
**Intergovernmental Working Group of Experts on
International
Standards of Accounting and Reporting
(ISAR)**

29th SESSION

31 October – 2 November 2012
Room XIX, Palais des Nations, Geneva

Wednesday, 31 October 2012
Afternoon Session

**Regulatory and institutional foundations for high-quality
corporate reporting**

Presented by

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President, FBK Company, Russian Federation

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Regulatory and institutional foundations for corporate reporting in Russian Federation

Sergey Shapiguzov

President

PKF Moscow (FBK)

Russian Federation



Representatives of 12 government and non-government bodies and organizations, who are directly related to regulation and development of the corporate reporting in the Russian Federation participated in filling the questionnaire and its analysis.

Government bodies


- The Ministry of Finance of the Russian Federation
- The Ministry of Economic Development of the Russian Federation
- Federal Financial Markets Service
- Federal Service of Financial and Budgetary Oversight
- The Central Bank of Russia

Public organizations


- National Organization for Financial Accounting and Reporting Standards Foundation
- Audit Chamber of Russia
- The Moscow Audit Chamber
- Institute of Professional Accountants of Russia

Accounting firms

- KPMG
- Deloitte
- Ernst & Young
- PricewaterhouseCoopers
- PKF Moscow (FBK)

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- ✓ The answers were formed on the consensual basis.
 - ✓ The assessment process was coordinated by the UNCTAD and results were reviewed by independent experts.

Stage 1

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- Coordinator appointment

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- Experts selection

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- Initial filling of the questionnaire by coordinator

Stage 2

- Experts' allocation to certain parts of the questionnaire

- Initial meeting for all expert

Stage 3

- Experts give answers and fill up assigned parts of the Questionnaire

- The coordinator settles up differences among the experts

Stage 4

- Identifying remaining differences

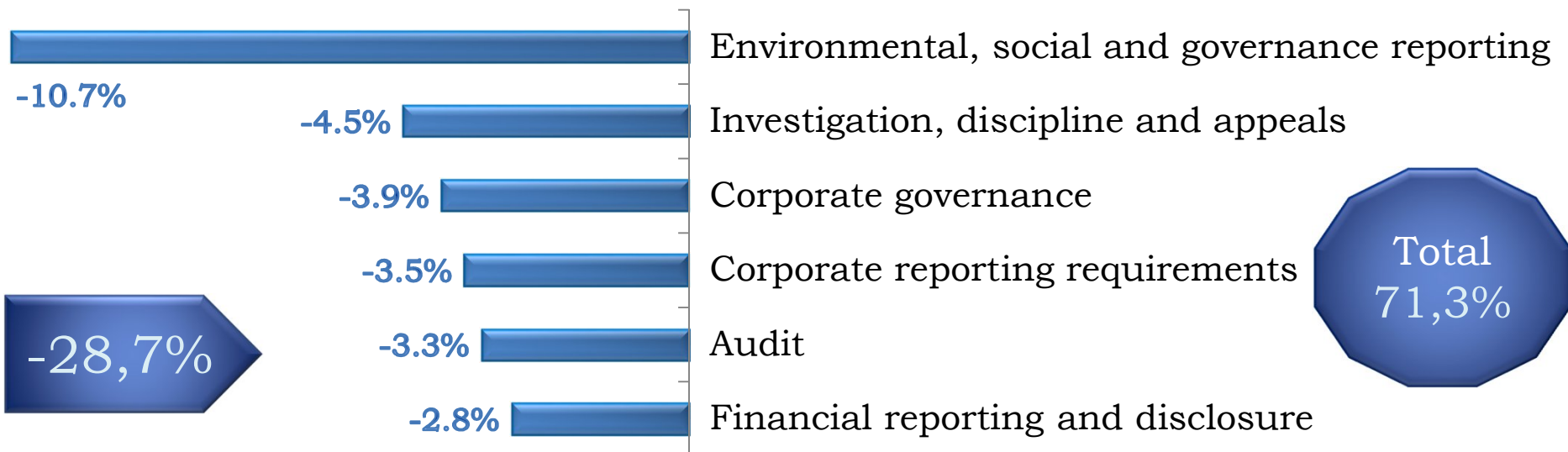
- The final meeting for all experts to reach a complete consensus

Results of assessing

Legal and regulatory framework	71,3%
Institutional framework	68,1%
Human capacity	79,3%
Public sector	71,1%

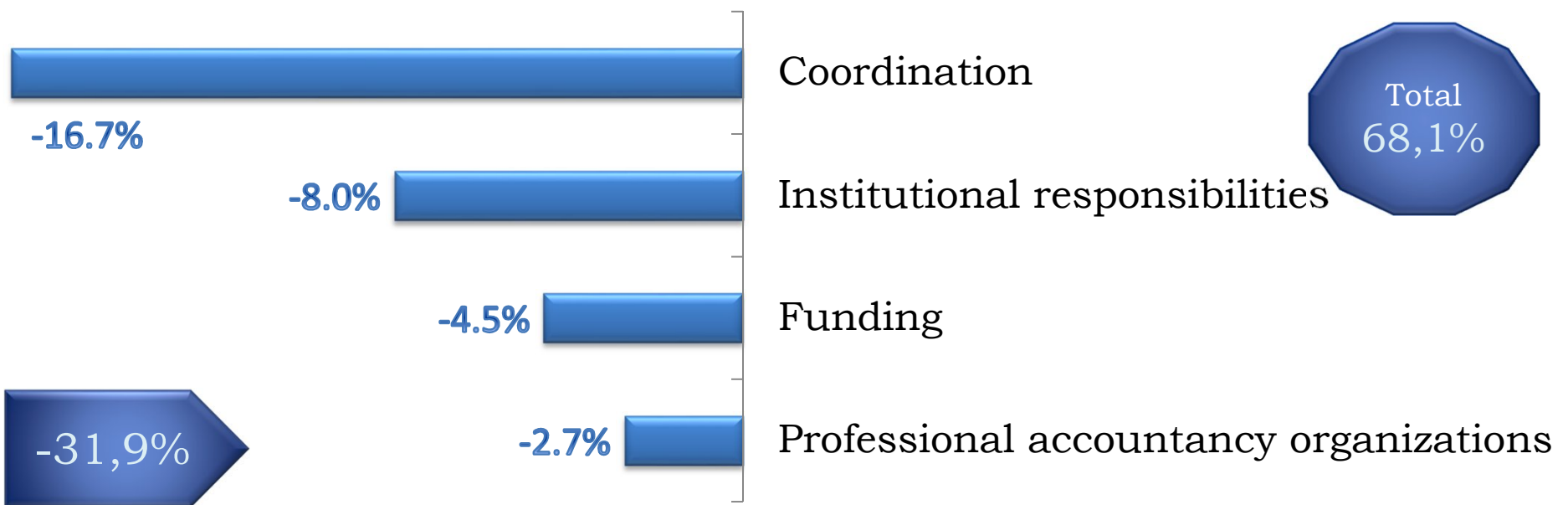
Legal and regulatory framework

Legal and regulatory framework	71,3%	-28,7%
Financial reporting and disclosure	77,7%	-2,8%
Audit	73,8%	-3,3%
Environmental, social and governance reporting	14,3%	-10,7%
Corporate reporting requirements: enforcement, monitoring of implementation and compliance	71,7%	-3,5%
Licensing of auditor	100,0%	0,0%
Corporate governance	68,8%	-3,9%
Ethics	100,0%	0,0%
Investigation, discipline and appeals	63,9%	-4,5%



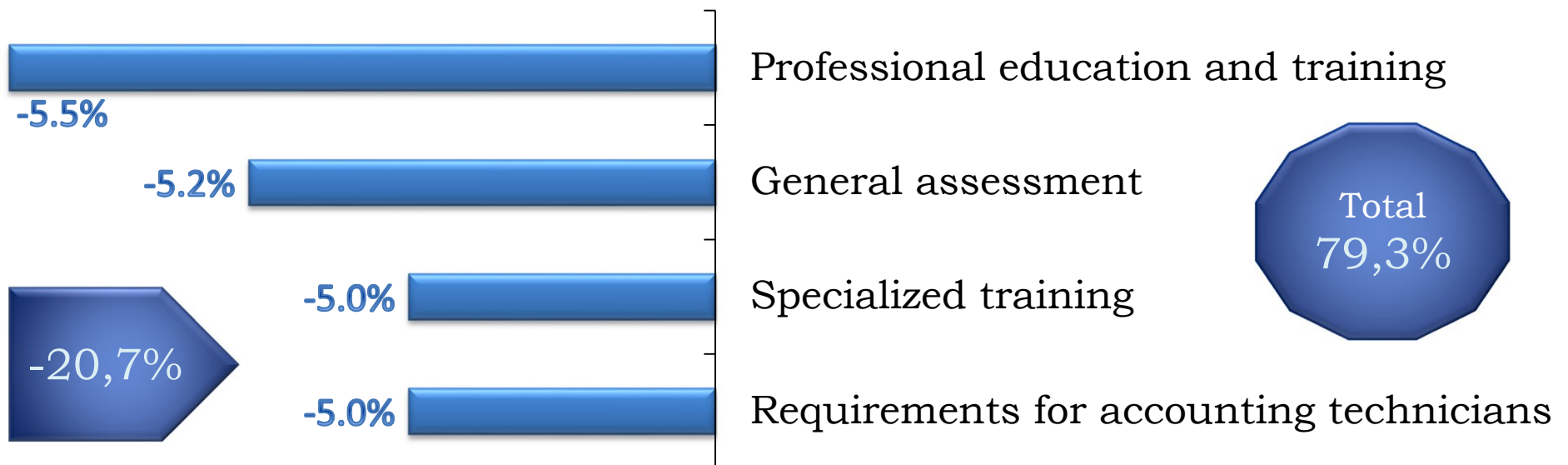
Institutional framework

Institutional framework	68,1%	-31,9%
Institutional responsibilities	68,2%	-8,0%
Coordination	33,3%	-16,7%
Funding	81,8%	-4,5%
Professional accountancy organizations	89,2%	-2,7%



Human capacity

Human capacity	79,3%	-20,7%
General assessment	58,3%	-5,2%
Professional education and training	55,8%	-5,5%
Professional skills and general education	100,0%	0,0%
Assessment of accountancy capabilities and competencies	100,0%	0,0%
Practical experience requirements	100,0%	0,0%
Continuing professional development	100,0%	0,0%
Specialized training	60,0%	-5,0%
Requirements for accounting technicians	60,0%	-5,0%



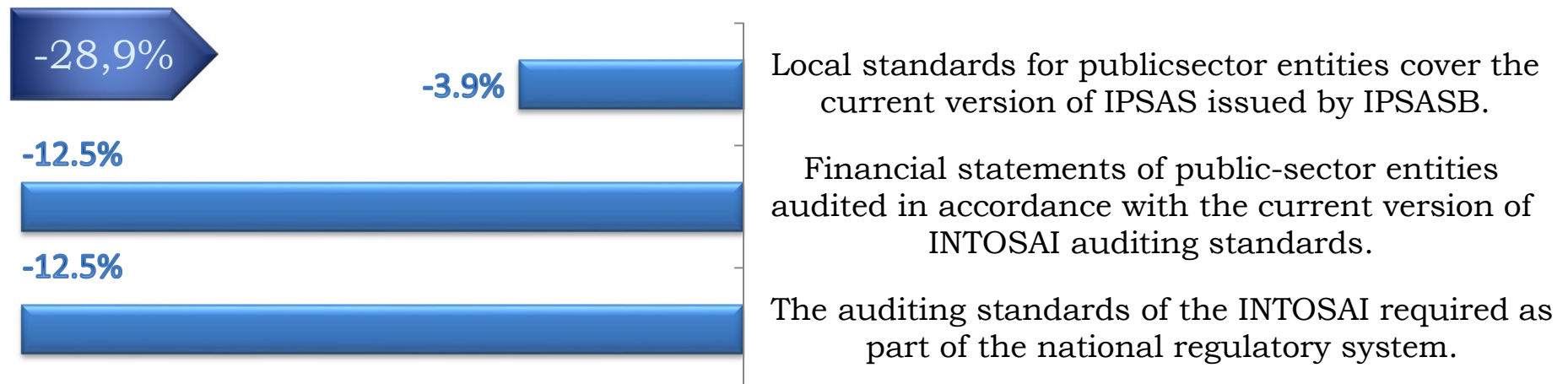
Public sector

Public sector

71,1% -28,9%

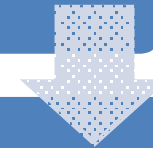
Total
71,1%

IPSAS – as issued by IPSASB – required as part of the national regulatory system	100,0%	0,0%
Financial statements of public sector entities prepared according to the current version of IPSAS issued by IPSASB	100,0%	0,0%
Local standards for public sector entities cover the current version of IPSAS issued by IPSASB	68,8%	-3,9%
Financial statements of public-sector entities required to be audited by an independent auditor	100,0%	0,0%
The auditing standards of the International Organization of Supreme Audit Institutions (INTOSAI) required as part of the national regulatory system	0,0%	-12,5%
Financial statements of public-sector entities audited in accordance with the current version of INTOSAI auditing standards	0,0%	-12,5%
Russia has local auditing standards for public sector entities	100,0%	0,0%
The all aspects covered by the national auditing standards for public sector entities	100,0%	0,0%

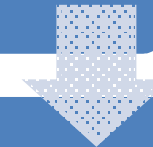


Designing Road Map

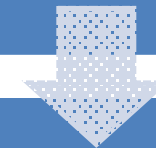
Gaps identification and ranking based on negative answers and their weights



Working groups composition



Time and costs estimation for development and implementation plan to eliminate the gap



General plan development

Improvements for questionnaire

Doublet items

There are at list one pair questions with the same subject. The first one asks about the whole area. And the second item represents the same area but covered with a set of questions. For example in **Public Sector** there are two questions:

1.7. Does the country concerned have local auditing standards for public sector entities? 1.8. Are the following aspects covered by the national auditing standards for public-sector entities? Questions from 1.8.1. to 1.8.17.

If we say “YES” for 1.7. then implicitly we must say “YES” for all 1.8.1. to 1.8.17.

That means the weigh for this item doubled.

Improvements for questionnaire

Questionnaire Format

For more effective way to operate the questionnaire should be presented in Microsoft Excel format with built in formulas.

Thank you for attention!
Any questions?