

IASCA Newsletter

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YOUR GATE TO ACCOUNTING, AUDITING AND CODE OF ETHICS

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In a video message at the UN CSU Forum on Smart Cities in New York



Abu-Ghazaleh Calls for More Creative Applications of Information and Communication Technologies

HE Dr. Talal Abu-Ghazaleh, chairman of Talal Abu-Ghazaleh Organization (TAG-Org), the global organization for professional services and education called for more creative and widespread applications of information and communication technologies and tools in urban and spatial planning, in urban design and management and in the delivery of social services to all citizens.

In a video message at the Consortium for Sustainable Urbanization Forum held in New York, Dr. Abu-Ghazaleh said that as the UN embarks on its quest under the theme "The Future We All Want", through a new global agenda for sustainable development, we must all focus on the crucial role of smart sustainable urbanization as a central driving force towards a better future for mankind.

"And on this occasion, I commend the Consortium for Sustainable Urbanization for convening this timely Forum to serve that purpose and thank you for bestowing on me the privilege of bringing a business perspective to you," he said.

According to Abu-Ghazaleh cities are the pulsating heart of human civilization.

"They are the epicenters of business and wealth creation, economic growth, social advancement and cultural vitality. As cities grow, so does a country and a society. Today, a majority of the world's people, 54 percent, live in cities and this proportion will grow to 70 percent in the next few decades. Cities are also the leading and active partners in the rural-urban dynamic," he said.

"Indeed, our future is an urban one. A vast majority of our children and grandchildren will live in cities. We want them to live in well-planned, livable cities where life is

secure, the traffic flows, there is water in the faucets, the sanitation system works, there are no energy shortages, and where housing, health and education services are affordable and accessible to all, be it in Cairo or Detroit, in London or Nairobi, in Manila or Mumbai," he added.

De. Abu-Ghazaleh continued by giving a grim image of the future that the world does not want saying: "We do not want cities to be the sources of growing carbon emissions and other greenhouse gases, nor face the threat of floods and storms due to climate change."

He stressed on what is really needed "cities to be centers of creativity, innovation and business development," "cities that ensure safety of life, housing, education and health service for all, enabled by new information and communication technologies," and "smart, sustainable and livable cities that will help secure the future of generations to come."

In his words, Dr. Abu-Ghazaleh wants public and private sectors, academia and civil society work together as true partners to bring to bear their complementary strengths for this common cause.

"As a business leader with a lifelong dedication to the United Nations principles and causes, I commit my support to such a partnership approach," Abu-Ghazaleh who was Chair of the UN Global Alliance for ICT and Development, Co-Chair of the UN ICT Task Force and Co-Chair of the UN Global Compact said.

He concluded by saying: "As a representative of the private sector, I know that we can make a difference, a big difference in securing and building the urban future we want and I choose to support sustainable urbanization."

The Consortium for Sustainable Urbanization is a New York based, non-profit organization formed to promote a better understanding of the role of sustainable urbanization and resilient design in the planning of our cities with a new found optimism about the urban future.

The Consortium is committed to bringing together the different stakeholders for conferences and exchanges of innovative policies and best practices applicable to both developing and developed regions of the world.

IACPA and IACMA Results

Examination Results of November 2014 95 Students Successfully Passed the IACPA Exams

The International Arab Society of Certified Accountants (IASCA) announced the Examination Results of the International Arab Certified Public Accountant (IACPA)- November 2014 cycle. The number of students who sat for the IACPA exams amounted to 230 students, out of them 95 student successfully passed the exams. It is worthy to mention that the International Arab Society of Certified Accountants (IASCA) has started to apply the system of holding the IACPA examinations twice a year as from 2015, where two cycles will be held in June and December.

IASCA Management congratulates the successful students and wishes success in the next cycle to those who did not pass the exams.



IFRS 14 “Regulatory Deferral Account” and IFRS 15 “Revenue from Contract with Customers” included in the Bound Volume of International Financial Reporting Standards (the ‘Red Book’) 2015



IFRS 14 Regulatory Deferral Accounts was issued in January 2014. It defines regulatory deferral account balances as amounts of expense or income that would not be recognised as assets or liabilities in accordance with other Standards, but that qualify to be deferred in accordance with IFRS 14 because the amount is included, or is expected to be included, by the rate regulator in establishing the price(s) that an entity can charge to customers for rate-regulated goods or services, such as gas, electricity and water. The scope of IFRS 14 is limited to first-time adopters that recognised regulatory deferral account balances in their financial statements in accordance with their previous GAAP. The Standard permits such

entities to continue to account for regulatory deferral account balances in their first and subsequent IFRS financial statements in accordance with their previous GAAP, but must present them separately. IFRS 14 is effective for entities whose first annual IFRS financial statements are for a period beginning on or after 1 January 2016. Earlier application is permitted.

IFRS 15 Revenue from Contracts with Customers was issued in May 2014. It establishes a comprehensive framework for determining when to recognise revenue and how much revenue to recognise. The core principle in that framework is that an entity should recognise revenue to depict the transfer of promised

goods or services to the customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The Standard sets out five steps to follow: identify the contract(s) with a customer; identify the performance obligations in the contract; determine the transaction price; allocate the transaction price to the performance obligations in the contract; and recognise revenue when (or as) the entity satisfies a performance obligation. IFRS 15 is effective for annual reporting periods beginning on or after 1 January 2017. Earlier application is permitted. IFRS 15 replaces IAS 11 Construction Contracts and IAS 18 Revenue, IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreement for the Construction of Real Estate and IFRIC 18 Transfers of Assets from Customers and SIC 31 Revenue—Barter Transactions Involving Advertising Services.

IFAC Welcomes Review Group Report to Enhance Governance Arrangements for Public Sector Accounting Standards



The International Federation of Accountants® (IFAC®) welcomes the release today of the International Public Sector Accounting Standards Board® (IPSASB®) Governance Review Group[1] report on the future governance of the IPSASB, which is an important milestone in further strengthening its governance and credibility.

“We fully support the recommendations of the Review Group, and believe they will strongly enhance the robustness of the standard-setting arrangements and ultimately improve the legitimacy and acceptance of the International Public Sector Accounting Standards (IPSASs) across the globe” said Fayez Choudhury, Chief Executive Officer of IFAC. “High-quality internationally accepted standards provide the necessary foundation for high-quality financial reporting in the public sector—an area that needs vast improvement in many jurisdictions

around the world, and which leads to better government decision-making, transparency, and accountability.”

Following a public consultation early last year, the Review Group made several important recommendations, including that:

- A governance body, the Public Interest Committee, be established to ensure that the public interest is served by the standard-setting activities of the IPSASB; the Committee’s membership should include, but not be limited to, individuals from the IMF, OECD, World Bank Group, and INTOSAI;
- The Committee’s objectives should be to review and advise IFAC and the IPSASB on the (i) terms of reference of the IPSASB; (ii) arrangements for nomination and appointment of IPSAB members; and (iii) procedures and processes for formulation of the IPSASB’s strategy and work plan and development of IPSASs to ensure that the views of all relevant stakeholders are sought and given due

consideration;

- The Committee should not have a direct role in the development, adoption, and implementation of public sector accounting standards;
- IFAC should establish a Consultative Advisory Group (CAG) for the IPSASB; and
- A public consultation on the effectiveness of the IPSASB’s reformed governance arrangements be undertaken no later than 2020.

“The recommendations represent strong support for robust and balanced standard-setting arrangements, whereby the involvement of the profession, public sector, and international organizations ensure that the standards that are produced are in the public interest and are high quality—and can be practically implemented.” Mr. Choudhury added, “IFAC is highly appreciative of the work done by the Review Group and its members and looks forward to working with these organizations to put the new arrangements in place in 2016.”

Work Teams from the Ministry of Finance and Representatives of the International Arab Society of Certified Accountants Discuss the Transition from the Cash Basis to the Accrual Basis

Following the recurrent meetings between the International Arab Society of Certified Accountants “IASCA” and the representatives of the Ministry of Finance in relation to examining and analyzing the International Public Sector Accounting Standards and the possibility of implementing these Standards, work teams from the Ministry of Finance were established to identify the requirements and mechanism of transition from cash-basis accounting procedures to the IPSAS-based procedures.

These teams are:

- | | |
|---------------------|--------------------------------|
| 1- Assets Team | 4- Investment Team |
| 2- Revenues Team | 5- Liabilities Team |
| 3- Public Debt Team | 6- Reports and Disclosure Team |

Each Team shall examine and analyze the relevant standards to identify and prepare the related data and documents to cover all the cases implemented in the government during their meetings in terms of the following:

- Financial legislations (financial laws, regulations and instructions).
- Forms used for each Standard
- Records used for these Standards



- The extent of appropriateness of the government financial information management system to implement these Standards.

It is worth mentioning that the International Arab Society of Certified Accountants had a significant role throughout the past two years, in cooperation with the USAID-funded Financial Reform Project and in association with the Ministry of Finance, in taking the Jordanian Cabinet’s decision of adopting and implementing the International Public Sector Accounting Standards in its session held on Sunday 2/11/2014 in accordance with Article 4 of the Jordanian Law of Regulating the Accounting Profession No. 73 of the year 2003.



Abu-Ghazaleh Highlighted As One of the Most Prominent Living AUB Alumni

HE Dr. Talal Abu-Ghazaleh, chairman of Talal Abu-Ghazaleh Organization (TAG-Org), was highlighted as one of the most prominent living AUB Alumni in a book that tackled US relations with the Middle East and the challenges and efforts which led two families to build a great school with alternating audacity, arrogance, generosity, paternalism, and vision.

American Sheikhs by Brian VanDeMark, the author of Pandora's Keepers: Nine Men and the Atomic Bomb and Into the Quagmire: Lyndon Johnson and the Escalation of the Vietnam War, tells the story of one of the greatest educational institutions - the American University of Beirut and the families who established and supported it for almost 150 years.

Dr. Abu-Ghazaleh, a Palestinian refugee whose life is governed by "the principle of the blessing of suffering, for suffering can become the greatest blessing", was the first student to get a scholarship from United Nations Relief and Works Agency (UNRWA) to study at the AUB for being the top student in Lebanon in 1956.

In 1980, he was called to serve as a member of the Board of Trustees of the AUB, an honor he accepted with pleasure.

Dr. Abu-Ghazaleh is joined by a list of high-profile AUB graduates in the book such as Walid Junblat, Joseph LeBaron, Taher Al Masri, Mohammed-Najib Mikati, Hanan Ashrawi, Mohammed Safadi, Ali Fakhro, Ali Nouami, Khaled Al Qusaibi, Fouad Saniora, Adnan Al Bajihi, Husa Sabah, Khaled Touqan, Wajih Owais and Maha Khatib in addition to others.

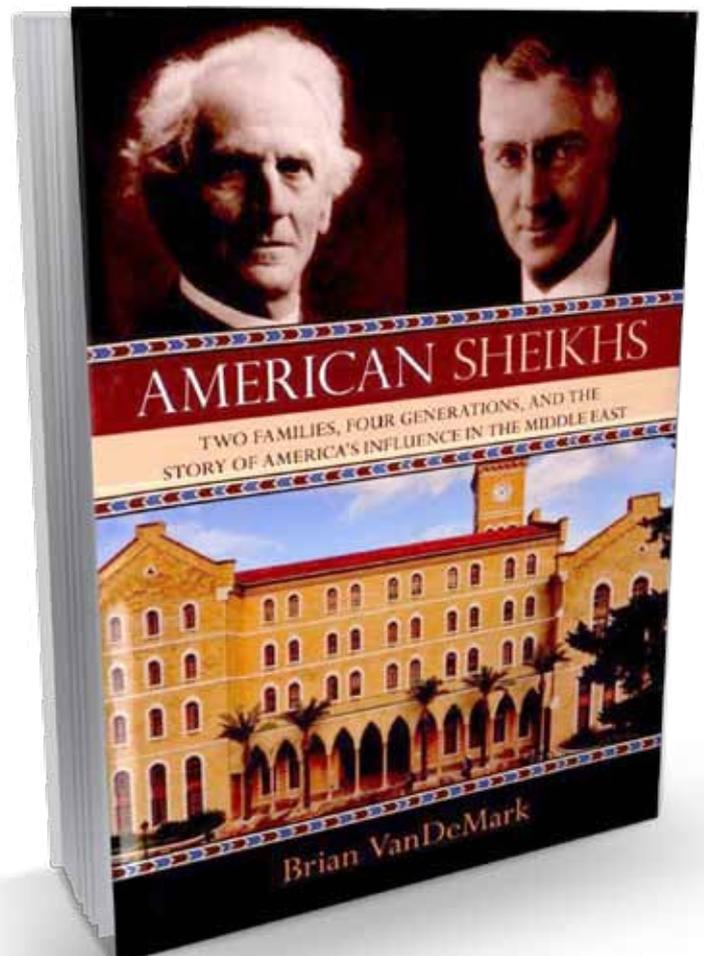
The book tells the story in an intense and narrative style of the history of the AUB which has been labeled as the most influential school in history for its comprehensive approach and futuristic vision.

American Sheikhs received positive reviews by Pulitzer Prize winner Kai Bird calling it "A highly original

contribution" and "VanDeMark has written a concise and highly accessible history of the American missionaries and their political and intellectual legacy."

Meanwhile, Robert Dallek, US Presidential historian said: "An excellent study of a neglected subject. It should be of interest to anyone concerned about US relations with the Middle East and the continuing difficulties we face in the region."

While, Ann Kerr-Adams, Former student, teacher, and member of the Board of Trustees of the American University of Beirut and author of Come with Me from Lebanon said: "With the fastidious care of a historian and the passion of one who understands the significance of the AUB to the United States and the Middle East, VanDeMark tells the fascinating story of the intertwining history of the university and its founding families with America's diplomatic and political involvement in the region. In a style that is both accessible and absorbing, he concisely traces the evolution of one hundred fifty years of history that is a prerequisite for understanding America's challenges in the Arab world today and posits that the AUB can still offer, rather than impose, the best of American values."



Abu-Ghazaleh Appointed to INSEAD Competitiveness & Innovation Board

HE Dr. Talal Abu-Ghazaleh, President of Talal Abu-Ghazaleh University (TAGI-UNI) and chairman of Talal Abu-Ghazaleh Organization (TAG-Org) was appointed a member of the Advisory Board of INSEAD, one of the world's leading and largest graduate business schools in the world.

Dr. Abu-Ghazaleh joins a host of elite global figures representing business, academia and international organizations such as HE Mr. Thierry Breton, chairman and CEO of Atos Origin and French former Minister of Finance, Prof. Peter Cappelli, Professor of Management, Director of the Center for Human Resources, Wharton, University of Pennsylvania, Prof. Yoko Ishikura, Graduate School of Media Design, Keio University, Mr. Mats Karlsson, Director of the center for Mediterranean Integration, World Bank, Mr. Arnoud De Meyer, President of Singapore Management University and Mr. Vineet Nayar, vice chairman of HCL Technologies and founder of Sampark Foundation.

Dr. Abu-Ghazaleh's role was highlighted in the first edition of the Global Talent Competitiveness Index 2014 which was destined to be an action tool for continuous improvement in linking talent to economic development and an instrument to stimulate dialogue between governments, business, academia, professionals and their



associations and citizens.

The Global Talent Competitiveness Index is the result of a partnership between education, government and business between INSEAD, Singapore's Human Capital Leadership Institute (HCLI) and Adecco.

"I am really honored to be part of the Advisory Board of INSEAD, the Business School of the World which I believe is one of the greatest contributors to the educational field in the world due to its global perspective and cultural diversity, a formula for success in the ever challenging world of education," Dr. Abu-Ghazaleh said.

Dr. Abu-Ghazaleh is the power behind establishing the Talal Abu-Ghazaleh

Graduate School of Business, one of the major colleges of the German Jordanian University, TAGI-UNI, the global virtual corporate university established to take e-education to the next level and Talal Abu-Ghazaleh University College of Business (Bahrain), a world-class business university which aims at developing a cadre of business leaders.

INSEAD which became a pioneer of international business education with the opening of the Fontainebleau campus in Europe in 1959 has campuses in Europe (France), Asia (Singapore) and Abu Dhabi (Middle East).

Membership of the INSEAD Advisory Council is through invitation from the Chairman of the INSEAD Board, on behalf of the INSEAD Board.



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