

IASCA Newsletter

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YOUR GATE TO ACCOUNTING, AUDITING AND CODE OF ETHICS

IN THIS ISSUE

Abu Ghazaleh: ASCA- Jordan Issues the Arabic Version of the Handbook of International Quality Control, Auditing, Review, Other Assurance, and Related Services Pronouncements 2015 **2**

New Online Content from IFAC Features Profiles of Professional Accountancy Organizations, Adoption of International Standards **3**

IFAC Encourages Accountancy Profession To Engage Accountants In Business **3**

IESBA Redefines Accountants' Ethical Role When Laws And Regulations Are Broken **4**

IPSASB Publishes Consultation Paper On Public Sector Specific Financial Instruments **5**

IASCA conducted IFRS Expert, August 2016 exam **5**

New IFAC Research Report Demonstrates Positive Association Between Business Performance And Use Of Accountants **6**

IPSASB Publishes IPSAS 39, Employee Benefits **6**

Abu-Ghazaleh and Kharabsheh sign an extension of the contract for the implementation of the project for enhancing the capabilities of Audit Bureau to train the staff of the Audit Bureau of Jordan all over the Kingdom including both genders



AMMAN- The Arab Society of Certified Accountants (Jordan), chaired by HE Dr. Talal Abu-Ghazaleh, and the Audit Bureau headed by HE Dr. Abed Kharabsheh have signed an extension of the contract for training on the audit methodologies at the Audit Bureau of Jordan.

The signing reflects the continuation of the Bureau's confidence in the professional potentials of the Society for the implementation of the previous biddings professionally and with high efficiency. Under this contract, the Audit Bureau staff, of both genders, shall be trained on the implementation and application of audit procedures manuals in public companies and the joint venture projects, between the public and private sectors, after the implementation of audit pioneer projects at the public companies,

according to the best international standards and practices, taking into account the applicable legislation– in addition to the audit conducted on the major partnership projects between the public and private sectors.

HE Dr. Abu-Ghazaleh stressed that the Society and the Audit Bureau are partners in the implementation of this project, thanking the support of the World Bank, which always focuses on supporting sustainable projects that build capacities.

HE also expressed his thanks to the President of the Bureau, for his prominent role in maintaining the public domain in Jordan through the construction of a staff with high professionalism, pointing to the importance of the project's role in achieving this goal.

He stressed that this agreement represents a continuity of the true partnership between the public and private sectors, that is in line with the directives of His Majesty King Abdullah II, pointing out that education is an ongoing need, that does not stop at a certain point.

It is worth mentioning that the Society has been awarded the tender invited by the Audit Bureau of Jordan and funded by The World Bank to train the staff of the Bureau on the audit on the public companies as well as the projects of partnerships between the public and private sectors. The tender has been extended to include a greater segment of the Bureau's staff.

About the Audit Bureau:

The Audit Bureau has been established in 1952, under the Audit Bureau Law No. (28) of 1952 to monitor the state revenues, expenses and the manner of expenditure. It continues its active role in the oversight of public funds and ensures the soundness of spending the same according to laws and regulations in force.

About ASCA (Jordan)

The Arab Society of Certified Accountants (Jordan) was established in 1986, as a professional accounting non-profit organization by a group of Arab accountants. It aims to maintain the professional independence of accountants, ensure their protection, and the application of professional supervisory measures as a means to elevate the professions of Accounting and Auditing.

About the World Bank:

It is one of the specialized United Nations agencies dealing with development, and focuses on poverty reduction as a broad goal for all its activities. It focuses its efforts on the achievement of the Millennium Development Goals that have been approved by the United Nations membership in 2000, which aim at achieving sustainable poverty alleviation.

Abu Ghazaleh: ASCA- Jordan Issues the Arabic Version of the Handbook of International Quality Control, Auditing, Review, Other Assurance, and Related Services Pronouncements 2015



AMMAN - HE Dr. Talal Abu-Ghazaleh, Chairman of the Arab Society of Certified Accountants (ASCA -Jordan) announced the issuance of the Arabic version of the Handbook of International Quality Control, Auditing, Review, Other Assurance, and Related Services Pronouncements 2015.

He pointed out that ASCA -Jordan continuously seeks to develop both accounting and management sciences as well as all related principles applicable to all or some professional services. ASCA -Jordan also exerts effort to upgrade the competence, practice and code of ethics according to the highest professional levels through the issuance of accounting publications and following-up on the recent developments in accounting and auditing.

The most important changes of the 2015 version are the changes in the operations and audit reports issued by the International Auditing and Assurance Standards Board (IAASB).

The following standards have been amended to enhance the communicative value of the auditor's report:

- ISA 260 (Revised), Communication with Those Charged With Governance;
- ISA 570 (Revised), Going Concern;
- ISA 700 (Revised), Forming an Opinion and Reporting on the Financial Statements;
- ISA 705 (Revised), Modifications to the Opinion in the Independent Auditor's Report; and
- ISA 706 (Revised), Emphasis of Matter Paragraphs and Other Matter Paragraphs in the Independent Auditor's Report.

As regards the ISAs that aim at focusing auditors on disclosures throughout the financial statement audit, the changes include:

- Strengthened requirements in ISAs 315,330 and 700.
- Enhanced application material in these and several other ISAs to more explicitly address disclosures.

Also, International Standard on Assurance Engagements (ISAE) 3000 has been replaced with ISAE 3000 (Revised), "Assurance Engagements Other than Audits or Reviews of Historical Financial Information", which is effective for assurance reports dated on or after December 15, 2014. The framework of the International Standards on Assurance Engagements has been also replaced with the International Standards on Assurance Engagements as amended in the handbook supplement.

New Online Content from IFAC Features Profiles of Professional Accountancy Organizations, Adoption of International Standards



NEW YORK – To further support transparency, adoption, and implementation of international standards, as well as the public interest, the International Federation of Accountants® (IFAC®) today published [*comprehensive profiles of IFAC member organizations and the jurisdictions*](#) in which they operate.

This in-depth information demonstrates the widespread use of international standards and the efforts of IFAC member organizations to encourage adoption, advance implementation, and support the businesses, communities, and governments in their nations. It also emphasizes the crucial role of IFAC member organizations in further strengthening the quality of the accountancy profession and the need to strategically focus attention and resources.

“High-quality, internationally accepted standards for the accountancy profession are crucial to enhancing confidence and stability in the global economy,” said IFAC President Olivia Kirtley. “Publishing this information is a significant milestone in reporting the progress on adoption of international standards made by IFAC member organizations, national standard setters, regulators, and other stakeholders.”

Profiles for an initial 62 IFAC member organizations and 48 countries are now available on the IFAC website. Each

country profile includes a description of the regulatory and legal landscape for the accountancy profession in that jurisdiction and an assessment of the adoption of international standards for audit, ethics, education, and public and private sector accounting, as well as the establishment of quality assurance and investigative and disciplinary systems. Member organization profiles also include information on compliance with the [*IFAC Statements of Membership Obligations*](#).

“We are really pleased to take this significant step forward by providing more information about the global profession,” said Sylvia Tsen, IFAC Senior Director, Quality and Member Relations. “These profiles provide enhanced transparency that will help the public better understand jurisdictional landscapes—legal, regulatory, oversight, and more—and better understand the ongoing work of IFAC member organizations in further strengthening the entire profession—and the global economy.”

This information was compiled by IFAC staff drawing from multiple sources, including the information collected through the [*IFAC Member Compliance Program*](#) and the member organizations themselves. Remaining profiles will be published in the coming months and content will be updated annually.

Source: IFAC official website.

http://www.ifac.org/news-events/2016-07/new-online-content-ifac-features-profiles-professional-accountancy-organizations?utm_source=IFAC+Main+List&utm_campaign=091bad4f0a-IFAC+New+Member+Profiles+Press+Release+77+13+2016&utm_medium=email&utm_term=0_cc08d67019-091bad4f0a-80264841

IFAC Encourages Accountancy Profession To Engage Accountants In Business



NEW YORK – Recognizing the essential role of professional accountants in business in strong and sustainable organizations, financial markets, and economies, the International Federation of Accountants® (IFAC®) today released [*Engaging Professional Accountants in Business: How to Build a More Relevant PAO and Profession*](#). The guidance will assist professional accountancy organizations (PAOs) in strengthening engagement

with accountants in business, the public sector, and academia as a means to expand their reach, influence, and contribution.

“Professional accountants in business drive sustainable organizational success,” said Alta Prinsloo, IFAC Executive Director, Strategy, and Chief Operating Officer. “Their engagement at the global, regional, and local levels will enhance the relevance of the profession and help build a deeper engagement with business and government, ultimately supporting the profession’s contribution to stronger economies.”

Professional accountants in business represent a broad spectrum of expertise and work in many sectors across all types and sizes of organization. Their diversity is a strength and an opportunity, but can make it difficult for PAOs to connect with them. This lack of connection is a detriment to the individual accountants, the profession, the PAO, and—ultimately—the public interest. This guidance supports a

stronger connection by incorporating these members into the PAO's governance and decision-making structures.

The guidance was developed as part of the [PAO Capacity Building Series](#) with the help of the IFAC Professional Accountants in Business Committee. It includes a case study from the Institute of Chartered Accountants of Pakistan.

Source: IFAC official website

http://www.ifac.org/news-events/2016-07/ifac-encourages-accountancy-profession-engage-accountants-business?utm_source=IFAC+Main+List&utm_campaign=02e23e0da1-IFAC+PAO+Guidance+Press+Release+7+27+167+27+2016&utm_medium=email&utm_term=0_cc08d67019-02e23e0da1-80264841

IESBA Redefines Accountants' Ethical Role When Laws And Regulations Are Broken



NEW YORK – The International Ethics Standards Board for Accountants® (IESBA®, the Ethics Board) today released a new standard, [Responding to Non-Compliance with Laws and Regulations](#). The standard sets out a first-of-its-kind framework to guide professional accountants in what actions to take in the public interest when they become aware of a potential illegal act, known as non-compliance with laws and regulations, or NOCLAR, committed by a client or employer.

The standard applies to all categories of professional accountants, including auditors, other professional accountants in public practice, and professional accountants in organizations, including those in businesses, government, education, and the not-for-profit sector. It addresses breaches of laws and regulations that deal with matters such as fraud, corruption and bribery, money laundering, tax payments, financial products and services, environmental protection, and public health and safety.

"This standard not only raises the ethical bar for the global accountancy profession but also provides an opportunity for it to demonstrate its unflinching commitment to act in the public interest," said IESBA Chairman Dr. Stavros Thomadakis. "The standard reinforces the public interest role that professional accountants play in stimulating more trustworthy and accountable organizations, and in helping to protect stakeholders and the general public from substantial harm that may stem from breaches of laws and regulations."

Among other matters, the new standard provides a clear pathway for auditors and other professional accountants to disclose potential non-compliance situations to appropriate public authorities in certain situations without being constrained by the ethical duty of confidentiality. It also places renewed emphasis on the role of senior-level accountants in business in promoting a culture of compliance with laws and regulations and prevention of non-compliance within their organizations.

"The board carefully calibrated the standard based on the rich and diverse input from a wide range of stakeholders to ensure that it is proportionate and, importantly, globally operable," said IESBA Technical Director Ken Siong, adding, "The standard fills a gap in jurisdictions where legislation or regulation does not address professional accountants' responsibilities in these situations, and by providing helpful guidance it may well complement legislation or regulation in jurisdictions that do address it. This has been a long journey, and now it's time for national standard setters, professional accountancy organizations, and accounting firms to adopt and implement the standard."

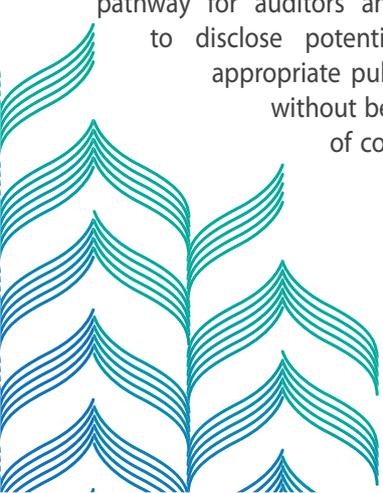
The standard is the result of an extensive six-year consultative process, including two Exposure Drafts, three global roundtables in Hong Kong, Brussels, and Washington, DC, and extensive outreach to the global regulatory community, international policy-making organizations, investors, preparers, the corporate governance community, national standard setters, accounting firms, professional accountancy organizations, and other stakeholders. In developing the standard, the Ethics Board also liaised closely with the International Auditing and Assurance Standards Board (IAASB) so that the new standard and the IAASB's International Standards on Auditing are aligned.

For an overview of the standard, see the [At-a-Glance](#) document. For a summary of the board's decisions in response to significant comments from respondents on the May 2015 Exposure Draft, see the [Basis for Conclusions](#). Additional resources, including a fact sheet and video Q&A series, are available on the [NOCLAR webpage](#).

To access the standard, visit the IESBA website: www.ethicsboard.org. The standard will be effective July 15, 2017, with early adoption permitted.

Source: IFAC official website

http://www.ifac.org/news-events/2016-07/iesba-redefines-accountants-ethical-role-when-laws-and-regulations-broken?utm_source=IFAC+Main+List&utm_campaign=fedf7fa475-IESBA+Press+Release+7+14+167+13+2016&utm_medium=email&utm_term=0_cc08d67019-fedf7fa475-80264841



IPSASB Publishes Consultation Paper On Public Sector Specific Financial Instruments

IPSASB

International Public
Sector Accounting
Standards Board®

NEW YORK – The International Public Sector Accounting Standards Board (IPSASB) released for comment a [Consultation Paper \(CP\), Public Sector Specific Financial Instruments](#).

International Public Sector Accounting Standards™ do not currently provide guidance on how to account for a number of monetary items that the IPSASB has termed “public sector specific financial instruments.” The lack of guidance leads to reporting that is inconsistent between entities and, as a result, users may not have the information they need for accountability and decision-making purposes.

“For entities responsible for public sector financial instruments, the topics in this Consultation Paper are critically important because users need better information to evaluate the impact of these significant items on government finances,” said IPSASB Chair Ian Carruthers. “This Consultation Paper is the first step in developing consistent financial reporting for public sector specific financial instruments. We look forward to receiving constituents’ views on the accounting approaches identified for each topic.”

The CP includes three main topics related to accounting for public sector financial instruments:

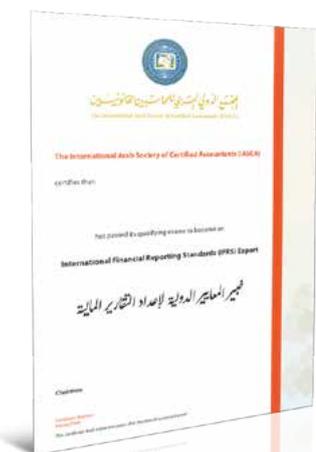
- **Currency in Circulation.** The CP considers currency in circulation by reference to the definitions of the elements of a liability and revenue in The Conceptual Framework for General Purpose Financial Reporting by Public Sector Entities (the Conceptual Framework). The key issue is

whether the issuance of currency gives rise to a present obligation, with two accounting approaches proposed, which depends on whether a liability should be recognized and, if not, alternatives for recognizing revenue.

- **Monetary Gold.** The CP considers which gold assets meet the proposed definition of monetary gold and the appropriate measurement bases for initial and subsequent measurement of such assets. Two accounting approaches are proposed for monetary gold, each linked to the intention of a monetary authority in holding such assets:
 - **Approach 1**—Measurement at market value linked to an intention to hold gold because it can be traded in the global liquid markets; and
 - **Approach 2**—Measurement at historical cost when the intention is to hold gold for an indeterminate period of time to support economic stability.
- **International Monetary Fund (IMF) Quota Subscription and Special Drawing Rights (SDRs).** The CP is informed by the Conceptual Framework, and puts forward the IPSASB’s view of the appropriate recognition and measurement of the IMF Quota Subscription, SDR holdings, and SDR allocations.

<http://www.ifac.org/news-events/2016-07/ipsasb-publishes-consultation-paper-public-sector-specific-financial-instruments>

IASCA Conducted IFRS Expert, August 2016 Exam



The International Arab Society of Certified Accountants (IASCA) conducted a new session of The International Financial Reporting Standards (IFRS) Expert qualification exam with participants from around the Arab world.

This certificate aims to build and develop the necessary knowledge capacities related to the practical and conceptual aspects of the International Financial Reporting Standards, and enable the continuous professional development in the IFRSs field and follow up relevant amendments and updates.

This course will be announced in September 2016. For further information on the certification, please visit the IASCA website <http://www.ascasociety.org>

New IFAC Research Report Demonstrates Positive Association Between Business Performance And Use Of Accountants

Literature Review Reveals Key Findings for SMEs, Large Enterprises



NEW YORK – Assessing and understanding the relationship between accountancy expertise and business performance is complex and requires consideration of what accountancy expertise entails, as well as the wide range of performance measures. A [new research report](#) released today by the International Federation of Accountants® (IFAC®) demonstrates, through a review of existing literature, the positive association between use of professional accountants for expertise and advice, and business performance.

“It has long been assumed that taking advantage of the breadth and depth of experience and expertise of professional accountants helps organizations optimize performance, efficiencies, and more. It is heartening to see robust global evidence in support of this relationship,” said IFAC CEO Faye Choudhury. “The report finds that organizational development and performance lead to increased use of accountancy expertise, and accountancy expertise leads to superior performance and development.”

The report summarizes the findings by entity size—small- and medium-sized entities (SMEs) and large entities—as important differences exist between studies about each group and in how business performance and accountancy expertise are operationalized and the results interpreted. The research also shows the positive impact professional accountants have on aligning organizations’ goals and actions. Professional accountants are well-suited to play various roles in organizations, including analysis and communication of information, decision making, managing risks, and creating sustainable value—roles that indirectly impact business performance.

Commissioned by IFAC, researchers at the Bucharest University of Economic Studies conducted a literature review of more than 90 academic research papers. The full report details the results while the [Key Findings](#), also released today, summarizes notable insights. The research was facilitated by the University of Dayton in accordance with an agreement with IFAC.

Source: IFAC official website

http://www.ifac.org/news-events/2016-07/new-ifac-research-report-demonstrates-positive-association-between-business?utm_source=IFAC+Main+List&utm_campaign=f4372a7b0c-SMP_Press_Release_7_21_167_20_2016&utm_medium=email&utm_term=0_cc08d67019-f4372a7b0c-80264841

IPSASB Publishes IPSAS 39, Employee Benefits



NEW YORK, The International Public Sector Accounting Standards Board® (IPSASB®) has published [IPSAS® 39, Employee Benefits](#), which will replace IPSAS 25, Employee Benefits, on January 1, 2018, with earlier adoption encouraged.

This limited-scope project was part of the IPSASB’s strategy to maintain its existing standards,

including updating them for relevant changes made to the equivalent International Financial Reporting Standards (IFRS). The main differences between IPSAS 39 and IPSAS 25 are:

- Removal of an option that allowed an entity to defer the recognition of changes in the net defined benefit liability (the “corridor approach”);
- Introduction of the net interest approach for defined benefit plans;
- Amendment of certain disclosure requirements for defined benefit plans and multi-employer plans;
- Simplification of the requirements for contributions from employees or third parties to a defined benefit plan when those contributions are applied to a simple contributory plan that is linked to service; and
- Removal of the requirements for Composite Social Security Programs.

The first four changes above reflect those made by the International Accounting Standards Board to its equivalent standard, International Accounting Standard (IAS) 19, Employee Benefits, up to December 2015. The fifth change, removal of the Composite Social Security Programs section, reflects the IPSASB’s conclusion that the section was unnecessary in practice.

[Exposure Draft \(ED\) 59, Amendments to IPSAS 25, Employee Benefits](#), proposed significant changes to IPSAS 25 to converge with IAS 19. After considering constituents' responses and a revised version of IPSAS 25, the IPSASB decided to issue a new standard, IPSAS 39, which reflects the revisions proposed in ED 59 in a more user-friendly format.

"IPSAS 39, Employee Benefits, ensures that financial statements provide faithfully representative and relevant information about the financial impact of employee benefits, particularly defined benefit pension plans, while maintaining convergence with IFRS," said IPSASB Chair Ian Carruthers. "The issuance of a new standard is intended to present the new accounting requirements more clearly."

An [At-a-Glance summary of IPSAS 39](#) is also available.

Source: IFAC official website

http://www.ifac.org/news-events/2016-07/ipsasb-publishes-ipsas-39-employee-benefits?utm_source=IFAC+Main+List&utm_campaign=7b760d9747-IPSASB_Press_Release_7_28_16_27_2016&utm_medium=email&utm_term=0_cc08d67019-7b760d9747-80264841

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