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

34th SESSION
1 - 3 November 2017
Room XVII, Palais des Nations, Geneva

Friday, 3 November 2017
Morning Session

Agenda item 5(a). Accounting Development Tool implementation experiences

Presented by

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President, Technical Council of Accounting
Ministry of Trade and Industry, Colombia

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PROJECT FOR THE APPLICATION OF THE ACCOUNTING DEVELOPMENT TOOL "ADT" IN COLOMBIA

The Project that has had the participation of:

- Standardization Authority (Technical Council of Public Accounting, CTCP).
- Regulation Authorities (Ministries of Finances and Public Credit and Commerce, Industry and Tourism)
- Academy (Pontificia Universidad Javeriana - Facilitator)
- UNCTAD - ISAR
- UNCTAD – ISAR

Wilmar Franco Franco
Presidente CTCP, Colombia
PURPOSE OF THE PROJECT

Establish a rigorous diagnosis of the state of regulations, institutions and practices, in relation to corporate information, the legal framework, monitoring of compliance and enforcement, human resources and the process to build capacity, regarding the application of international financial reporting standards and assurance.
PARTICIPATING ENTITIES

31 PUBLIC AND PRIVATE SECTOR ENTITIES

1. Governmental authorities & entities in charge of issuance and trading of securities; Financial Sector (3)
2. Regulation Authorities and standardization body (4)
3. Register, Oversight & Discipline Body of Accounting Profession (2).
4. Accountancy Authorities in the Public Sector (2).
5. Professional Organizations & University Associations (4)
6. Academy & Education Sector (5)
7. Supervision & Enforcement Authorities (4)
8. Authorities related to Corporate Social Responsibility and Corporate Governance (3)
9. Audit firms and Private Sector (4)
The application of the latest versions of the Full IFRS in the GPFS to entities of public interest.

National requirements to produce sustainability reports.

The issuance of auditor’s licenses

The structure of the standard-setting bodies
Entities responsible for the promotion of good practices in corporate social responsibility and corporate governance

The professional skills, competence levels, assessment of the capabilities and requirements of practical Experience of Accountants

MCE System

The process of capacity building
THE RESULTS OF THE APPLICATION OF THE ADT
SUMMARY

Scores

- Legal & Regulatory Framework: 77%
- Institutional Framework: 75%
- Human Capacity: 39%
- Average, Pillars A, B, C: 64%
THE POSITIVE ASPECTS
POSITIVE ASPECTS

Technical framework based on IFRS (Full and SMEs) and International Standards of Auditing & Assurance.

The participation of the Supervisory Authorities to facilitate the application and monitoring of compliance.
The new business disclosure instruments and rules on Corporate Governance

ESG-SDGs
MAIN FINDINGS AND RECOMMENDATIONS
It is necessary to develop a comprehensive approach and strengthen the current coordination mechanisms between the Authorities, profession and other interest groups.
Even though Colombia has made notable progress in updating regulations and promoting good practices in the areas of corporate social responsibility and corporate governance, and there is a high level of compliance, it is necessary to work on improving the links between public policy makers and technical areas.

ESG-SDGs

Preparers and users

Technical Authorities and other interest groups

Responsible for public policies in the high government
Represents one of the key areas of development and is the pillar in which the lowest score was obtained.

- Training of Auditors, mainly of SMEs
- Continuing Professional Development
- Licenses and certifications
- Professional and Technical Training
Many divergences were originated by different evaluations by representatives of public interest entities and other entities.
KEY ELEMENTS OF THE PLAN TO BUILD CAPACITY

LEGAL & REGULATORY FRAMEWORK
- Application guides for IFRS Full & SMEs, Aud & Assu
- ESG-SDGs
- Adjustments in the fiscal and commercial Legislation
- MCE System improvements
- Evaluation of impacts Post-Implementation IFRS and A&A

INSTITUTIONAL FRAMEWORK
- Institutional strengthening
- Improve Coordination between Authorities
- Qualified registration for training programs
- National and International Accreditation
- Development of professional accountancy organizations

HUMAN CAPACITY
- Establish requirements for the audit profession
- Certification & Licenses of Public Accountants
- Initial Professional Development and Continuing Professional Development
- Strategies for the training of Accounting Technicians
# Main Challenges and Opportunities

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<td>Establish the strategy and the action plan with the participation of key actors</td>
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<td>Redesign, create and maintain stronger government structures (public and private)</td>
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<td>Participation of the profession in the discussions on ESG-SDGs reporting</td>
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<td>Relationship between preparers, users, authorities, interest groups and responsible for public policy.</td>
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<td>Improvements in DPI and DPC</td>
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MAIN CHALLENGES AND OPPORTUNITIES

- Participation in local and international projects.
- Strategies to reduce the double load of information imposed by the authorities.
- Harmonization between technical frameworks, laws and other legal provisions.
- Improvement in the MCE system.
- Political and financial support.
THANK YOU…

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Conferencia de Naciones Unidas sobre Comercio y Desarrollo
Noviembre 1-3 2017, Ginebra, Suiza