

المجمع الدولي لعشبي للمحاسبين القانونيين

The International Arab Society of Certified Accountants (IASCA)

عضو في طلال أبوغزاله فاؤندينشن
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YOUR GATE TO ACCOUNTING, AUDITING AND CODE OF ETHICS



The World to Where? with Talal Abu- Ghazaleh

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The World to Where? with Talal Abu- Ghazaleh



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To view the whole interview please [click here](#)

Abu-Ghazaleh: We are witnessing Four Seasons in One Week... Abu-Ghazaleh Warns of the Impact of Climate Change.

To view the whole interview please [click here](#)

Abu-Ghazaleh: USA or China... Who will Rule the World?

To view the whole interview please [click here](#)

Abu-Ghazaleh: Is Populism Devouring Democracy?

To view the whole interview please [click here](#)



ASCA (Jordan) Issued Enterprise Risk Management ‘Integrating Strategy and Performance’

AMMAN – The Arab Society for Certified Accountants (ASCA) – Jordan issued the translated Arabic accredited version of the Enterprise Risk Management Handbook, Enterprise Risk Management, Integrating Strategy and Performance, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

The handbook was issued for the first time due to the development of enterprise risk management and the organizations’ need to improve their methods, in relation to enterprise risk management, to fulfil the needs of the evolving work environment. This publication is a concise framework for the application of enterprise risk management in organizations to enhance confidence of management and stakeholders.

The publication focuses on the importance of taking risks into consideration, both in setting strategies and directing performance. The first part addresses the current and evolving concepts of enterprise risk management and its applications. The second part was organized into five easily to understand components which align different views and operational structures, this part enhances the process of setting strategies and decision making.

The publication was updated to include the following:

- Greater insight into the value of enterprise risk management when setting and carrying out strategy.
- Enhanced alignment between performance and enterprise risk management to improve the setting of performance targets and understanding the impact of risk on performance.
- Accommodation of expectations for governance and oversight.
- Recognition of the globalization of markets and operations and the need to apply a common, albeit tailored, approach across geographies.



- Presentation of new ways to view risk with the aim of setting and achieving objectives in the context of greater business complexity
- Expanding the reporting process to address expectations for greater stakeholder transparency.
- Accommodation of evolving technologies and the proliferation of data and analytics in supporting decision-making
- Setting out core definitions, components, and principles for all levels of management involved in designing, implementing, and conducting enterprise risk management practices.

COSO is a private sector initiative, jointly sponsored and funded by:

- American Accounting Association
- American Institute of Certified Public Accountants
- Financial Executives International
- Institute of Management Accountants
- The Institute of Internal Auditors





A. Issues Support Material for Audit Documentation when Using Automated Tools and Techniques

NEW YORK - The Technology Working Group (TWG) of the International Auditing and Assurance Standards Board (IAASB) released non-authoritative support material related to the auditor's documentation when using automated tools and techniques (ATT), such as data analytics, robotics automation processes or artificial intelligence applications.

The publication intends to assist auditors in understanding how the use of ATT during an audit engagement may affect the auditor's documentation in accordance with International Standard on Auditing (ISA) 230, Audit Documentation, and the documentation requirements of other relevant ISAs.

The publication does not constitute an authoritative pronouncement of the IAASB, nor does it amend, extend or override International Standard on Quality Control (ISQC) 1 or the ISAs, the texts of which alone are authoritative. Reading the publication is not a substitute for reading ISQC 1 or the ISAs.

[Click here to learn more.](#)

B. IAASB Proposes Modernization of Group Audits Standard in Support of Audit Quality

NEW YORK - The International Auditing and Assurance Standards Board (IAASB) released the exposure draft of proposed International Standard on Auditing (ISA) 600 (Revised), Special Considerations—Audits of Group Financial Statements (Including the Work of Component Auditors)s.

Proposed ISA 600 (Revised) deals with special considerations for audits of group financial statements (group audits). Group audits are often more complex and challenging than single-entity audits because a group may have many entities or business units across multiple jurisdictions and component auditors may be involved.

"This proposed standard is critically important as many of today's audits are group audits, including audits of the largest and most complex organizations around the world," said Tom Seidenstein, IAASB Chair.

"The proposed revised standard addresses quality risk issues identified by audit regulators and benefits from the input of a wide range of stakeholders."

The proposed standard introduces an enhanced risk-based approach to planning and performing a group audit. This approach appropriately focuses the group engagement team's attention and work effort on identifying and assessing the risks of material misstatement of the group financial statements, and designing and performing further audit procedures to respond to those assessed risks. The proposed standard recognizes that component auditors can be, and often are, involved in all phases of a group audit. In these circumstances, the proposed standard highlights the importance of the group engagement team's involvement in the component auditor's work.

In addition, the proposed standard:

- Clarifies the scope and applicability of the standard.
- Emphasizes the importance of exercising professional skepticism throughout the group audit.
- Clarifies and reinforces that all ISAs need to be applied in a group audit through establishing stronger linkages to the other ISAs, in particular to proposed ISA 220 (Revised), ISA 315 (Revised 2019) and ISA 330.
- Reinforces the need for robust communication and interactions between the group engagement team, group engagement partner and component auditors.
- Includes new guidance on testing common controls and controls related to centralized activities.
- Includes enhanced guidance on how to address restrictions on access to people and information.
- Enhances special considerations in other areas of a group audit, including materiality and documentation.

In consideration of COVID-19's impact, the IAASB is departing from the Board's normal 120-day comment period for public consultations. Therefore, the exposure draft of proposed ISA 600 (Revised) is open for public comment until October 2, 2020.

The IAASB invites all stakeholders to comment on the Exposure Draft via the IAASB's website.

Ifac.org





A. Amends Work Plan and Proposes Amendment to IFRS 16

The International Accounting Standards Board (Board), in a supplementary Board meeting to discuss COVID-19 related matters, decided to propose an amendment to the leases Standard, IFRS 16, to help companies account for COVID-19 related rent concessions, such as rent holidays.

The proposed amendment will complement the educational materials published on April 10, 2020 to support companies applying the Standard.

A project has been added to the Board's work plan on the proposed amendment. Those with an interest can follow developments in the project by registering for alerts. The Board expects to publish the proposed amendment in an exposure draft next week with a 14-day comment period.

The IFRS Foundation Trustees, responsible for governance and oversight of the Board, approved the 14-day comment period in a phone meeting. The Due Process Handbook sets out that 75% of the Trustees must approve comment periods shorter than 30 days.

Deferral of Effective Date

The Board has also decided to propose extending by one year the effective date of an amendment to IAS 1 Presentation of Financial Statements, issued in January 2020: Classification of Liabilities as Current or Non-current (paid subscription required).

A project on this proposed amendment has been added to the Board's work plan. Those with an interest can follow developments in

the project by registering for alerts. The Board expects to publish the proposed amendment in an exposure draft with a 30-day comment period.

Extending Consultation Periods and Delaying Consultations

The Board also discussed other COVID-19 -related matters and decided to extend by three months the comment period of three ongoing consultations to give stakeholders more time to respond: Exposure Draft General Presentation and Disclosures, Request for Information Comprehensive Review of the IFRS for SMEs Standard and Discussion Paper Business Combinations—Disclosures, Goodwill and Impairment.

Finally, several consultations planned for 2020 will be delayed until later in the year or to 2021.

A full summary of the Board's supplementary meeting is available in the Supplementary IASB Update April 2020—impact of COVID-19.

B. Consults on Amendment to leases Standard to Help Companies with COVID-19 Related Rent Concessions

The International Accounting Standards Board (IASB) proposed to amend IFRS 16 Leases to make it easier for lessees to account for COVID-19-related rent concessions such as rent holidays and temporary rent reductions.

The objective of the amendment is to give timely relief to lessees when applying IFRS 16 to COVID-19-related rent concessions while still enabling them to provide useful information about their leases to investors.



IFRS 16 specifies how lessees should account for changes in lease payments, including concessions. However, applying those requirements to a potentially large volume of COVID-19-related rent concessions could be practically difficult, especially in the light of the many challenges stakeholders face during the pandemic. The Standard requires lessees to assess individual lease contracts to determine whether the concessions are to be considered lease modifications and, if that is the case, the lessee must remeasure the lease liability using a revised discount rate.

The proposed amendment would exempt lessees from having to consider whether particular COVID-19-related rent concessions are lease modifications, allowing them to account for these changes as if they were not lease modifications. The amendment would apply to COVID-19-related rent concessions that reduce lease payments due in 2020.

The Board has responded quickly to provide support to stakeholders at this difficult time. Accordingly, the comment period on the proposal is short—14 days. The Board aims to issue the final amendment, which would be available to lessees immediately.

The proposed amendment complements the educational materials published on 10 April 2020—IFRS 16 and Covid-19.

C. IASB Proposes Deferring IAS 1 Amendments’ Effective Date due to Covid-19

The International Accounting Standards Board (IASB) has proposed to defer by one year the effective date of Classification of Liabilities as Current or Non-current, which amends IAS 1 Presentation of Financial Statements.

The IAS 1 amendments were issued in January 2020, effective for annual reporting periods beginning on or after January 1, 2022. However, in response to the COVID-19 pandemic, the Board is proposing to provide companies with more time to implement any classification changes resulting from the amendments by deferring the effective date by one year to annual reporting periods beginning on or after 1, January 2023.

The Board is not proposing any changes to the original amendments other than the deferral of the effective date.

The Board has responded quickly to provide support to stakeholders at this difficult time. Accordingly, the comment period on the proposal is short—30 days. The comment deadline is June 3, 2020.

Go to our comment letter page to view Exposure Draft Classification of Liabilities as Current or Non-current—Deferral of Effective Date and submit comments.

[ifrs.org](https://www.ifrs.org)



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