

32nd session of UNCTAD's Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting (ISAR)

Palais des Nations, Geneva 4 to 6 November 2015

Room XVIII (starting at 10:00 am)

Opening remarks by the Secretary-General of UNCTAD

Excellences,
Distinguished delegates,
Ladies and gentlemen,

I welcome all of you to UNCTAD for the thirty-second session of the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting, or ISAR, as we call it. ISAR is an open, inclusive and neutral forum contributing to the improvement and harmonization of accounting and reporting around the world.

We gather here today in the wake of highly significant, recent global commitments by the international community. In September, member States of the United Nations adopted the *2030 Agenda for Sustainable Development*, a comprehensive and far reaching plan for global action.

The Addis Ababa Action Agenda adopted by member States this July recognized the enormity of resources and investment needed to attain the SDG ambition. Next month, leaders will converge in Paris at COP21, to affirm their commitment to cut our carbon foot print.

We have now reached the phase of translating these commitments into action. And time is the essence.

Right away, there is a need to establish clear baselines for the different goals and targets. And throughout the implementation period, it will be critically important to undertake periodic measurements against the Goals to assess progress on implementation, determine accountability and take corrective action where necessary.

High-quality corporate reporting is essential for the efficient allocation and management of scarce resources. It contributes to financial stability, promotes good governance and underpins a vibrant private sector. High-quality corporate reporting is critical for realizing the ambitions of agenda 2030.

But high quality reporting can only be achieved if all components of the reporting chain rest on a solid foundation. This includes audit and assurance. In today's world, lenders, investors and other stakeholders place a higher level of confidence in financial and non-financial reports prepared by the management of enterprises, when such reports are accompanied by an attestation from a competent third-party, such as an auditing firm.

Globalization and the close integration of the world economy has made it necessary for global standards of reporting and auditing to emerge. However, despite efforts over several decades geared towards developing high-quality global auditing standards, the expectation gap on the auditor's function persists. Multi-million dollar penalties and settlements by audit firms continue to occur year after

year. Your Group of Experts is well-equipped to articulate practical solutions on implementation of international requirements and on building capacity in this area.

Enterprise reporting can also serve as an important part of the SDG monitoring and review mechanism. It can provide the means to assess the impact of companies on sustainable development. ISAR should reinvigorate and consolidate your prior work in this area and on other major initiatives on corporate disclosure with respect to environmental, social and governance performance of enterprises.

One key challenge will be how to ensure coherence between existing reporting frameworks and practices and comparability of information and data provided by companies. Assurance of this information will be critical to ensure its credibility. Your expertise and joint efforts can help identify key indicators of companies' performance towards attaining the SDG's agenda.

I am also pleased to note the solutions-oriented efforts of this Group of Experts. The progress you have made during the inter-sessional period on articulating guidance on compliance-monitoring and on enforcement of corporate reporting requirements, and on the Accounting Development Tool are good examples.

I encourage you to build on this work, and to realize your full potential in helping ensure that the private sector plays its part in translating the goals of 2015 into actions and achievements over the next 15 years.