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

**29<sup>th</sup> 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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**International Working Group of Experts on International Standards of  
Accounting and Reporting (ISAR)**

29th Session

**UNCTAD-ISAR Accountancy Development Toolkit  
(ADT)**

**Pilot Test Croatia**

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Geneva, October 31, 2012

# ADT Pilot Test Croatia

## Report Layout

- A. Background Data
- B. Participation and Testing Environment
- C. Key Findings Detailed
- D. Conclusions

# ADT Pilot Test Croatia

## A. Background Data

<b>Croatia</b>	<b>2011 Data</b>
Population (millions)	4,41
Surface Area (sq. km)	56,590
GNI, PPP (\$ millions)	85,196
GNI per capita, PPP (\$)	19,330
Agriculture-Industry-Services (% of GDP)	5-27-67
Time to start a business (days)	7
Stock Market capitalization (% of GDP)	34,1
Number of companies	90,000
Number of listed companies	233
Number of auditors	1,020
Number of accountants	5,000
Accounts availability	all, free, on-line

# ADT Pilot Test Croatia

## B. Participation and Testing Environment

- Pilot exposed to representatives of the public oversight, the standards' setter, the Government, universities, the stock exchange and the stock market regulator, auditors' and accountants' associations, the Big Four
- 16 participants selected and invited to evaluate the Pilot
- Piloting reported very useful with length of the test just right
- Documentation excellent and target audience appropriate

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## C. Key Findings Detailed

- Indicator A.1: IFRS - Translation, Publication, Application
- Indicator A.3: Sustainability Disclosures
- Indicator A.4: General Monitoring of Financial Reporting
- Indicator A.5: Licencing/Certification of Auditors
- Indicator A.7: Accounting Profession Regulation
- Indicator B.1: Accounting Profession Monitoring
- Indicator B.4: Legal Status of PAOs
- Indicator C.1: Accountants Number Adequacy
- Indicator C.3: Scope of Education

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## D. Conclusions

- Rigorous Testing Against Two Filters: Black-Letter Law and Implementation
- Not a Measurement Tool
- Static (Structures) vs. Dynamic (Processes) Picture Upgrade
- Addressing Public Policy Choices (e.g. Regulation and Monitoring of Accountants)
- IPSAS Inclusion Controversial
- Excellent Start-up Toolkit for Opening Systemic Debate between the Stakeholders

# ADT Pilot Test Croatia

- Thank you for your attention.
- Q&A.