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**Capacity-building framework for high-quality corporate
reporting**

Note by the UNCTAD secretariat

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Appendix I. Capacity-building framework for high-quality corporate reporting – matrix

Capacity framework					Performance measurement	Key questions for surveys
Pillar structure	Stages/checklist	Elements	International standards	Reference/guidance	Milestones & indicators	
Legal and regulatory	<p>Accounting records</p> <p>Internal controls/audit Prepare fin. statements</p> <p>Approve fin. statements Audit Publication/filing Users, analysis Multi-reporting frameworks Monitoring, oversight, enforcement Requirements govt. enterprises & individuals</p>	<p>Regulation Fin/Non-Fin Statutory Framework</p> <p>Endorsement of standards Enforcement</p> <p>Monitoring Licensing Governance Ethics Compliance Investigation & discipline</p> <p>Quality assurance</p>	<p>IOSCO</p> <p>IFRS ISAs, IESs</p> <p>XBRL Basil Comm. IAIS OECD Principles</p>	<p>UNCTAD SMEGA 3</p> <p>OECD Principles EU Directives S.Ox and other similar national frameworks COSO Bank codes GRI World Bank ROSCs IIA</p> <p>ICGN IIRC</p>	<p>See Appendix IV below</p>	<p>See Appendix IV below.</p>
Institutions/profession /stakeholders	<p>Roles and responsibilities</p> <p>Coordination Governance</p> <p>Sustainability Attraction & retention of talent</p>	<p>Legislative body</p> <p>Ministries Regulators</p> <p>Govt. Registries Prof. Accounting Orgs. Accounting/Audit firms stock exchanges preparer & user bodies, academia National and international standard-setters</p>	<p>-</p> <p>ISAs, IESs CoE/Independence</p> <p>A&A IFAC SMOs -</p>	<p>DNC toolkit AA1000AS NGO Sustainability Index</p>	<p>See Appendix IV below</p>	<p>See Appendix IV below.</p>

Capacity framework					Performance measurement	Key questions for surveys
Pillar structure	Stages/checklist	Elements	International standards	Reference/guidance	Milestones & indicators	
Human capacity	<p>General education</p> <p>Professional education and training CPD Technical knowledge</p> <p>Specialized training</p>	<p>1. Recipients, i.e:</p> <p>auditors, preparers accounting technicians prof. analyst orgs regulators other users</p> <p>2. Providers universities prof. accounting orgs tuition providers</p>	<p>IAES IES</p> <p>SMO 2</p>	<p>Bologna</p> <p>Dublin UNCTAD-ISAR Model Curriculum EU Common Content IFAC Guide Accounting Techs</p>	<p>See Appendix IV below</p>	<p>See Appendix IV below.</p>
Capacity-building	<p>Diagnosis</p> <p>gap analysis</p> <p>Programme Monitoring</p>	<p>Strategy/Objectives</p> <p>Action plans & resources</p> <p>coordination & communication</p> <p>-</p>	<p>See appendix IV below.</p>	<p>IFAC Compliance Programme Action plans</p> <p>ROSC</p>	<p>See Appendix IV below</p> <p>Position Assessment Tool</p>	<p>See Appendix IV below.</p>

Appendix II. Core standards and benchmarks

1. International standards and codes need to be addressed first:

- (a) IFRS;
- (b) IFRS for SMEs;
- (c) Accounting rules for micro enterprises (for example ISAR's accounting and reporting guidelines for level 3 SMEs or SMEGA Level 3);
- (d) IAASB Pronouncements;
- (e) IESBA Code of Professional Ethics;
- (f) ISQC 1;
- (g) IAESB IESs;
- (h) IFAC SMOs;
- (i) IFAC/DNC Guide to establishing and developing a professional body;
- (j) Other internationally accepted standards and guidance issued by bodies in countries where the accounting and auditing profession is well-developed and subject to independence and oversight, may also be helpful.

2. Some member States also need audit manuals for SMPs and practice monitoring manuals (these are usually not public documents). They also need curriculums and these usually have to be part of joint schemes or designed specially.

3. As member States progress the codes below may come into play:

- (a) OECD Principles of Corporate Governance;
- (b) International Corporate Governance Network code;
- (c) Global Reporting Initiative guidelines;
- (d) EU 8th Directive (primarily for countries wishing to join the EU or in transition);
- (e) Sarbanes Oxley legislation in the United States (primarily for those countries wishing to follow draw from the United States model, for example, the EU 8th Directive was influenced in part by Sarbanes Oxley);
- (f) IOSCO Objectives and Principles for Securities Regulation and related Assessment Methodology;
- (g) IOSCO Policy Statements and Reports on Financial Reporting, Auditing, Internal Controls, Auditor Oversight and Governance matters;
- (h) Stock Exchange regulations;
- (i) XBRL;
- (j) FSB framework;
- (k) Institute of Internal Auditors (IIA) standards;
- (l) USAID NGO sustainability index; and
- (m) AA 1000 Series of standards.

4. Other codes include:

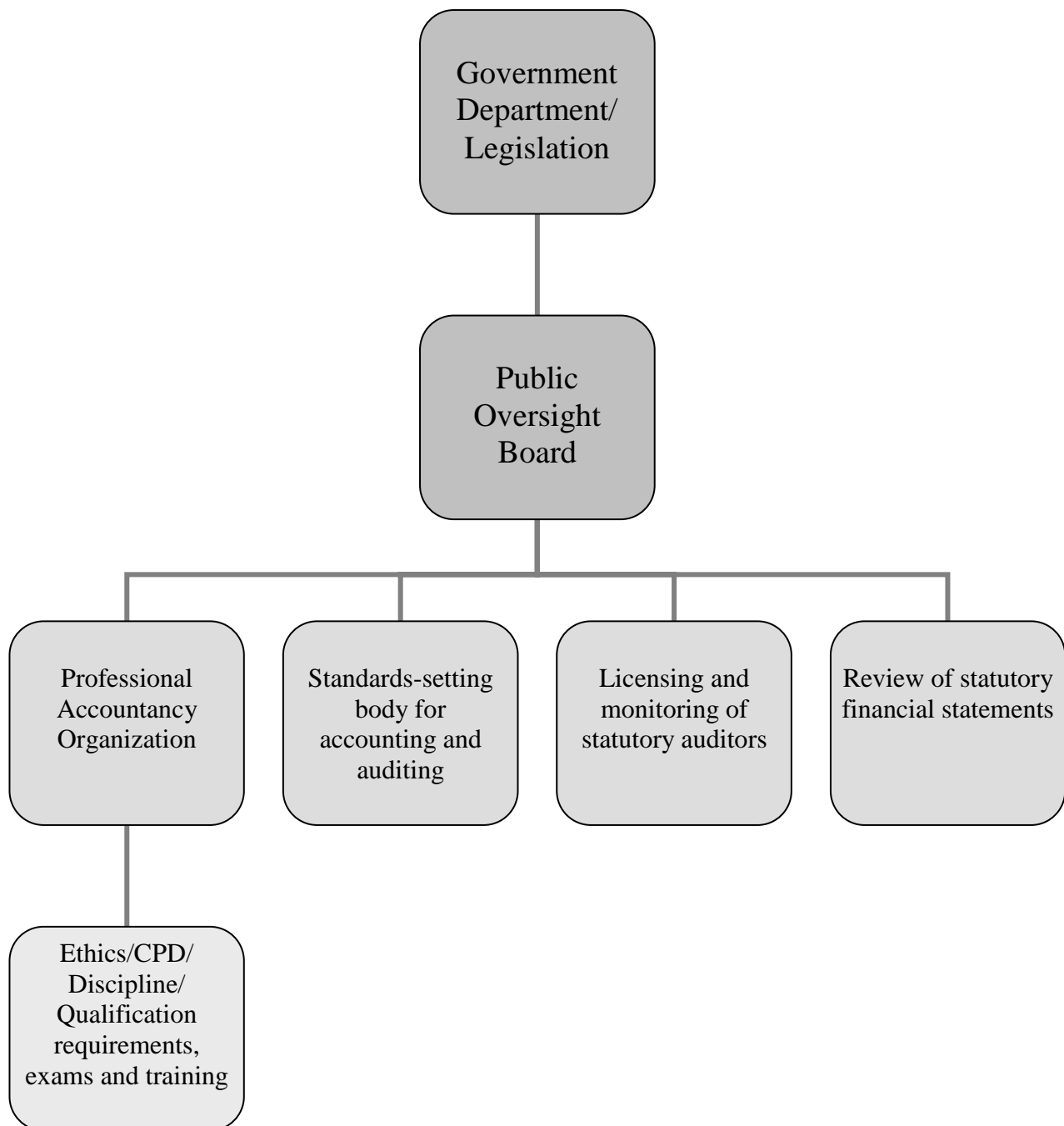
- (a) Relevant banking supervisory guidance and regulations, e.g. Basel standards;
- (b) IAIS standards;
- (c) COSO (Committee of Sponsoring Organizations of the Treadway Commission). In the United States COSO has established a common internal control model against which companies and organizations may assess their control systems;
- (d) IFIAR (International Forum of Independent Audit Regulators) projects;
- (e) EU Fair Value Directive;
- (f) Tax requirements; and
- (g) Audit Firms practices and manuals and other information and guidance.

5. Other education standards include:

- (a) Bologna agreement on the criteria for defining degrees at different levels;
- (b) Dublin descriptors which expand on the Bologna criteria;

- (c) NARIC (National Recognition Information Centre for the United Kingdom) part of ENICs (European Network of Information Centres) across Europe, including also Australia, Canada, New Zealand and the United States. NARIC provides information on the recognition of degrees at different levels;
- (d) World of Learning, which identifies recognised academic institutions;
- (e) UNCTAD/ISAR Model curriculum;
- (f) Common content project.

Appendix III. Sample structure of a regulatory framework¹



¹ The above example is based on a United Kingdom model. It is being presented here to facilitate understanding of a possible regulatory structure based on a practical example. There are several other suitable models that countries could consider when establishing a regulatory structure.

Appendix IV. Performance measurement and key questions for surveys

Capacity-building Framework		Performance Measurement	Performance Measurement
Pillar structure	Elements	Milestones & Indicators	Key Questions for Surveys
Legal & regulatory Pillar 1	Legislation, statutory and regulatory requirements for financial reporting	Accounting and Auditing Framework Private Sector Accounting Framework (IFRS)	<ul style="list-style-type: none"> - Existence and function of a private sector accounting and auditing framework? - Standards required for private sector accounting? (IFRS)
	Legislation, statutory and regulatory requirements for non-financial reporting	Non-financial Reporting Framework Corporate Governance for PIEs	<ul style="list-style-type: none"> - Requirements for environmental, social and governance disclosure based on international best practice guidance? - Existence and operation of a non-financial reporting framework?
	Endorsement of standards Enforcement Monitoring	Endorsement Mechanisms Private Sector Monitoring and Enforcement	<ul style="list-style-type: none"> - Existence and function of endorsement mechanisms for international standards? - Existence and operation of public oversight? - Monitoring and enforcement of private sector accounting standards?
	Licensing Ethics	Licensing Arrangements Code of Ethics	<ul style="list-style-type: none"> - Licensing arrangements for accountants and/or auditors? - Existence and function of a code of ethics for accountants and auditors?
	Compliance	Compliance Mechanisms	<ul style="list-style-type: none"> - Responsibilities for enforcing regulatory requirements?
	Investigation & discipline	Investigation and Discipline	<ul style="list-style-type: none"> - Regulations for investigation, discipline and appeals?
	Quality assurance	IAASB Standards and Pronouncements Quality Control	<ul style="list-style-type: none"> - Operation of investigation, discipline and appeals? - Standards required for financial statement audits? (ISA)

Capacity-building Framework		Performance Measurement	Performance Measurement
Pillar structure	Elements	Milestones & Indicators	Key Questions for Surveys
	Disclosure	To be included in row 1, Legislation	<ul style="list-style-type: none"> - Standards required for assurance engagements? (ISAE) - Standards required for review engagements? (ISRE) - Standards required for related services? (ISRS) - Standards required for quality control? (ISQC1) - Requirements for quality control by audit firms? - Quality assurance requirements for accountants and auditors?
Institutions / profession/ stakeholders Pillar 2	Legislative body	Statutory Responsibilities and Legal Status Sustainability of Government Institutions Regulation of Regulatory and Monitoring Bodies Sustainability of Professional Accounting Organizations	<ul style="list-style-type: none"> - Statutory responsibilities and legal status of legislative bodies, ministries, regulatory bodies, regulators, government registries, professional accounting organizations, accounting and auditing firms? - Organizational capacity, financial viability, advocacy, service provision, recognition and public image of government institutions? - Regulations for and coordination among regulatory and monitoring bodies? - Relations between government authorities and professional bodies? - Regulations for audit monitoring bodies and review panels? - regulatory structure for professional accounting organisations? - Organizational capacity, financial viability, advocacy, service provision, recognition and public image of professional accountancy and auditing associations? - Existence and sustainability of general education providers?
	Ministries	To be included in row 1, Legislative Body	
	Regulators	Regulatory and Monitoring Bodies (new)	
	Govt. Registries	To be included in row 1, Legislative Body	
	Prof. Accounting Orgs.	Professional Accounting and Auditing Organizations	
	Accounting / Audit firms stock exchanges preparer & user bodies Education and Training Providers (to include	To be included in row 1, Legislative Body Outside the scope of the Matrix for measurement purposes To be included in row 1, Legislative Body Education and Training Providers	

Capacity-building Framework		Performance Measurement	Performance Measurement
Pillar structure	Elements	Milestones & Indicators	Key Questions for Surveys
	universities, prof. accounting orgs and tuition providers)		<ul style="list-style-type: none"> - Existence and sustainability of professional accountancy education providers? - Existence and sustainability of CPD providers? - Existence and sustainability of providers of practical training?
Human capacity Pillar 3	<p>General education</p> <p>Professional education and training</p> <p>CPD</p> <p>Technical knowledge</p> <p>Specialized training Prof. Accounting Orgs Prof. Analyst Orgs. Tuition providers</p>	<p>Qualification, Education and Training of Accountants</p> <p>Qualification, Education and Training of Auditors</p> <p>Qualification, Education and Training of Accounting Technicians</p> <p>CPD for Accountants, Auditors and Accounting Technicians</p> <p>To be included in Pillar</p> <p>To be included in Pillar</p> <p>Outside the scope of the Matrix for measurement purposes</p> <p>To be included in Pillar</p>	<ul style="list-style-type: none"> - Existence of training for accounting and reporting? - Entry requirements for professional accountancy education? - Content of accountancy education programs? - Professional skills in accountancy education? - Values, ethics and attitudes in accountancy education? - Assessment of accountancy capabilities and competences? - Practical experience requirements for professional accountants? - Qualification, education and training requirements for auditors? - Qualification, education and training requirements for accounting technicians? - Education, monitoring and discipline of continuing professional development requirements for professional accountants, auditors and accounting technicians? - Requirements and availability of training for regulators
Capacity Building	<p>Strategy/Objectives</p> <p>Action plans & resources</p> <p>coordination & communication</p>	<p>Capacity-building has to be considered separate from Performance Measurement</p> <p>Position Assessment Tool</p>	Not applicable unless on a very general level

Appendix V. List of members of the Consultative Group on capacity-building framework for high-quality corporate reporting ²

International and regional organizations				
Gerald	Edwards	Senior Advisor Accounting & Auditing Policy	Financial Stability Board	Switzerland
Ian	Ball	CEO	International Federation of Accountants (IFAC)	United States of America
Gabriella	Kusz	Technical Advisor	International Federation of Accountants (IFAC)	United States of America
Olivier	Boutellis-Taft	Chief Executive	Fédération des Experts Comptables Européens (FEE)	Belgium
Jonathan	Bravo	General Secretariat	International Organization of Securities Commissions (IOSCO)	Spain
John	Hegarty	Head, Centre for Financial Reporting Reform	World Bank	Austria
Gradimir	Radisic	Centre for Financial Reporting Reform	World Bank	Austria
Grant	Kirkpatrick	Senior Economist	Organisation for Economic Cooperation and Development (OECD)	France
Samiuela	Tukuafu	Principal Financial Sector Specialist	Asian Development Bank (ADB)	Philippines
Wayne	Upton	Director of International Activities	International Accounting Standards Board (IASB)	United Kingdom
Michael	Walsh	Special Projects Consultant	ACCA Global	United Kingdom
Toby	Moseley	International Development Manager	ACCA Global	United Kingdom
Accounting profession				

² Italicized names indicate members who participated in the meeting of the Consultative Group that took place at the Palais des Nations in Geneva 20–22 May 2010.

Ganapathy	Ramaswamy	Vice-President	The Institute of Chartered Accountants of India (ICAI)	India
Dennis	Brown	Chair	Institute of Chartered Accountants of Jamaica (ICAJ)	Jamaica
Aziz	Dièye	Partner in Charge	Cabinet Aziz Dièye	Senegal
Oliver	Köster	Partner/German Certified Accountant, Tax Advisor, United States CPA	KPMG AG	Switzerland
Paul	Hurks	Director	Royal NIVRA	The Netherlands
Ewald	Müller	Senior Executive	South African Institute of Chartered Accountants (SAICA)	South Africa
David	Phillips	Senior Corporate Reporting Partner	PricewaterhouseCoopers LLP	United Kingdom
Christine	Albrecht	Senior Manager	Deloitte Touche Tohmatsu	United States of America
April	Mackenzie	Global Head, Public Policy and External Affairs	Grant Thornton International	United States of America
Susanna	Di Felicianantonio	Head of EU Public Affairs	Institute of Chartered Accountants in England and Wales (ICAEW)	United Kingdom
Jean	Ettridge	Head of International Affairs	Institute of Chartered Accountants in England and Wales (ICAEW)	United Kingdom
Neil	Stevenson	Executive Director - Brand	ACCA Global	United Kingdom
Noel	Clehane	Global Head of Regulatory and Public Policy Affairs	BDO	Belgium
Ivan	Sotomayor	Managing Partner	Sotomayor & Associates, LLP	United States of America
National regulators / standard setters				
Reto	Eberle	Member	Swiss GAAP FER	Switzerland
Ashraf	El Sharkawy	Senior Advisor of the Chair	Egyptian Financial Supervisory Authority	Egypt
Lin	Zhu	Deputy Director, Standards Division II Accounting Regulatory Department	Ministry of Finance	People's Republic of China
Liesel	Knorr	President	German Accounting Standards	Germany

			Committee	
Leonid	Shneydman	Director, Regulation of Public Financial Control	Ministry of Finance	Russian Federation
Damir	Kaufman	Director, Financial System Directorate	Ministry of Finance	Republic of Croatia
Development agencies and banks				
William	Phelps	Executive Vice President	CARANA Corporation	United States of America
Academia				
Nelson	Carvalho	Professor	University of Sao Paulo	Brazil
Malgorzata	Jaruga-Baranowska	Professor	Academy of Management in Lodz	Poland
Gert Hendrik	Karreman	Professor / Doctor	Leiden University	The Netherlands
Belverd E.	Needles Jr.	Professor	De Paul University	United States of America