UNCTAD-ISAR and IFRS Foundation joint workshop

Tuesday, 5th October 2013
Room XVIII, Palais des Nations, Geneva

Accounting and financial reporting needs of SMEs

Workshop material:

Strengthening MENA Region SME Accounting and Financial Reporting Capacity

Building a Foundation for Regional Growth and Development

Presented by

Gabriella Kusz
World Bank

This material has been reproduced in the language and form as it was provided. The views expressed are those of the author and do not necessarily reflect the views of UNCTAD.
Strengthening MENA Region SME Accounting and Financial Reporting Capacity

Building a Foundation for Regional Growth and Development

Ms. Gabriella Marie Kusz MBA, MPP, CPA
Sr. Financial Management Specialist
World Bank Middle East North Africa
Financial Management Unit
MENA region SMEs play a crucial role in economic activity and growth

- **30%**: Roughly 30% of MENA private sector employment is in SME sector.
- **80-90%**: MSMEs comprise between 80-90% of total MENA region businesses.
- **23-25%**: Youth unemployment is between 23-25% for MENA.
Accounting and financial reporting are integral to MENA SME development.

- **Strengthens Internal Management**
  - Assists in the internal control, management and allocation of resources.

- **Underpins Business Strategy & Planning**
  - Provides sound inputs into business strategy development and planning.

- **Facilitates Access to Finance**
  - Provides financial information crucial to accessing bank lending.

- **Supports Growth and Job Creation**
  - Supports the growth of SMEs and their continued contribution to job creation.
Challenges facing accounting and financial reporting in MENA region SMEs

- Legal and regulatory frameworks that do not embrace simplified accounting and financial reporting.
- Emphasis on reporting for tax purposes – not financial reporting.
- Lack of awareness of the importance of management accounting and the value of external audit.
- Lack of capacity to undertake management accounting preparation of financial statements.
- Lack of capacity amongst Small and Medium Practitioners (SMPs) to provide high quality services.
- Lack of resources for SMPs to enhance skills / abilities.
- Lack of functioning systems of audit Quality Assurance (QA).
How is World Bank MENA Financial Management Unit addressing these challenges?
Thank You!

Gabriella Marie Kusz, MBA, MPP, CPA
Sr. Financial Management Specialist
MENA Financial Management Unit
World Bank Group

gkusz@worldbank.org

Please visit our website at: www.cvmena.org!