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

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UNCTAD-ISAR accounting development tool: Feedback from countries

Presented by

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UNCTAD

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UNCTAD-ISAR accounting development tool: Feedback from countries

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ADT: Objectives

- To assist countries to build strategies and identify priorities in their efforts towards high quality reporting based on international requirements, best practices, standards, codes

- To facilitate their work on measurement methods to benchmark best practices and to identify priorities for further steps/technical assistance

- To monitor the progress in reforms

- To strengthen their regulatory, institutional and technical capacity for high quality corporate reporting
ADT: Approach

• Stress the comprehensive nature of this challenge

• Emphasise the need for national stakeholder cooperation and coordination at all levels

• Build on existing good practices and lessons learned

• Financial and non-financial reporting

• International cooperation and coordination
International cooperation

Consultations with key global, regional and national players

Intergovernmental Consensus

Member States
ADT components

• Accounting development framework
• Assessment questionnaire
• Measurement methodology
• User guide
The CBF is structured into four main pillars:

- Legal and Regulatory Framework
- Institutional Framework
- Human Capacity
- Capacity – Building Process
# Capacity-building framework - Matrix

## Pillars

<table>
<thead>
<tr>
<th>Capacity framework</th>
<th>Stage/checklist</th>
<th>Elements</th>
<th>International standards</th>
<th>Reference/guidance</th>
<th>Performance measurement</th>
<th>Key questions for surveys</th>
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<tbody>
<tr>
<td>Legal and regulatory</td>
<td>Accounting records</td>
<td>Regulation En/Non-Fin Statutory Framework</td>
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<td>UNCTAD SMEGA 3</td>
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<td>Internal controls/audit</td>
<td>Enforcement</td>
<td>IFRS, ISAs, IESs</td>
<td>OECD Principles</td>
<td>EU Directives</td>
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<td>Investigation &amp; discipline</td>
<td>OECD Principles</td>
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<td>Coordination</td>
<td>Ministries, Regulators</td>
<td>ISA, IESs CoE/Independence</td>
<td>DMO toolkit</td>
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<td>NSG Sustainability Index</td>
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<td>Attraction &amp; retention of talent</td>
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<td>Strategy/Objectives</td>
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ADT components

- Accounting development framework
- Assessment questionnaire
- Measurement methodology
- User guide
Indicator scores for country A
Indicator scores of pilot tested countries in 2012
ADT countries

- 4 Roundtables in 2011

- 9 Pilot tests in 2012

- 7 Pilot tests in 2013 with some countries conducting an assessment exercise for the second year:
  - Belgium
  - Brazil
  - Ecuador
  - Kenya
  - Russian Federation
  - The Netherlands
  - Ukraine
ADT Countries
Implementation of international standards, codes and regulations applicable to corporate reporting are an essential to attract financial resources. Investors look for transparent and consistent corporate information in order to make adequate and informed decisions. A universal business language is crucial for investors to compare investment opportunities and allocate their resources in an effective and profitable manner. In the face of these challenges, the need for a coherent approach towards capacity building in this area has become evident.

Responding to these capacity building needs, UNCTAD-ISAR has been developing the Accounting for Development Tool (ADT).

The ADT acknowledges the pivotal role accounting plays. Using international standards and best practices in the areas of accounting and auditing, the ADT is a quantitative tool for measuring the level of development of a country's accountability environment. The ADT provides a quantitative benchmark of a country's position at a point in time and its progress toward greater implementation of these standards and practices. Information gathered could be made available to donor agencies, regulators, professional associations, educators, and other capital market participants.
Conclusions and next steps

• e-ADT will facilitate access to countries

• New interested countries are encouraged to undertake an assessment exercise

• We count on our development partners to support a wider application of the ADT

• We will work with ADT pilot tested countries on developing actions plans and closing the gaps
Issues to be discussed

• Representatives from countries where ADT Pilot tests are being conducted in 2013 will share:
  – Findings
  – Lessons learned
  – Benefits of the exercise and
  – Recommendations for follow up action

• We will also have feedback from the peer reviewer perspective
Thank you!

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