

# IASCA Newsletter

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**YOUR GATE TO ACCOUNTING, AUDITING AND CODE OF ETHICS**

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## With the attendance of President of Jordan Audit Bureau

Abu-Ghazaleh Inaugurates the Launch of the Jordanian Internal Audit Association



AMMAN - HE Dr. Talal Abu-Ghazaleh, chairman of Talal Abu-Ghazaleh Organization (TAG-Org), patronized the ceremony of launching the Jordanian Internal Audit Association, and the seminar on the latest international professional updates in the field of practicing the internal audit profession.

The event took place at the premises of Talal Abu-Ghazaleh Knowledge Forum with the presence of President of Jordan Audit Bureau HE Dr. Mustafa Al Barari, and President of the Association's Founding

Assembly Mr. Hisham Al-Shawa, in addition to a group of stakeholders, accountants, and auditors from various sectors.

Dr. Abu-Ghazaleh stressed that the establishment of the Association is an initiative that emphasizes the importance of the internal audit profession, pointing out the interconnection between internal and external audit, and the need for coordination with the Association in the future through a memorandum of understanding.



He also expressed his gratitude to the Association's stakeholders for its future impact on the profession, highlighting the significant role played by the President of the Audit Bureau HE Dr. Mustafa Al Barari who developed the profession through his solid standings.

Abu-Ghazaleh added that the development in information and communication technology sector affected the profession which is no longer as it was before and will not remain as it is now explaining that within a maximum period of 20 years there will be internal and external auditor in a new form: a "technical auditor". This is because anything that relates to the profession will be applied through information technology.

According to the expectations of HE, the future of the internal audit would be better if the firms become aware and convinced of the importance of contracting with internal auditors, whether they were employees of the company or through outsourcing firms.

For his part, HE Dr. Al Barari expressed his profound thanks to the Excellency of Dr. Talal Abu-Ghazaleh for his continuous support to this profession and its professionals, at the local, Arab and International levels through his Organization that serves the local, Arab and international economy.

He also stressed that the establishment of the Association had become an urgent need to have a professional body that would mobilize efforts in the field of internal and external audit due to profession's critical role and significant impact on the economy as it represents the first line of defense in preserving public funds and

corporations' assets, decisions, governance and progress in the right track as per the vision of His Majesty King Abdullah II, may Allah bless and protect him.

He also promised that memorandums of understanding will be signed with the Association to train the government servants through the Arab Jordanian Institute of Internal Auditors.

The Assembly's President Mr. Hisham Al-Shawa revealed that the idea of establishing the Association as a professional organization to represent the profession of internal audit and to work on promoting it started as an initiative by a group of young professionals who were aware of its importance and by believers in its mission to become home for all workers in internal audit, internal control, good governance and risk management.

He also pointed out that the importance of the Association lies in the fact that it works on supporting and developing the profession of internal audit though all means in order to achieve the effective development and high quality in the business and economy sector in Jordan in line with the vision of HM King Abdulla II.

He explained that the Association will organize the First Jordanian Internal Audit Conference in 2016, which will be the first of its kind in Jordan, and will enjoy a regional and international attendance in order to exchange experiences and stand on the latest developments in the profession.

During the ceremony, President of the Association Mr. Hisham Al-Shawa presented memorial shields to the ceremony patron HE Dr. Talal Abu- Ghazaleh and the President of the Audit Bureau and the ceremony's guest HE Dr. Mustafa Al Barari.



## Deferral of Effective Date by Issuing Formal Amendment to the Revenue Standard



LONDON - The International Accounting Standards Board (IASB) issued an amendment to the revenue Standard, IFRS 15 Revenue from Contracts with Customers, formalizing the deferral of the effective date by one year to 2018.

The publication of the amendment, Effective Date of IFRS 15, follows from the IASB's decision in July to defer the effective date from January 1, 2017 to January 1, 2018, having considered the feedback to its consultation.

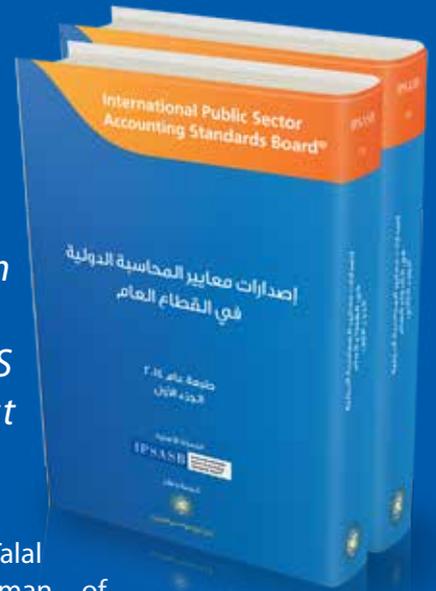
Companies applying IFRS continue to have the option to apply the Standard early.

The main reason for the amendment is that the IASB is currently consulting on some proposed clarifications to the Standard. These proposals follow discussions within the Revenue Transition Resource Group (TRG). The TRG was established by the IASB and the US Financial Accounting Standards Board (FASB) after the Standard was issued in May 2014 to support companies in its implementation.

Consultation on the proposed clarifications ends on October 28, 2015. The IASB expects to complete its discussions on the clarifications in the light of the feedback received by the end of 2015, after which any final amendments to the Standard will be issued.

## The Government of Jordan Adopts the Application of IPSAS

*Abu Ghazaleh: Our capabilities and potentials shall be placed at the disposal of the Jordanian government in relation to IPSAS Adoption Project*



AMMAN - HE Dr. Talal Abu-Ghazaleh, Chairman of the International Arab Society of Certified Accountants (IASCA), congratulated the Government of Jordan for adopting and applying the International Public Sector Accounting Standards (IPSAS), stating that the Society's capabilities and experience are at the services of the Government.

Dr. Abu-Ghazaleh stated that IASCA, under a memorandum of understanding with the Ministry of Finance, will support the implementation of this decision by holding training workshops, training courses and professional publications on the application of IPSAS in the public sector. HE also indicated IASCA's intent to inform the International Federation of Accountants (IFAC) of this decision.

HE Dr. Umayya Touqan, Minister of Finance, recommended the Government of Jordan to start the project of applying IPSAS in the public sector pointing out the importance of this step in enhancing the financial and economic stability of Jordan, improving the quality of financial reports, strengthening transparency in the Government practices, and enhancing accountability, thereby improving the governance in the public sector and raise Jordan's rating level by the international financial agencies.

Jordan, with this step, became the first Arab country in the region that implements these standards which are issued by the IFAC and IASCA translates them into Arabic, distributes, and gives training.



# IASCA Partners with the Eleventh International Professional and Scientific Conference



AMMAN - The Eleventh International Professional and Scientific Conference, organized by the Jordanian Society of Certified Accountants was recently held in Amman with the participation of the International Arab Society of Certified Accountants (IASCA) as a professional partner.

As part of IASCA's professional responsibility towards the certified accountants in Jordan and in the Arab countries, it participated in the Eleventh International Professional and Scientific Conference as a professional partner, emphasizing that its role is integral with professional societies in all Arab countries by solidifying and strengthening the relation between IASCA and the educational associations and societies. IASCA prepared a special pavilion that included diversified professional accounting publications to be viewed by participants.



as a response to the international developments and changes in the international standards for preparing financial reports and auditing, and to keep up with such developments so that a certified accountant in the Arab world would be cognizant and knowledgeable of the latest updates which would reflect positively on the quality of work and financial data that many entities rely on in making financial and managerial decisions.

in addition to representatives of the International Federation of Accountants and the Association of Chartered Certified Accountants /Britain, participated in the Conference.

The Conference tackled many contemporary issues, including the role of professional practices in developing accounting, the role of legislations in developing accounting, and presenting Arab experiences in the field of developing accounting towards globalism.

The Conference came

Professional researchers and experts from Jordan and the Arab world,



# Carruthers Named Chair of the International Public Sector Accounting Standards



**International Public Sector Accounting Standards Board®**

NEWYORK - Ian Carruthers has been appointed chair of the International Public Sector Accounting Standards Board® (IPSASB®) for a three-year term commencing January 1, 2016.

As chair, Mr. Carruthers will lead the board in its efforts to establish high-quality accounting standards for use by public sector entities, promote the adoption of and international convergence to the IPSAS pronouncements, and issue guidance on topics in public sector financial reporting.

“I am honored to have been chosen to lead the IPSASB through the next exciting and crucial phase of its work,” Mr. Carruthers said. “The recently completed Conceptual Framework will enable us to address some of the most fundamental reporting issues facing the public sector today. We will also build on the heightened credibility from our enhanced governance arrangements and the existing IPSAS adoption groundswell to play a critical role in strengthening global public financial management—which, in turn, will improve public sector decision-making and make governments more accountable to their constituents.”

Mr. Carruthers has served on the IPSASB since January 2010. Currently, he serves as chair of the IPSASB Task Force on Alignment of IPSAS and Public Sector Statistical Reporting. He also chaired the IPSASB Task Force on Long-term Fiscal Sustainability and participated in the Task Force for Harmonization of Public Sector Accounts and the Non-exchange

Revenue Steering Committee. Prior to becoming an IPSASB member, Mr. Carruthers served from 2006 to 2009 as technical advisor to former IPSASB Chair Michael Hathorn.

Having spent the first part of his career in the public sector practice of PwC, Mr. Carruthers joined HM Treasury in 1999, where he played a key role in the UK Government’s transition from cash to accrual budgeting and reporting, in particular leading its Whole of Government Accounts program. He joined the Chartered Institute of Public Finance and Accountancy (CIPFA) in 2006 where his work has included leading its work on the role of the public services CFO, as well as working with IFAC on the development of the International Framework for Good Governance in the Public Sector.

Commenting on Mr. Carruthers’ appointment, current IPSASB Chair Andreas Bergmann said, “Ian is an experienced leader whose skills, knowledge, and global contacts will help the IPSASB successfully reach its next stage of development. With this appointment, I am confident that the IPSASB—and the public interest—will continue to be well-served.”

Mr. Carruthers was nominated for the IPSASB Chair position by CIPFA, with the Public Interest Committee welcoming the recruitment process from a public interest perspective. He will undertake the chair role for three-quarters of his time, with the balance spent with CIPFA.



# New Guide on Compilation Engagements Helps Accountants Meet Changing Market Demand



NEWYORK - The International Federation of Accountants® (IFAC®), the global organization for the accountancy profession, released the Guide to Compilation Engagements. The Guide aims to help professional accountants in practice, especially those operating in small- and medium-sized practices (SMPs), in conducting compilation engagements in compliance with ISRSTM 4410 (Revised), an International Standard on Related Services developed exclusively by the International Auditing and Assurance Standards Board® (IAASB®).

“The regulatory environment is changing. As a result, increasingly small- and medium-sized entities (SMEs) may now be able to choose from an array of assurance and related services to meet their needs,” said IFAC SMP Committee Chair Giancarlo Attolini. “Accounting practices, especially SMPs that typically serve SMEs, need to be prepared to help their clients navigate this choice, while being prepared to meet clients’ changing demands. The Guide can help practitioners increase their knowledge and understanding of compilation

engagements, thus broadening their service offerings and strengthening their practices in this important area.”

Practitioners can use the Guide as an introduction to compilation engagements, to deepen their prior understanding and knowledge, as a day-to-day reference guide, or as the basis for training modules. The Guide includes practical guidance on the application of the requirements in the standard and “Consider Points,” which offer suggestions to facilitate efficiency and address areas where practitioners often encounter difficulties. Featuring illustrative examples alongside relevant extracts from the standard, the Guide also includes appendices with key checklists and forms that practitioners can use as is or modify to meet the requirements of their particular jurisdiction.

Visit SMP Publications & Resources for access to the Guide, which forms part of IFAC’s suite of implementation support and includes comprehensive Guides covering the implementation of the IAASB’s audit, quality control, and review standards: ISATM, ISQCTM, and ISRETM 2400 (Revised), respectively. For access to additional implementation resources from IFAC and notable organizations from around the world, see the Global Knowledge Gateway, in particular, the areas of audit & assurance and ethics.

## Consultation on Interim Measures for IFRS 9



LONDON -The IASB is to consult on a package of temporary measures to address issues arising from the application of the financial instruments standard before the new insurance contracts standard kicks in.

The move follows the introduction of IFRS 9 Financial Instruments, in July 2014, which has an effective date of 1 January 2018.

The IASB said at the time that it would consider any potential challenges that arose should IFRS 9 be implemented before the new insurance contracts standard.

The latest confirmed measures will amend IFRS 4 Insurance Contracts to give companies whose business model is to predominantly issue insurance contracts the option to defer the effective date of IFRS 9 until 2021 - the ‘deferral approach’. It would also give insurers who implement IFRS 9 the option to remove from profit or loss some of the accounting mismatches and temporary volatility that may occur before the new insurance contracts

standard is implemented - the ‘overlay approach’.

The insurance contracts standard is currently being thrashed out by the IASB and a final standard is expected to be issued in 2016.

An exposure draft outlining the measures is set to be published later this year for public consultation. If confirmed after the consultation, the measures will not affect companies that do not issue insurance contracts.

A recent survey suggested that half of Europe’s financial institutions were struggling to make the 2018 deadline.

## **FOR MORE INFORMATION**

Tel: (0962-6) 5100900

Fax: (0962-6) 5100901

Or you may reach us electronically through our website:  
[ascasociety.org](http://ascasociety.org)

And our emails:

[asca.jordan@iascasociety.org](mailto:asca.jordan@iascasociety.org)

[salouri@iascasociety.org](mailto:salouri@iascasociety.org)

[www.facebook.com/ASCAsociety](http://www.facebook.com/ASCAsociety)

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