Regulatory and institutional foundations for high-quality corporate reporting

Presented by

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UN / UNCTAD / ISAR
Capacity-building framework for high quality corporate reporting
Pilot-test assessment exercise in Brazil

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Pilot-test assessment exercise in Brazil

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.
<table>
<thead>
<tr>
<th>Main stakeholders and respondents</th>
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<tbody>
<tr>
<td>• Academics</td>
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<tr>
<td>• Auditors</td>
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<tr>
<td>• Board Members and Senior Managers</td>
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<tr>
<td>• Financial executives</td>
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<tr>
<td>• Governmental entities</td>
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<tr>
<td>• Investor relations</td>
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<tr>
<td>• Corporate Governance Specialists</td>
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<tr>
<td>• Professional bodies</td>
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<tr>
<td>• Preparers of financial reports</td>
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<tr>
<td>• Regulators</td>
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<td>• Users of financial reports</td>
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</tbody>
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Main stakeholders and respondents

A 15
B 8
D 21
C 14
Addendum 7
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
Contact

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