Regulatory and institutional foundations for high-quality corporate reporting

Presented by

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

29th Session

UNCTAD-ISAR Accountancy Development Toolkit (ADT)

Pilot Test Croatia

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ADT Pilot Test Croatia
Report Layout

A. Background Data

B. Participation and Testing Environment

C. Key Findings Detailed

D. Conclusions
## A. Background Data

<table>
<thead>
<tr>
<th>Croatia</th>
<th>2011 Data</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population (millions)</td>
<td>4,41</td>
</tr>
<tr>
<td>Surface Area (sq. km)</td>
<td>56,590</td>
</tr>
<tr>
<td>GNI, PPP ($ millions)</td>
<td>85,196</td>
</tr>
<tr>
<td>GNI per capita, PPP ($)</td>
<td>19,330</td>
</tr>
<tr>
<td>Agriculture-Industry-Services (% of GDP)</td>
<td>5-27-67</td>
</tr>
<tr>
<td>Time to start a business (days)</td>
<td>7</td>
</tr>
<tr>
<td>Stock Market capitalization (% of GDP)</td>
<td>34,1</td>
</tr>
<tr>
<td>Number of companies</td>
<td>90,000</td>
</tr>
<tr>
<td>Number of listed companies</td>
<td>233</td>
</tr>
<tr>
<td>Number of auditors</td>
<td>1,020</td>
</tr>
<tr>
<td>Number of accountants</td>
<td>5,000</td>
</tr>
<tr>
<td>Accounts availability</td>
<td>all, free, on-line</td>
</tr>
</tbody>
</table>
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B. Participation and Testing Environment

- Pilot exposed to representatives of the public oversight, the standards' setter, the Government, universities, the stock exchange and the stock market regulator, auditors' and accountants' associations, the Big Four

- 16 participants selected and invited to evaluate the Pilot

- Piloting reported very useful with length of the test just right

- Documentation excellent and target audience appropriate
C. Key Findings Detailed

- Indicator A.1: IFRS - Translation, Publication, Application
- Indicator A.3: Sustainability Disclosures
- Indicator A.4: General Monitoring of Financial Reporting
- Indicator A.5: Licencing/Certification of Auditors
- Indicator A.7: Accounting Profession Regulation
- Indicator B.1: Accounting Profession Monitoring
- Indicator B.4: Legal Status of PAOs
- Indicator C.1: Accountants Number Adequacy
- Indicator C.3: Scope of Education
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D. Conclusions

• Rigorous Testing Against Two Filters: Black-Letter Law and Implementation

• Not a Measurement Tool

• Static (Structures) vs. Dynamic (Processes) Picture Upgrade

• Addressing Public Policy Choices (e.g. Regulation and Monitoring of Accountants)

• IPSAS Inclusion Controversial

• Excellent Start-up Toolkit for Opening Systemic Debate between the Stakeholders
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- Thank you for your attention.
- Q&A.