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

29th SESSION

31 October – 2 November 2012
Room XIX, Palais des Nations, Geneva

Wednesday, 31 October 2012
Afternoon Session

**Regulatory and institutional foundations for high-quality
corporate reporting**

Presented by

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**Capacity-building framework for high quality corporate reporting
Pilot-test assessment exercise in Brazil**

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Purpose

↪ Main: the questionnaire application results in a fair picture of the situation in the country?

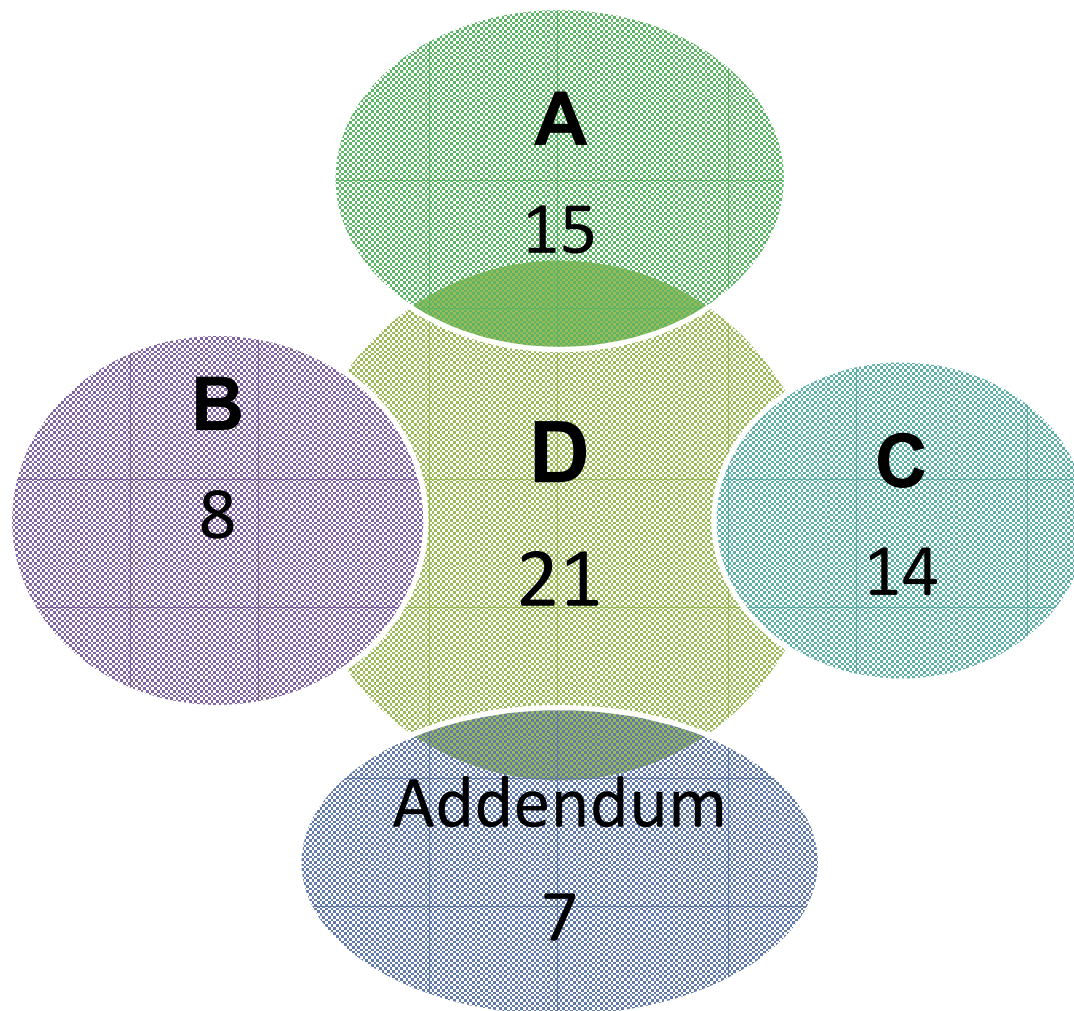
↪ If not, why?

- i) critical aspects which may hinder the effective application;
- ii) measures to handle with adversities;
- iii) improvements in the questionnaire.

Main stakeholders and respondents

- ❖ Academics
- ❖ Auditors
- ❖ Board Members and Senior Managers
- ❖ Financial executives
- ❖ Governmental entities
- ❖ Investor relations
- ❖ Corporate Governance Specialists
- ❖ Professional bodies
- ❖ Preparers of financial reports
- ❖ Regulators
- ❖ Users of financial reports

Main stakeholders and respondents



What we did

↪ *To overcome language barrier*

Brazilian Portuguese version

↪ *To face the challenge of large geographic distance, funding restrictions and tight schedule*

One to one discussions

↪ *Questions without a Yes or No obvious answer*

Weighting score – value judgment

What we learnt

↪ *Questionnaire usefulness*

↪ *Favourable aspects*

- Monitoring of financial reporting – listed companies and regulated sectors
- IFRS adoption
 - Enforcement – listed companies
- Auditing – listed companies and regulated sectors
- Corporate governance – listed companies
- Licensing of auditors
- IFAC SMO adoption
- Professional accounting organizations

What we learnt

↪ *Potential areas for action plans*

- Education
- SMEs – *de jure vs. de facto*
- Sustainability issues – mandatory vs. optional
- Communication among institutions
- Funding
- PAO – communication to non members

What we suggest

↪ *Clarify terms*

Footnote and/or glossary

E.g. Public-entities

↪ *Edit questions*

revision of wording of certain questions for greater objectivity

↪ *Broaden coverage*

- Corporate governance
- CSR
 - sustainability issues – environmental and social

↪ *Include NGOs*

Next steps

- ↪ Compare results with other countries – desirability of adjustments in questionnaire
- ↪ Discuss methodology for dealing with subjectivity and divergence

Next steps

- ↪ Create a multi-institutional group – coordination

- ↪ Apply the questionnaire (institutional responses) – commitment

- ↪ Discuss and validate the results – involvement
 - Local and regional workshops - large geographic distances
 - General meeting - institutions represented

- ↪ Disseminate the results – communication

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