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

**33rd SESSION**

4 - 6 October 2016

Room XVIII, Palais des Nations, Geneva

Thursday, 6 October 2016

Afternoon Session

**Agenda item 5. Other business**  
**(c) Updates by international and regional organizations**

Presented by

Jarett Decker

Head, Centre for Financial Reporting Reform  
World Bank

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# Update from the World Bank

6 October, 2016

Jarett Decker, Head  
Centre for Financial Reporting Reform

*UNCTAD –ISAR, Geneva*

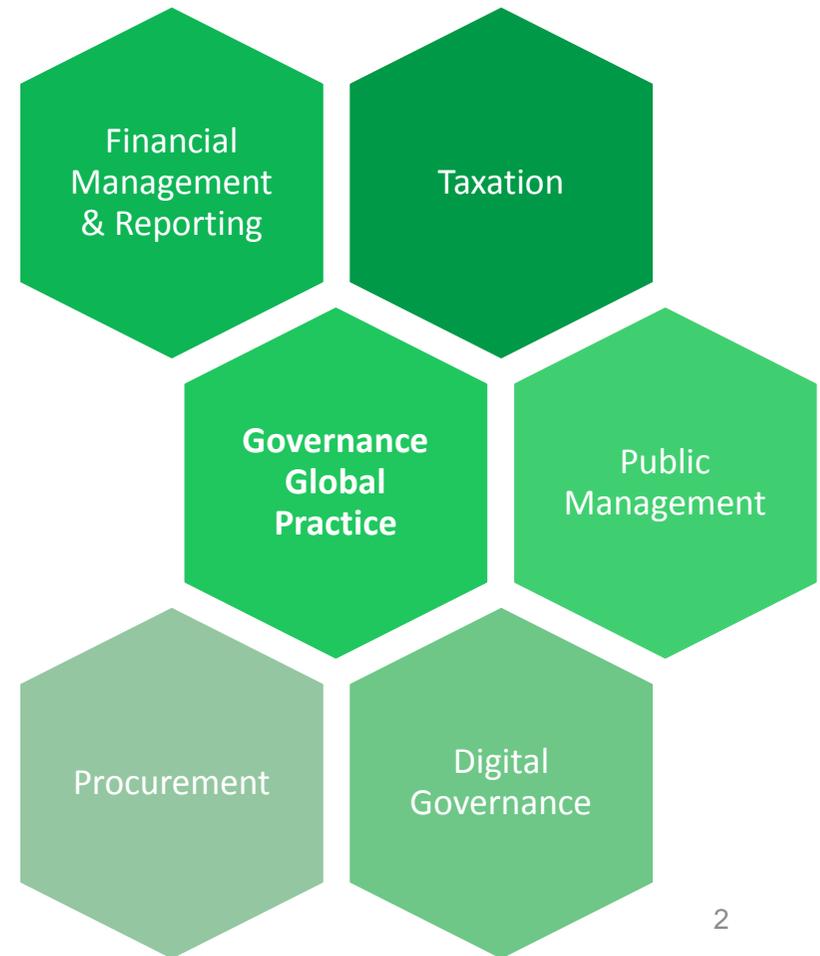
**CFRR** >>

Centre for Financial  
Reporting Reform

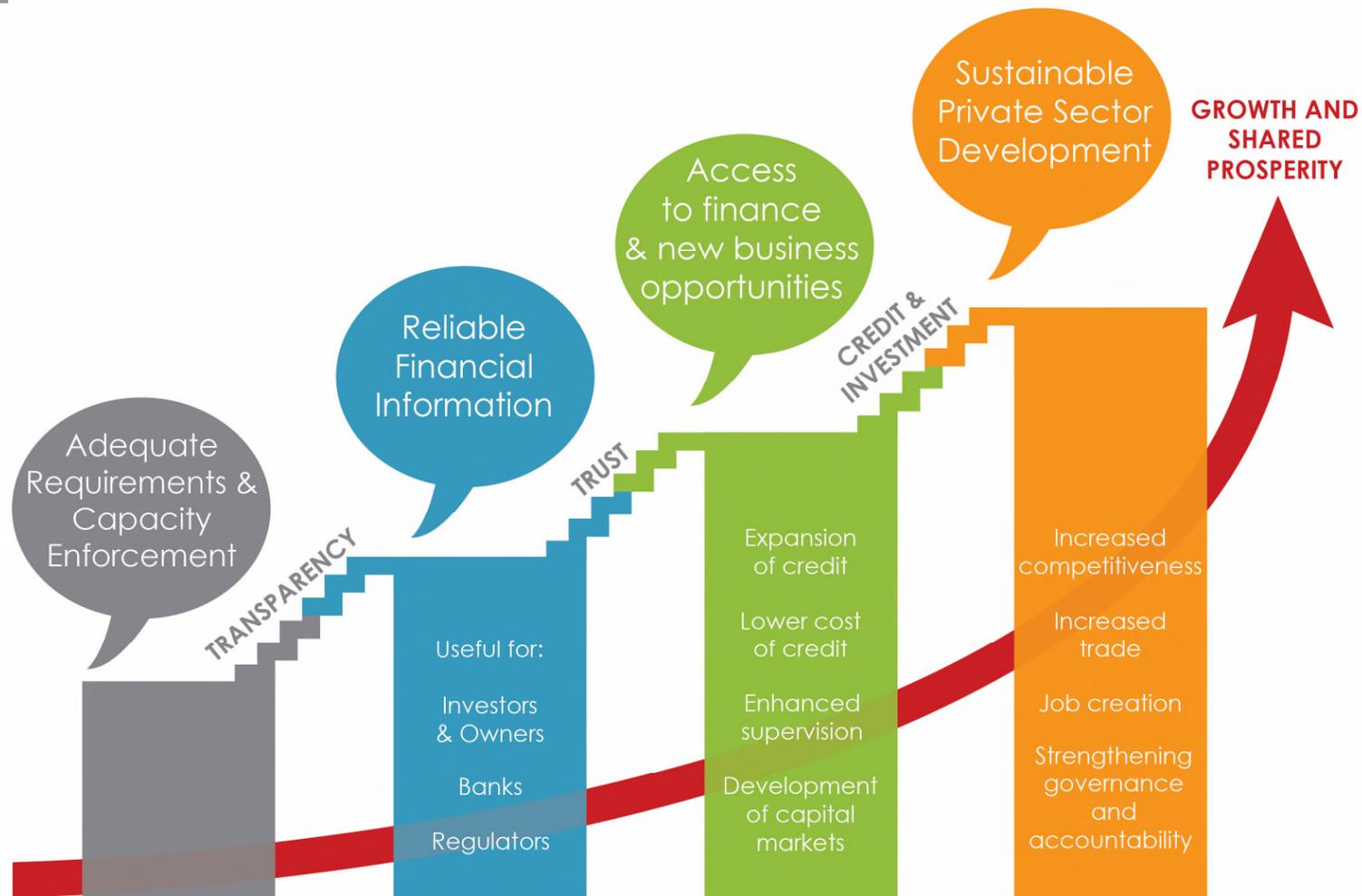


## Accounting & Auditing as part of Governance

- » Sound governance and effective institutions are essential to achieve shared prosperity and sustained reductions in poverty.
- » Public accountability and proper governance contribute to better delivery of public services, support competition and growth, including through cooperation with private sector.
- » Quality information helps governments properly analyze the risks and play their essential roles in resolving the complex and interconnected challenges in variety of sectors, incl in health, social protection and education.



# Accounting & Auditing: Key Development Benefits



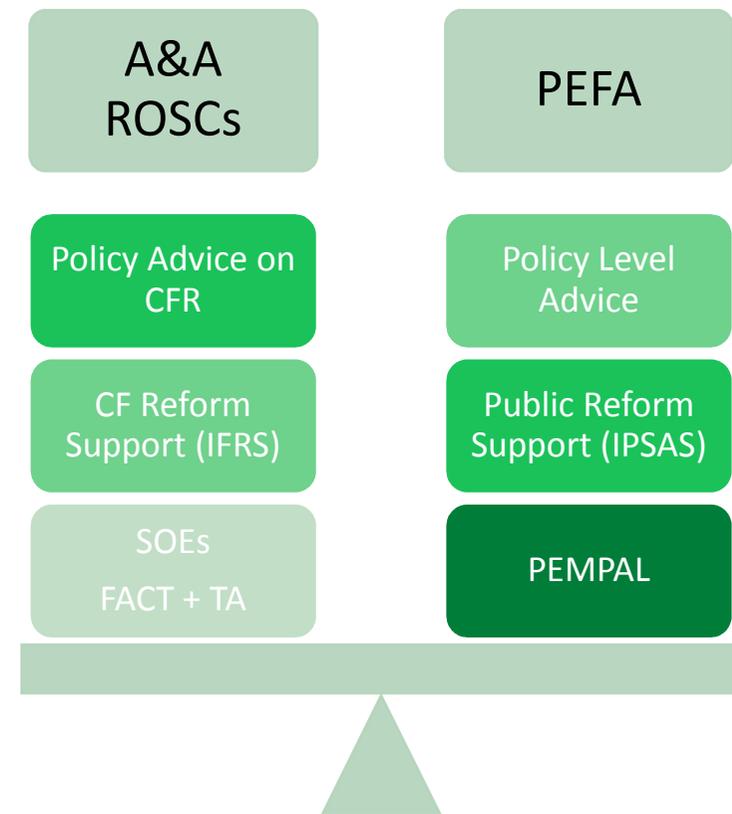
## WB Activities in Accounting & Auditing

### » Policy advice and tailored TA for client governments:

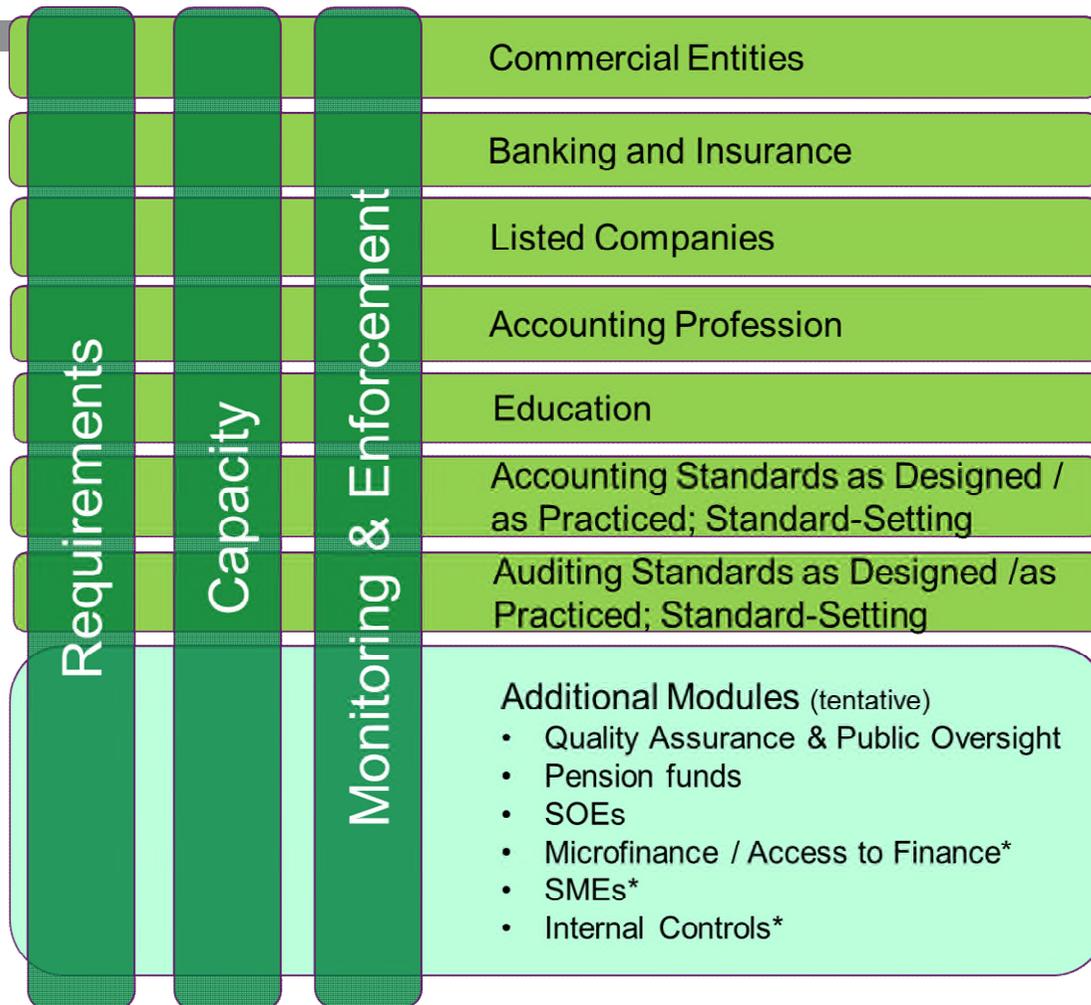
- » Global Initiative for Fiscal Transparency;
- » PEFA;
- » Anti-corruption Authorities Portal;
- » Reports on Observance of Standards and Codes (ROSC) on Accounting & Auditing (A&A);
- » Global Forum on Law, Justice and Development; and
- » Sharing in Governance of Extractive Industries.

### » Tailored TA activities on CFR:

- » regional programs on CFR (FRTAP, EU REPARIS, STAREP);
- » specific in-country programs (few in progress);
- » SOE Financial Accountability & Transparency (SOE FACT);
- » individual assistance to SOEs through WB lending projects; and
- » regional knowledge sharing events.



## A New ROSC Accounting & Auditing

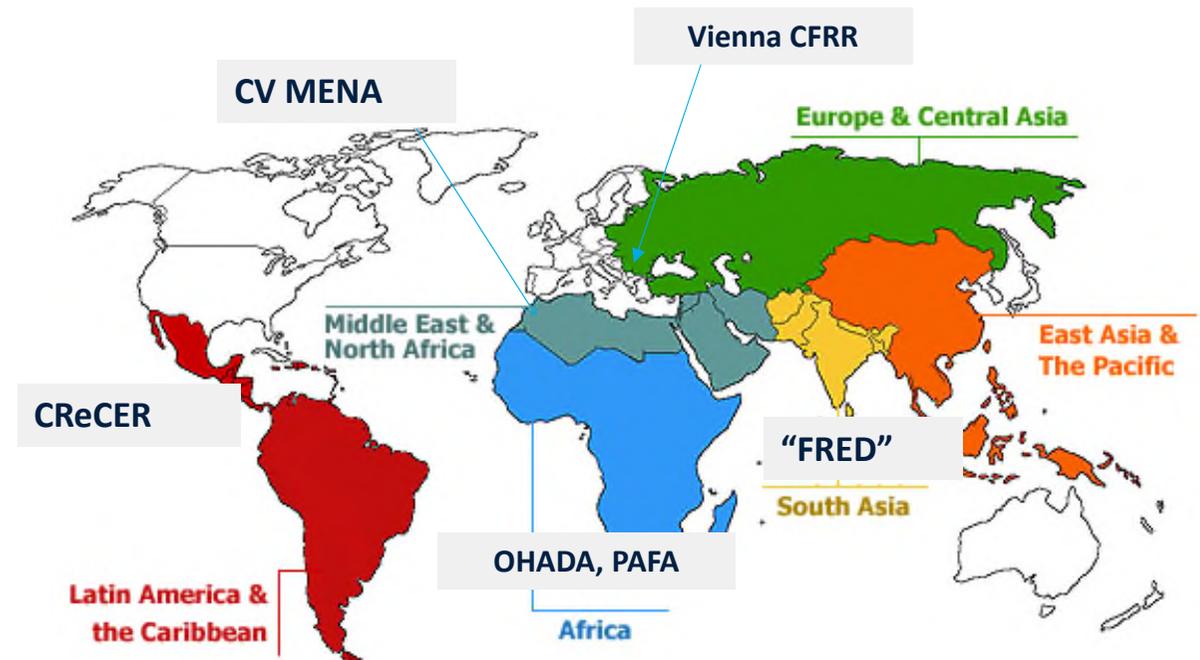


### “ROSC AA 2.0” methodology completed

- » Update diagnostic tool
- » Clear guidelines to assess corporate-sector accounting and auditing practices
- » Consistent, comprehensive, and comparable over time
- » Measurable results
- » Additional modules added
- » Greater emphasis on capacity and enforcement v-à-v requirements) (expanded assessment of education)

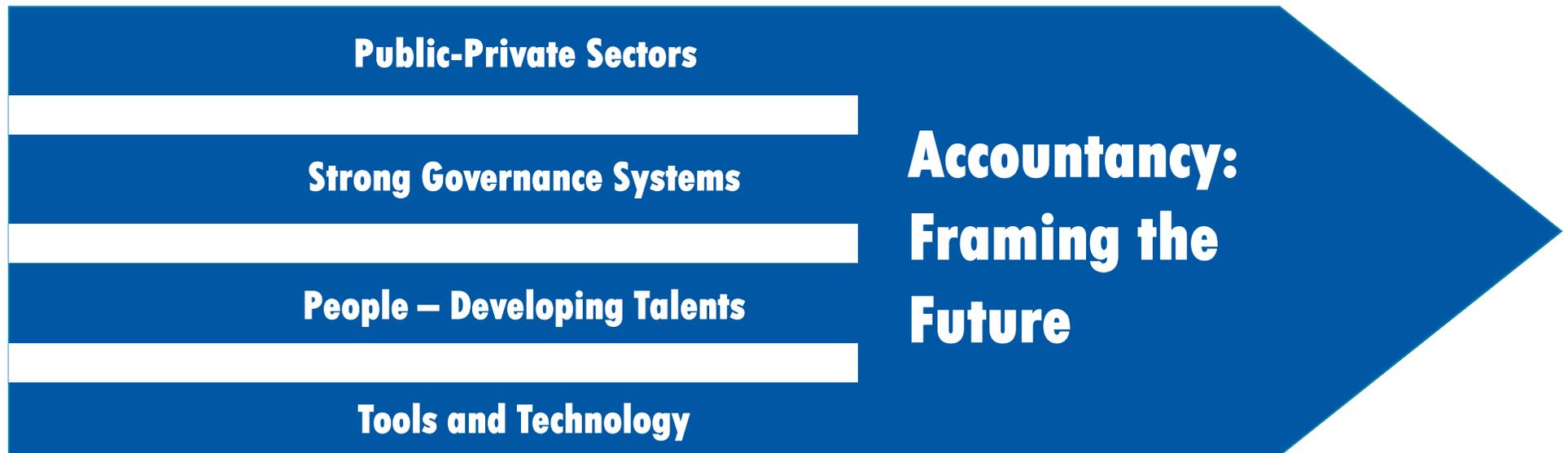
## WB Programs in A&A - Overview

- » Over 100 **country-level** TA projects in the last 10 years
- » Regional initiatives





## Transformation of PAOs: Four Priority Areas





## Africa

- » Support to PAFA
- » Support to OHADA
- » Regional and country specific assistance
- » ROSC A&A Diagnostics
- » Public Financial Management interventions



## Asia

### South Asia:

- » FRED: Financial Reporting for Economic Development  
**Public Sector Forum May 2016**

### East Asia & Pacific:

- » Engagement with ASEAN Federation of Accountants
- » Engagement with ASEAN Audit Regulatory Group
- » A&A ROSCs in progress for: Papua New Guinea, Vietnam

## Latin America and the Caribbean

**CReCER**  2015 Annual Conference | Quito, Ecuador | May 4-8

**Preserving Economic Gains and Investing in the Future:**  
Promoting Growth through Improved Financial Accountability



- » Flagship initiative to support economic growth and development in LAC through improvement of financial reporting and accountability in the public and private sectors
- » Under the collaborative leadership of the 4 Global Partners –World Bank Group, Inter-American Development Bank, IFAC, and Global Public Policy Committee

# CFRR Programs

- ✓ One-stop shop for financial reporting reforms
- ✓ Focus on ECA: **EU REPARIS, STAREP**, national projects
- ✓ By now:
  - ✓ 30 countries,
  - ✓ 60 regional workshops,
  - ✓ 6,000 participants



# Centre for Financial Reporting Reform in Vienna: The World Bank's Global Knowledge Hub

## Key experts in:

- Accounting & auditing education (univers/prof.)
- PAO development
- Legal and regulatory frameworks
- Monitoring and enforcement (including audit oversight and QA)
- Financial monitoring of SOEs
- Public sector/SAls





## **Maturity Models: Tailoring the right reforms for the right time, based on local conditions**

- » Reforms efforts that are not tailored to local capacities and conditions may be unproductive and even destructive
- » Beware of importing regulatory trends to lower capacity countries
- » Look for hidden trade-offs, such as independence v. competence
- » Focus efforts on areas of immediate impact, while setting groundwork for movement to international good practices
- » Take different approaches for different sectors (for example, financial institutions vs. SMEs)
- » Promote knowledge sharing among countries of similar capacity levels, with support from other countries at higher capacity