving the public interest by developing globally accepted audit, review, and other assurance standards.

Key highlights of the Strategy include:

- Completing priority audit and assurance projects, with emphasis on fraud, going concern, and sustainability assurance.



- Commencing new initiatives and projects, including focusing on supporting the adoption and implementation on our overarching standard for sustainability assurance engagements, establishing an IAASB Technology Position, and conducting post-implementation reviews, as well as standard setting on, among other topics, audit evidence and risk response, materiality, and reviews of interim financial information.
- Collaborating with official stakeholders across the external reporting ecosystem, including the International Ethics Standards Board for Accountants (IESBA), regulators, and standard setters, in addition to other stakeholders.
- Engaging with regulatory and standard-setting partners to strengthen trust in markets globally.
- Further implementing the Monitoring Group's recommendations to enhance independence and accountability in standard setting.

IESBA, IAASB's partner board, also issued its strategy and work plan for the same period, *Towards a More Sustainable Future: Advancing the Centrality of Ethics*. It features IESBA's vision and strategic goals, underpinning its ambition to achieve global recognition and acceptance of the International Code of Ethics for Professional Accountants (Including Independence Standards).

<https://www.iaasb.org/news-events/2024-04/iaasb-announces-new-strategy-and-work-plan-advance-global-audit-and-assurance-standards>

IPSASB Issues Improvements To IPSAS, 2023

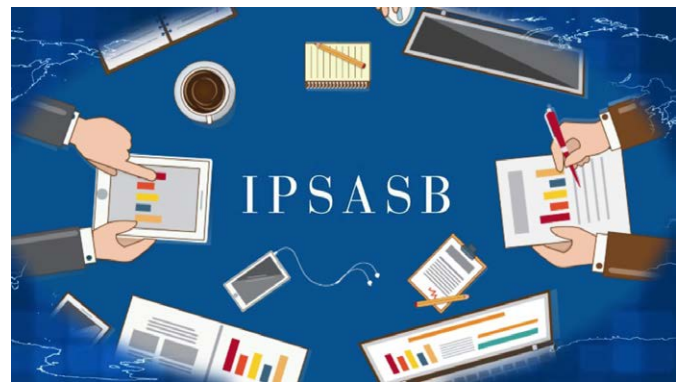
The International Public Sector Accounting Standards Board® (IPSASB®) has issued Improvements to IPSAS, 2023.

Improvements to IPSAS, 2023 includes improvements to IPSAS in order to align with amendments to IFRS® Accounting Standards based on IASB's Narrow Scope Amendments projects.

The pronouncement was approved by the IPSASB in March 2024.

About the IPSASB

The International Public Sector Accounting Standards Board® (IPSASB®) works to strengthen public financial management globally through developing and maintaining accrual-based International Public Sector Accounting Standards™ (IPSAS®) and other high-quality financial reporting guidance for use by governments and other public sector entities. It also raises awareness of IPSAS and the benefits of accrual adoption. The Board receives support from the Asian Development Bank, the Chartered Professional Accountants



of Canada, the New Zealand External Reporting Board, and the government of Canada. The structures and processes that support the operations of the IPSASB are facilitated by the International Federation of Accountants (IFAC). For copyright, trademark, and permissions information, please go to permissions or contact permissions@ifac.org.

<https://www.ipsasb.org/news-events/2024-04/ipsasb-issues-improvements-ipsas-2023#:~:text=Improvements%20to%20IPSAS%2C%202023%20includes,the%20IPSASB%20in%20March%202024>



TAGTech

PRODUCTS

- Intel Core i5
8th Generation
- 8 GB RAM
DDR4
- 256 GB SSD



FLIP



- Intel® Core i7
10th Generation 1065G7
- 8 GB RAM
DDR4
- 128 GB SSD
+ 512 GB SSD



PRO



- Intel Celeron N4100
- 4 GB LPDDR3
- 256GB SSD
+ 64GB EMMC



UNI C

- Intel® Core i3
10th Generation 1005G1
- 4 GB RAM
DDR4
- 128 GB SSD



EDU

- Intel® Core i7 10th
Generation 10510U
- 8 GB RAM
DDR4
- 128 GB SSD
+ 1 TB HDD



PLUS I

- Intel® Core i7 10th
Generation 10510U
- 8 GB RAM
DDR4
- 128 GB SSD
+ 512GB HDD



PLUS II



- Intel® Core™ i7
1255U
- 8 GB RAM
DDR4
- 256 GB SSD
+ 1 TB HDD

- Intel® Iris®
Xe Graphics

- 4500 mAh

- AX (wifi 6) BT 5.1

PLUS III 7022

New





Intel® Core™ i5
1235U



Intel® Iris®
Xe Graphics



8 GB RAM
DDR4



5000 mAh



256 GB SSD
+ 1 TB HDD



AC WIFI
BT 4.2

PLUS III

5022

New



Spreadtrum
SC7731E Quad-core



2 GB



32 GB



TAG-TAB Kids II



MediaTek MTK
8788 octa-core



8 GB



128 GB



TAG-TAB III



Front: 16 MP
Rear: 20 MP



6 GB



128 GB



**TAG-PHONE
Special**



Spreadtrum
SC9863 Octa-core



4 GB



64 GB



TAG-DC



Front: 8 MP
Rear: 16 MP



4 GB



128 GB



**TAG-PHONE
Plus**



Front: 16 MP
Rear: 16 MP



6 GB



128 GB



**TAG-PHONE
Advanced**

TAGTech.Global Building 7, Abdel Rahim Al-Waked Street, Shmeisani, Amman, Jordan
TAGUCI Building 104 Mecca Street, Um-Uthaina, Amman, Jordan

+962 65100 250 info@tagtech.global For More Information: www.tagtech.global