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

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Morning Session

**Key foundations of high-quality reporting: International
audit and assurance requirements and good practices in their
implementation (continued)**

Presented by

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Foundations of high-quality reporting: auditing and assurance

Henri Fortin – Head, Centre for Financial Reporting Reform

Geneva – 5 November 2015

ISAR 32

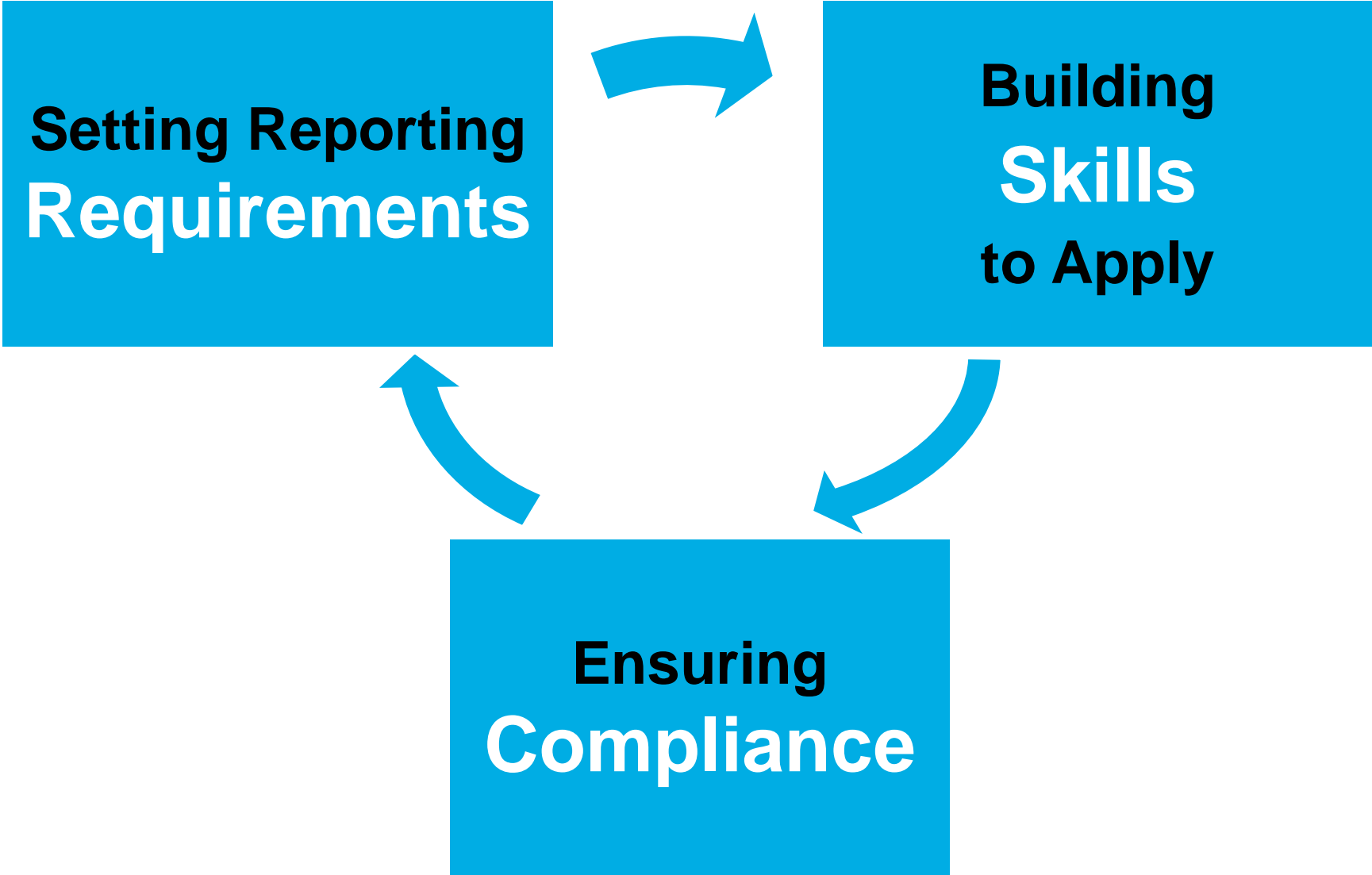
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High-quality reporting: 3 key dimensions





Challenges to ISA compliance

- » Financial reporting complexity
- » Applying the risk-based approach
- » Skepticism
- » Documenting audit work
- » Those charged with governance
- » ISA 701: raising the bar on auditor reporting

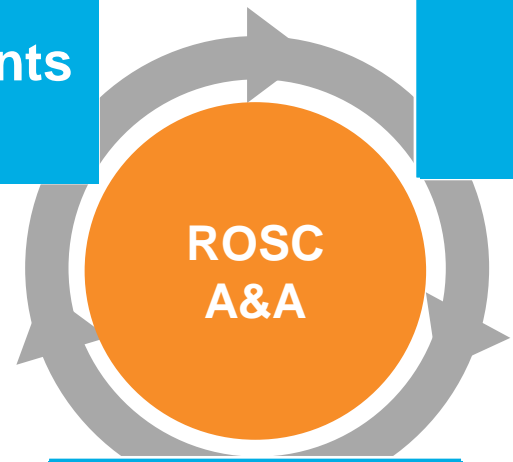


World Bank support to capacity building for auditing Examples for Europe and Central Asia

- EU *acquis* guide
- Regional dialogue series on A&A in the *acquis*
- Policy advice on audit reform
- Support to ISA adoption



- Profile/benchmarking of accounting curricula
- Training-of-trainers programs (audit and F/R)
- EduCoP
- PAO Regional Forum
- Audit committee conferences

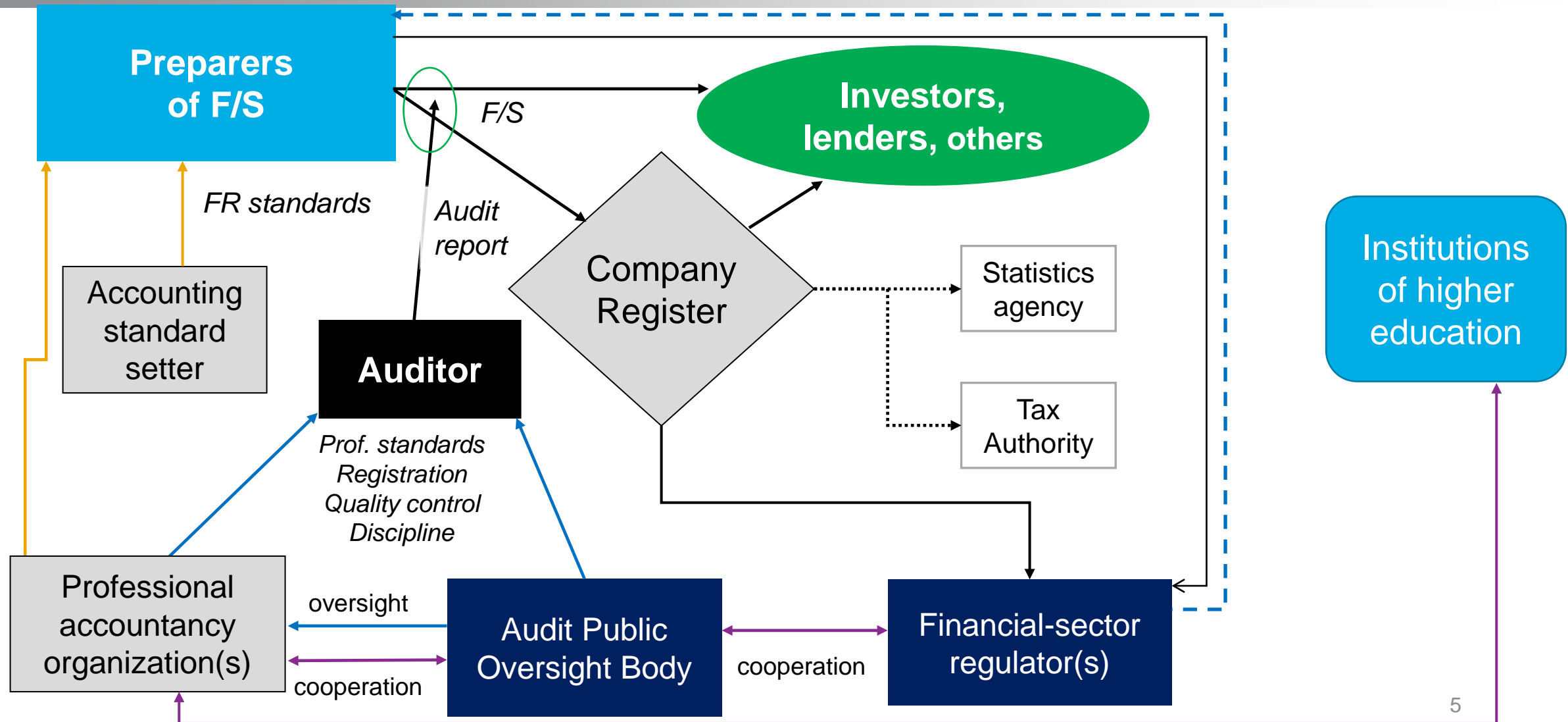


- Financial supervisors exchange forum (audit topics)
- Regional study on relations auditors-supervisors

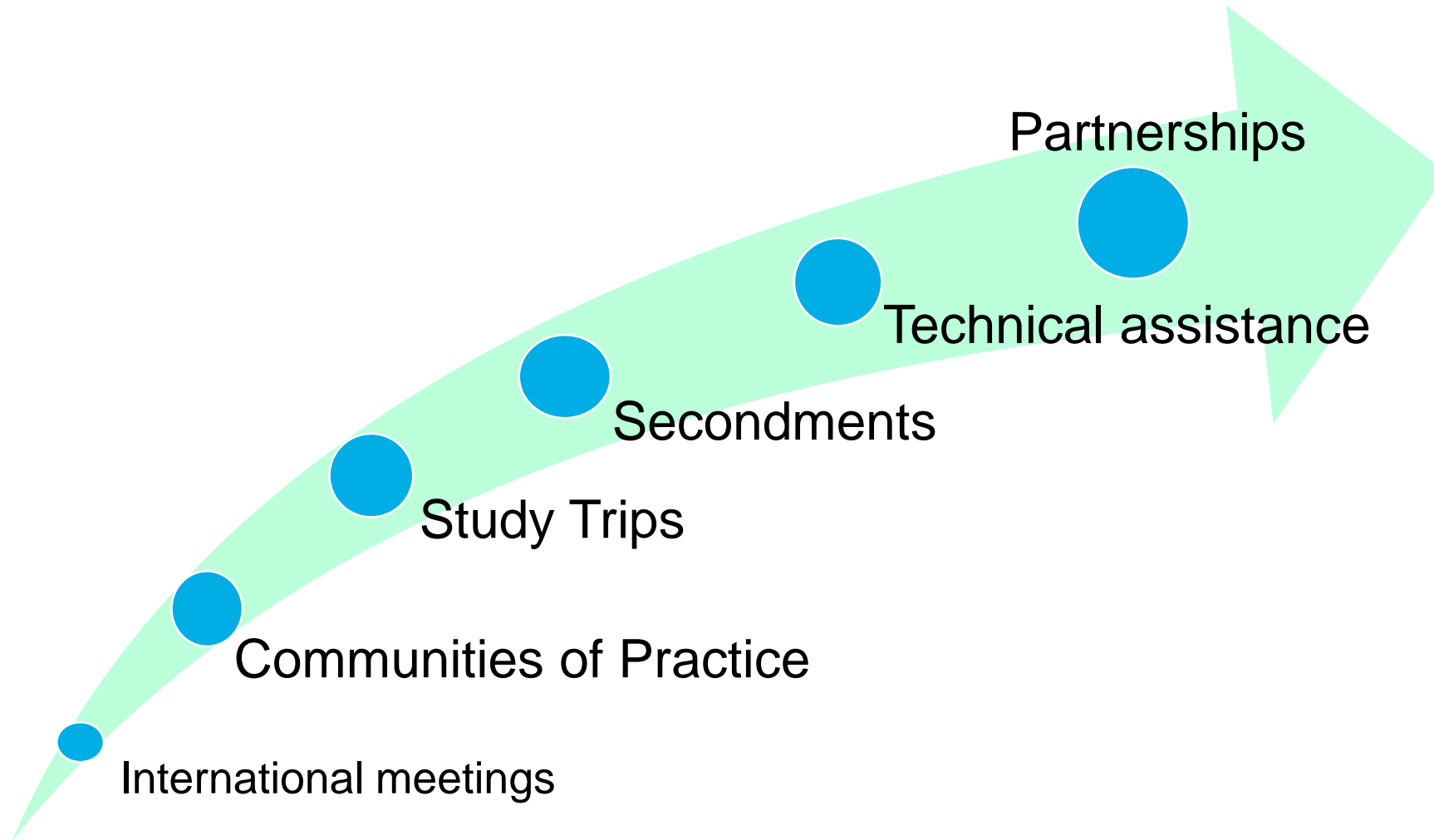


- Regional study on public oversight systems
- Regional workshops on audit POS/QAS
- Technical assistance to POBs and PAOs on QA systems

Collaboration for enhanced audit quality along the financial reporting supply chain



Building capacity for audit: Collaboration at international level





Specific challenges to auditing/assurance: public sector, SMEs and nonfinancial information

» Public sector

- Professionalization
- Internal control environment
- Accruals-based financial statements
- Audit approach, materiality, etc.
- Ability to rely on expert advice
- State-owned enterprises

» SME/SMP

- Is an audit/assurance needed? Is there a user?
- Inherent limitations to internal controls
- Weaknesses in accounting procedures

» Nonfinancial reporting

- Different skill mix required
- Less frequent
- More subjectivity in the information
- Note: WBG preparing toolkit



Thank you!



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