

29th session UNCTAD-ISAR

Item 3: Regulatory and institutional foundations for high-quality corporate reporting



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Main trends in the Regulatory and Institutional developments

- Continued process of convergence towards a single set of high-quality global standards;
- With an increased focus on institutional aspects of the process; as well as on enforcement, implementation and monitoring of compliance;
- Increased role of state regulators;
- Better coordination among stakeholders, including at international; national and in particular at a regional level;
- More attention towards non-financial disclosure.

Main challenges

- Further improvement of communication and coordination among all main stakeholders at different levels;
- Enhancement of involvement of developing countries and economies in transition;
- Strengthening institutional foundations for consistent implementation of international pronouncements;
- Development of national expertise in enforcement, monitoring of compliance, investigation and discipline;
- Development of guidance in order to assist countries in building/strengthening regulatory and institutional foundations that would enable them to meet requirements for high-quality corporate reporting;
- Better integration of non-financial and sustainability reporting into accounting development policies;
- Need for resources to ensure adequate quality and sustainability of regulatory and institutional foundations;
- Develop systems to better benchmark, measure and monitor progress in a consistent manner.

Accountancy Development Toolkit (ADT)

- **Background:** member states at the 27th ISAR session requested UNCTAD to develop a measurement methodology for capacity building in accountancy, and to test it in pilot countries;
- **Objective:** to assist policy makers in achieving high-quality corporate reporting, including through an integrated approach to capacity-building in this area, in measuring the progress in a consistent and comparative manner;
- **Methodology:** quantitative indicators and international benchmarks for 3 pillars: i.e. regulatory, institutional and human capacity;
- **Due process:** coordination with other stakeholders (CG), pilot tests in 9 countries; national consensus combined with international peer reviews;
- **Outcomes so far:** positive feedback on the usefulness of the exercise, valuable suggestions on the questionnaire and due process improvements, consideration of results for national reforms and action plans; useful data on good practices and challenges in the area of harmonization of corporate reporting;
- **Reported benefits:** better awareness of international benchmarks in the financial and non-financial areas, enhanced stakeholder dialogue and consensus building, better understanding of priorities, basis for a comprehensive approach towards a long-term action plan development and capacity building, better coordination with other programmes.

Content



Legal and
Regulatory
Framework

Institutional
Framework

Human
Capacity

Capacity –
Building
Process

Capacity-building framework - Matrix

Pillars

A

B

C

D

Capacity framework					Performance measurement	Key questions for surveys
Pillar structure	Stages/checklist	Elements	International standards	Reference/guidance	Milestones & indicators	
Legal and regulatory	Accounting records Internal controls/audit Prepare fin. statements Approve fin. statements Audit Publication/filing Users, analysis Multi-reporting frameworks Monitoring, oversight, enforcement Requirements govt. enterprises & individuals	Regulation Fin/Non-Fin Statutory Framework Endorsement of standards Enforcement Monitoring Licensing Governance Ethics Compliance Investigation & discipline Quality assurance	IOSCO IFRS ISAs, IESs XBRL Basil Comm. IAIS OECD Principles	UNCTAD SMEGA 3 OECD Principles EU Directives S.Ox and other similar national frameworks COSO Bank codes GRI World Bank ROSCs IIA ICGN IIRC	See Appendix IV below	See Appendix IV below.
Institutions/profession /stakeholders	Roles and responsibilities Coordination Governance Sustainability Attraction & retention of talent	Legislative body Ministries Regulators Govt. Registries Prof. Accounting Orgs. Accounting/Audit firms stock exchanges preparer & user bodies, academia National and international	- ISAs, IESs CoE/Independence A&A IFAC SMOs -	DNC toolkit AA1000AS NGO Sustainability Index	See Appendix IV below	See Appendix IV below.
Human capacity	General education Professional education and training CPD Technical knowledge Specialized training	1. Recipients, i.e: auditors, preparers accounting technicians prof. analyst orgs regulators other users 2. Providers universities prof. accounting orgs tuition providers	IAES IES SMO 2	Bologna Dublin UNCTAD-ISAR Model Curriculum EU Common Content IFAC Guide Accounting Techs	See Appendix IV below	See Appendix IV below.
Capacity-building	Diagnosis gap analysis Programme Monitoring	Strategy/Objectives Action plans & resources coordination & communication -	See appendix IV below.	IFAC Compliance Programme Action plans ROSC	See Appendix IV below below Position Assessment Tool	See Appendix IV below.

International cooperation



Consultations with key global, regional and national players



Intergovernmental Consensus

Selected issues to be addressed:

- What major challenges do national regulators face in developing and implementing regulatory and institutional requirements for high-quality corporate reporting?
- How to ensure a consistent application of international standards and requirements around the world? How to assess it?
- How to ensure an ongoing coordination between the government agencies, non-government standard-setters, professional bodies, academia and other major stakeholders in the process of building regulatory and institutional capacity for high quality corporate reporting?
- What are main regulatory and institutional challenges for public-sector reporting and small and medium-sized enterprises?
- What kind of support with regard to corporate reporting would national regulators welcome from international standard-setters and other international bodies?
- How UNCTAD and the ADT can further help to address regulatory and institutional issues in developing countries and economies in transition?

THANK YOU!



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