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

**34th SESSION**  
1 - 3 November 2017  
Room XVII, Palais des Nations, Geneva

Friday, 3 November 2017  
Morning Session

**Agenda item 5(a). Accounting Development Tool  
implementation experiences**

Presented by

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# PROJECT FOR THE APPLICATION OF THE ACCOUNTING DEVELOPMENT TOOL "ADT" IN COLOMBIA

The Project that has had the participation of:

- Standardization Authority (Technical Council of Public Accounting, CTCP).  
Regulation Authorities (Ministries of Finances and Public Credit and Commerce, Industry and Tourism)  
Academy (Pontificia Universidad Javeriana - Facilitator)  
UNCTAD - ISAR
- UNCTAD - ISAR

Wilmar Franco Franco  
Presidente CTCP, Colombia

Establish a rigorous diagnosis of the state of regulations, institutions and practices, in relation to corporate information, the legal framework, monitoring of compliance and enforcement, human resources and the process to build capacity, regarding the application of international financial reporting standards and assurance.

## 31 PUBLIC AND PRIVATE SECTOR ENTITIES

1. Governmental authorities & entities in charge of issuance and trading of securities; Financial Sector (3)
2. Regulation Authorities and standardization body (4)
3. Register, Oversight & Discipline Body of Accounting Profession (2).
4. Accountancy Authorities in the Public Sector (2).
5. Professional Organizations & University Associations (4)
6. Academy & Education Sector (5)
7. Supervision & Enforcement Authorities (4)
8. Authorities related to Corporate Social Responsibility and Corporate Governance (3)
9. Audit firms and Private Sector (4)

# MAIN DIVERGENCES

 **The application of the latest versions of the Full IFRS in the GPFS to entities of public interest.**

 **National requirements to produce sustainability reports.**

 **The issuance of auditor's licenses**

 **The structure of the standard-setting bodies**

# MAIN DIVERGENCES

 **Entities responsible for the promotion of good practices in corporate social responsibility and corporate governance**

 **The professional skills, competence levels, assessment of the capabilities and requirements of practical Experience of Accountants**

 **MCE System**

 **The process of capacity building**



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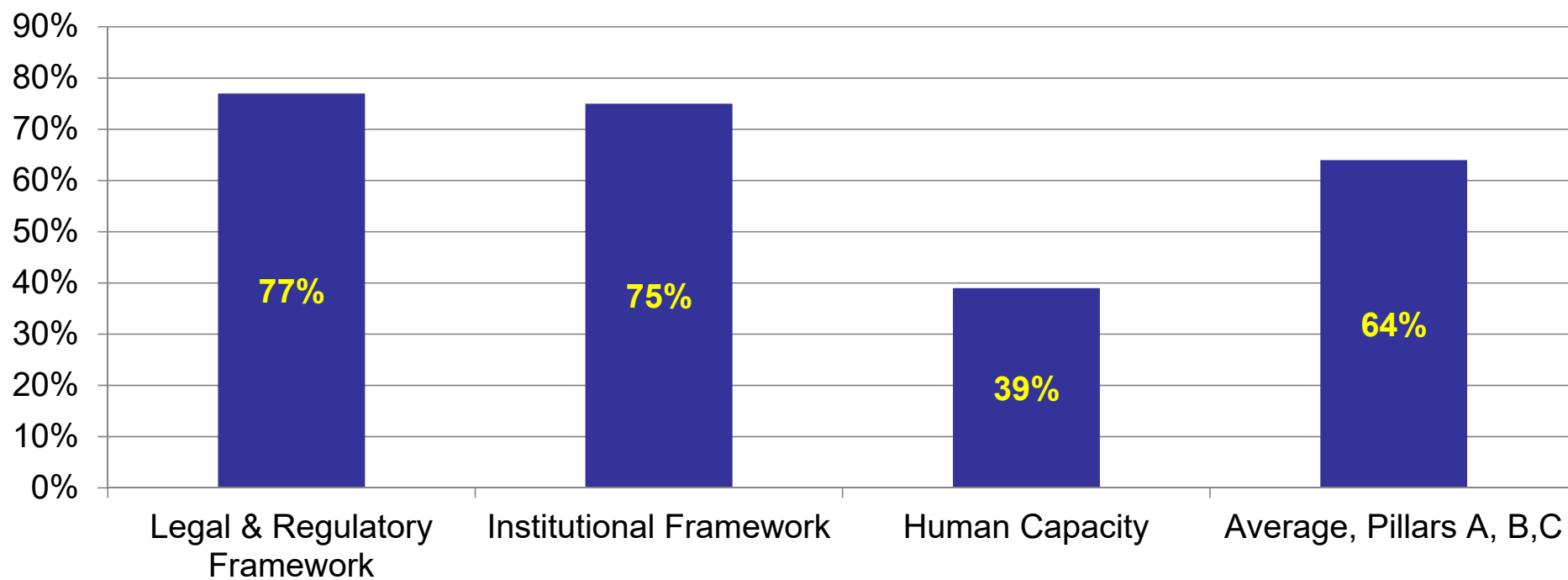


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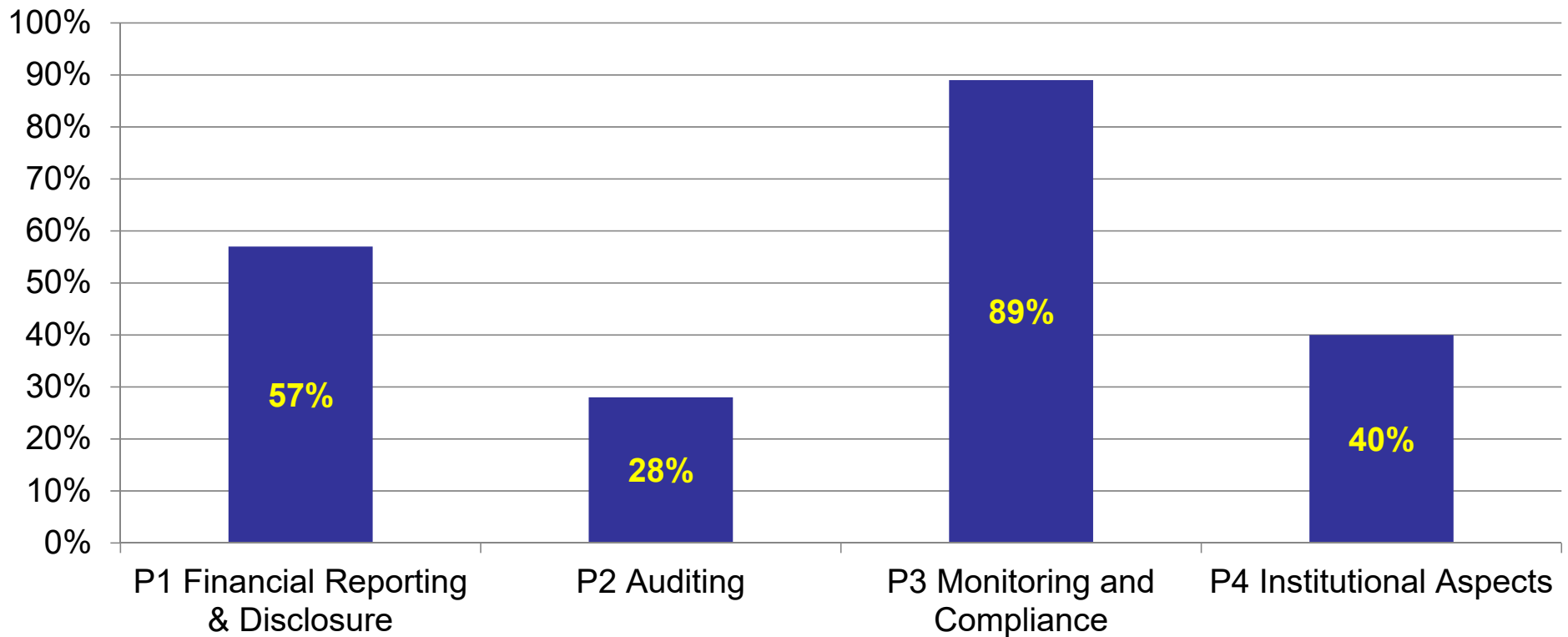
# THE RESULTS OF THE APPLICATION OF THE ADT

# SUMMARY

## Scores









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# THE POSITIVE ASPECTS



**Technical framework based on IFRS (Full and SMEs) and International Standards of Auditing & Assurance.**



**The participation of the Supervisory Authorities to facilitate the application and monitoring of compliance.**



**The new business disclosure instruments and rules on Corporate Governance**



**ESG-SDGs**



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# MAIN FINDINGS AND RECOMMENDATIONS

**It is necessary to develop a comprehensive approach and strengthen the current coordination mechanisms between the Authorities, profession and other interest groups.**

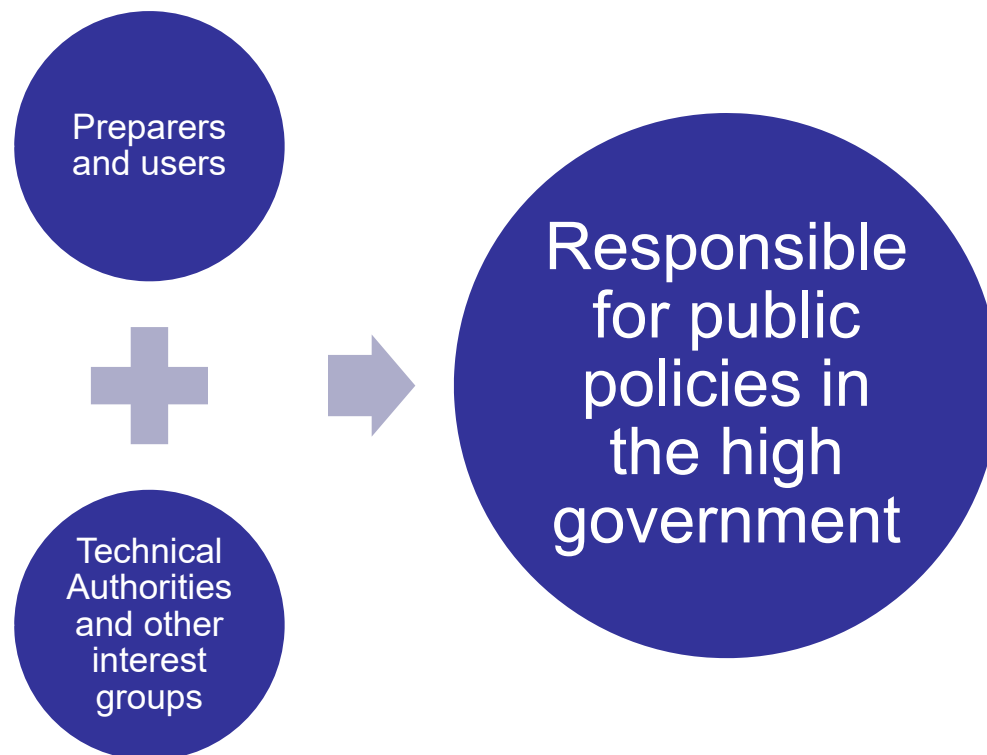
## Coordination

Legal & Regulatory  
Framework

Institutional Framework

Human Capacity

**Even though Colombia has made notable progress in updating regulations and promoting good practices in the areas of corporate social responsibility and corporate governance, and there is a high level of compliance, it is necessary to work on improving the links between public policy makers and technical areas.**



**Represents one of the key areas of development and is the pillar in which the lowest score was obtained.**

Training of Auditors, mainly of SMEs

Continuing Professional Development

Licenses and certifications

Professional and Technical Training



# ACCOUNTING DEVELOPMENT TOOL

**Many divergences  
were originated by  
different  
evaluations by  
representatives of  
public interest  
entities and other  
entities**

Non-listed  
Companies



Listed  
Companies

# KEY ELEMENTS OF THE PLAN TO BUILD CAPACITY

## LEGAL & REGULATORY FRAMEWORK

Application guides for IFRS  
Full & SMEs, Aud & Assu

ESG-SDGs

Adjustments in the fiscal and  
commercial Legislation

MCE System improvements

Evaluation of impacts Post-  
Implementation IFRS and-A&A

## INSTITUTIONAL FRAMEWORK

Institutional strengthening

Improve Coordination  
between Authorities

Qualified registration for  
training programs

National and International  
Accreditation

Development of professional  
accountancy organizations

## HUMAN CAPACITY

Establish requirements for the  
audit profession

Certification & Licenses of  
Public Accountants

Initial Professional  
Development and Continuing  
Professional Development

Strategies for the training of  
Accounting Technicians

# MAIN CHALLENGES AND OPPORTUNITIES

**Establish the strategy and the action plan with the participation of key actors**

**Redesign, create and maintain stronger government structures (public and private)**

**Participation of the profession in the discussions on ESG-SDGs reporting**

**Relationship between preparers, users, authorities, interest groups and responsible for public policy.**

**Improvements in DPI and DPC**

# MAIN CHALLENGES AND OPPORTUNITIES

**Participation in local and international projects.**

**Strategies to reduce the double load of information imposed by the authorities**

**harmonization between technical frameworks, laws and other legal provisions**

**Improvement in the MCE system**

**Political and financial support**



**THANK YOU...**

*Conferencia de Naciones Unidas sobre Comercio y Desarrollo  
Noviembre 1-3 2017, Ginebra, Suiza*

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