

TAG-Audit Newsletter

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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.

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A Year with Many Economic Challenges

Talal Abu Ghazaleh

The global economic outlook for 2024 seems to be more optimistic, compared to a year ago, when there were worries about a worldwide recession. Nonetheless, it is important to proceed with caution when relying on such forecasts as they are subject to political-related uncertainties and risks. It is important not to become complacent since there are unknown factors that could catch us off guard and change the course of events.

One of the possible risks stems from the geopolitical tensions between the United States and China, which have been simmering for several years and could potentially escalate at any given moment. The trade dispute between these two countries has already had repercussions on both sides and has disrupted global supply chains. Any further escalation in this conflict could have consequences for growth and stability.

Additionally, there are risks emanating from other regions across the world, such as Iran, North Korea, Taiwan, as well as potential intensification of tensions within the Middle East; the region that remains capable of triggering heightened conflicts.



Central banks have been actively reducing interest rates in response to economic slowdowns with an aim to stimulate demand and boost confidence. However, there are limits to what they can achieve, especially when interest rates are already near zero or even negative in some cases.

However, it seems that the upcoming year will bring its fair share of difficulties. This holds particularly true for developing nations, which are more vulnerable to external shocks and have limited flexibility in terms of policy management. These countries should prioritize investments in sectors that generate employment opportunities and improve living standards. Additionally, they must avoid behaviors that lead to excessive debt accumulation, as this could undermine their long-term growth prospects.

With my involvement in

both the Bretton Woods Committee and the WTO Panel on Defining the Future of Global Trade, I understand the significance of addressing four key challenges that shape our current era. These challenges include transitioning towards a low carbon economy, creating high quality jobs, promoting sustainable development and reforming globalization to establish fairness and balance.

Yet, tackling these challenges effectively, requires fresh perspectives and innovative solutions that go beyond traditional wisdom and policies. It in fact calls for collaborative efforts among countries and stakeholders at all levels, along with a willingness to experiment with new ideas and to embrace innovation.

Abu-Ghazaleh Affirms IASCA's Unwavering Support for the Accountancy Profession in the Arab Region



IFAC Extends Congratulations to PACPA for Attainment of Full Membership

VIENNA - The International Federation of Accountants (IFAC) officially sanctioned the Palestinian Association of Certified Public Accountants (PACPA) application for full membership during its ordinary general assembly meeting in the Austrian capital.

PACPA secured full membership by garnering 98% of the votes during the voting session, which was attended by representatives from 130 member countries possessing voting rights in the IFAC's General Assembly.

Attainment of full membership grants PACPA the right to participate in all IFAC committees and work groups, as well as a permanent presence at all global professional events, facilitating the exchange of knowledge and professional experiences.

The Palestinian delegation at the meeting was led by Mr. Jamal Milhem, a Board of Directors member of PACPA, and the Executive Director of Talal Abu-Ghazaleh & Co. International in Ramallah. Additionally, Mr. Milhem serves as the representative of the International Arab Society of Certified Accountants (IASCA) in Ramallah.

HE Dr. Talal Abu-Ghazaleh, IASCA chairman, reaffirmed the Society's commitment to extending support and technical assistance to the PACPA and all professional associations in the Arab region seeking to bolster their capacities, elevate the Arabs' representation in international forums, and leverage global experiences for their benefit.

Moreover, Mr. Milhem emphasized his commitment to further fostering PACPA's endeavors to support the advancement of accounting and professional regulations and legislation that underpin the Palestinian economy. This includes the enhancement of PACPA's members' professional abilities, assurance of ethical conduct compliance, and the implementation of a supportive, innovative, and transformative policy. Additionally, he advocated for the implementation of a performance quality monitoring system and the promotion of the adoption of international standards to advance the local and international standing of the Palestinian accounting profession.

Mr. Milhem also expressed gratitude to Dr. Abu-Ghazaleh and IASCA's Board of Directors for their steadfast support and sponsorship in the PACPA's pursuit of full membership, citing their unwavering commitment since it acquired "Associate Member" status within the IFAC in 2013. He underscored PACPA's dedication to fulfilling the Statements of Membership Obligations (SMOs) set forth by the IFAC, which served as the cornerstone for securing full membership.

Mr. Milhem outlined PACPA's vision and strategy, aligning with the IFAC's objectives, particularly in sustainability, anti-corruption measures, and public finance development through collaboration with relevant stakeholders in the upcoming years. This commitment includes the promotion and application of high-quality standards, advancing the national economy, and contributing to the global professional development landscape, as well as offering technical assistance to professional associations in other nations.

It is worth mentioning that the International Federation of Accountants (IFAC) is the global organization representing the accounting profession, established in 1977 to enhance the global accounting and auditing profession by promoting the adoption of best practices. The IFAC is comprised of 185 members and organizations from over 135 countries, collectively representing over 5.2 million accountants.

The PACPA was established in 1995 and its role was further enhanced by the 2004 Law on Practicing the Auditing Profession No. 9. It serves as the encompassing national organization for all Palestinian auditors, with the aim to develop the auditing profession in Palestine, ensuring alignment with economic and global demands.

IFAC Publishes Sustainability & Education Literature Review

The International Federation of Accountants (IFAC) released a literature review, *Educating Accountants for a Sustainable Future: A Literature Review of Competencies, Educational Strategies, and Challenges for Sustainability Reporting and Assurance*. The review highlights key themes in current sustainability-related education, learning and development to provide insights on how the global accountancy profession can meet stakeholder demands for relevant and reliable sustainability reporting.

Recent years have seen a significant shift in demand for relevant sustainability-related disclosure, reporting, and assurance and the accountancy profession is working to prepare current and future professionals to meet these stakeholder demands. The literature review identifies the new and existing competencies required of professional accountants to provide these services; educational strategies to develop them; and the challenges the accountancy education community will face.



**International
Federation
of Accountants®**

The literature review also informed IFAC's decision to make sustainability-related revisions to the International Education Standards and will contribute to the forthcoming proposed revisions, expected in Q2 2024.

In addition to the literature review, IFAC will host a joint webinar with the International Association for Accounting Education & Research (IAAER) on February 7, 8:00 AM to 9:30 AM EST, featuring a discussion with the review's lead author. Register for the webinar here.

<https://www.ifac.org/news-events/2024-01/ifac-publishes-sustainability-education-literature-review>

IAASB Opens Public Consultation On Narrow Scope Amendments To Meet Expectations For Public Interest Audits

The International Auditing and Assurance Standards Board (IAASB) launched a consultation process on proposed narrow scope amendments to achieve greater convergence with the International Ethics Standards Board for Accountants' (IESBA) International Code of Ethics for Professional Accountants (Including Independence Standards). These proposed revisions have two key objectives. First, they would align definitions and requirements in IAASB standards with new definitions for publicly traded and public interest entities in the IESBA Code. Second, the amendments would extend the applicability of existing differential requirements for listed entities to meet heightened stakeholder expectations regarding audits of public interest entities (PIE).

Key proposed revisions include extending the scope of the entities included under the International Standards on Quality Management and the International Standards on Auditing such that they will be subject to:

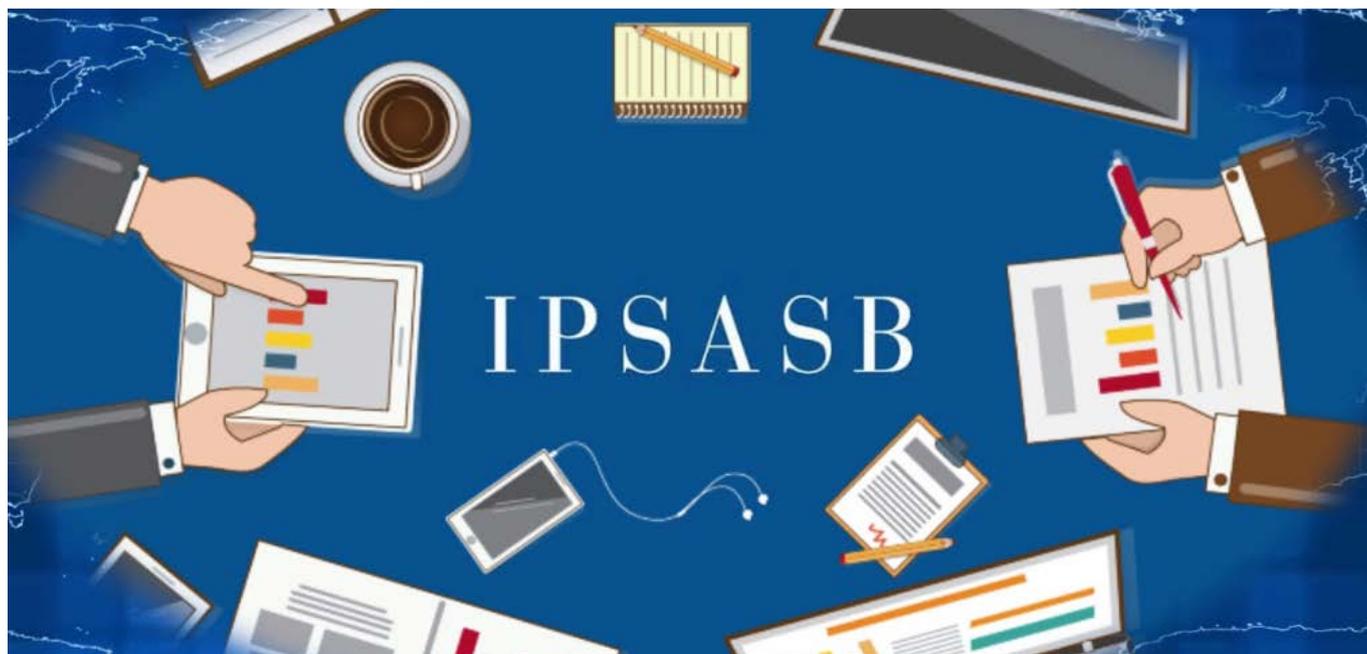


International Auditing
and Assurance
Standards Board®

- Engagement quality reviews;
- Providing transparency in the auditor's report on specific aspects of the audit, including auditor independence, communicating key audit matters, and the engagement partner's name; and
- Communicating with those charged with governance to help them fulfill their responsibility overseeing the financial reporting process, (e.g., communicating about quality management and auditor independence).

<https://www.iaasb.org/news-events/2024-01/iaasb-opens-public-consultation-narrow-scope-amendments-meet-expectations-public-interest-audits>

IPSASB Issues Two Exposure Drafts Related To Natural Resources Project



Tangible natural resources are generally understood to be resources such as mineral resources, water, and living organisms that are naturally occurring. They account for a significant proportion of the economic resources in many jurisdictions. However, governments often lack sufficient information on the monetary value of natural resources, and as a result, grant rights to these resources without regard to financial and environmental sustainability, or intergenerational fairness.

To address the gap in the IPSAS literature on accounting for natural resources, the International Public Sector Accounting Standards Board® (IPSASB®) issued a Consultation Paper (CP) in May 2022. The IPSASB continues to develop principles for the recognition and measurement of natural resources, with the targeted publication of an Exposure Draft (ED) in the second half of 2024. However, following feedback received on the CP concerning the lack of guidance on specific activities related to mineral resources, this is being addressed first with the release of ED 86 and ED 87 for public comment:

- ED 86, Exploration for and Evaluation of Mineral Resources
- ED 87, Stripping costs in the Production Phase of a Surface Mine (Amendments to IPSAS 12).

ED 86 proposes a standard on accounting for the costs incurred in the exploration and evaluation of mineral resources, based on the selection of an accounting policy specifying which expenditure should be recognized as exploration and evaluation assets. ED 86 is aligned with the private sector requirements in IFRS 6, Exploration for and Evaluation of Mineral Resources, with limited changes for the public sector context. ED 87 proposes adding an authoritative appendix to IPSAS 12, Inventories. The proposed guidance clarifies when to capitalize or expense costs incurred to remove waste material in surface mining operations. ED 87 is aligned with the guidance in IFRIC 20, Stripping costs in the Production Phase of a Surface Mine, with limited changes for the public sector context.

“As the IPSASB’s broader Natural Resources project continues to break new ground, the current proposals address some of the gaps in the literature on mineral resources in response to stakeholders needs,” said IPSASB Chair Ian Carruthers. “There is more to come in 2024 from the Natural Resources project, but these EDs are an important first step to providing useful financial information and improved accountability by the public sector in this important area.”

<https://www.ipsasb.org/news-events/2024-01/ipsasb-issues-two-exposure-drafts-related-natural-resources-project>



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**

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