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

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**Agenda item 5. Other business
Institutional challenges in accounting and experiences of
Accounting Development Tool implementation**

Presented by

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MINISTRY OF FINANCE
OF THE REPUBLIC OF BELARUS



Accounting Development Tool (ADT): implementation experiences in the Republic of Belarus

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Implementation of UNCTAD-ISAR ADT in Belarus

- Selection and approval of the national consultant
- Identification of key stakeholders
- Kick-off meeting with focal points
- Assignment of questionnaires / support in filling out forms
- Coordination of respondents under the guidance of UNCTAD
- Collecting responses to questionnaire questions
- Preparation of the Interim Report and consolidation of the questionnaire for UNCTAD review



Participant's institutions

Government authorities	Ministry of Finance National Bank Ministry of Natural Resources and Environmental Protection National Statistical Committee Ministry of Economy State Property Committee Ministry of Taxes and Duties Ministry of Labour and Social Protection Ministry of Education
Professional public association	Union of Certified Accountants and Auditors Association of Belarusian Banks Chamber of Tax Consultants
Higher education institutions	Belarusian State Economic University Polotsk State University Republican Institute of Higher Education
Public-interest entities	Public Joint-Stock Company "BELAZ" - Management Company of Holding "BELAZ-HOLDING" Public Joint-Stock Company "Belaruskali" Public Joint-Stock Company "NAFTAN" State Production Association "Belorusneft"



Pillar A – Legal and regulatory framework

Major achievements and problem areas	Next steps
A.1 Financial reporting and Disclosure	
IFRS in full, unmodified form are required as part of the national regulatory system for consolidated financial statements of public-interest entities.	Inclusion of large state organizations in the composition of public-interest entities.
The national regulatory framework for consolidated financial statements of public-interest entities covers Conceptual Framework for Financial Reporting, IFRS Standards and IFRIC Interpretations.	Exploring the possibility of including Management Commentary and Making Materiality Judgements in the national regulatory framework.
There is a formal due process for including into laws and rules IFRS updates (revisions and new standards) to accounting standards.	Establishing a formal due process to clarify or resolve any doubts or disagreements related to the implementation of accounting standards.
IFRS for SMEs in unmodified form are not required as part of the national regulatory system.	Consideration of the feasibility of using IFRS for SMEs by domestic organizations.



Pillar A – Legal and regulatory framework

Major achievements and problem areas	Next steps
A.2 Audit	
<p>Consolidated financial statements of public interest entities prepared in accordance with IFRS are subject to mandatory audit.</p>	<p>From January 1, 2020, the obligation to apply ISAs when conducting a mandatory audit of consolidated financial statements of public interest entities prepared in accordance with IFRS is introduced.</p>
<p>There is no formal due process for including into laws and rules ISAs updates (revisions and new standards) to auditing standards.</p>	<p>From January 1, 2020, ISAs will be put into effect in Belarus.</p>
<p>The national auditing standards cover the following aspects: quality control, audits of historical financial information, risk assessment and response to assessed risks, audit evidence, using the work of others, audit conclusions and reporting, specialized areas, review engagements, related services.</p>	<p>Development of national auditing standards covering the following aspects: audit considerations relating to an entity using a service organization; special considerations in auditing financial instruments; assurance engagements on greenhouse gas statements.</p>



Pillar A – Legal and regulatory framework

Major achievements and problem areas	Next steps
A.3 Incorporation of ESG information into enterprise reporting	
Belarus doesn't require integration of the ESG information into companies reporting cycle.	Development of guidance on ESG reporting and a standardized format for ESG reporting.
A.4 Corporate reporting requirement: enforcement	
There is an oversight function that monitors compliance with corporate reporting requirements for public-interest entities. The oversight provisions of the regulatory framework include a responsibility to impose for violations of accounting regulations.	Including provisions for enforcement of ESG requirements into regulatory framework of the country.
A.5 Licensing of auditors	
There is a licensing mechanism for auditors. CPD is required for license continuation.	Expanding the competencies of auditors through knowledge and practical skills of using IFRS and ISAs.



Pillar A – Legal and regulatory framework

Major achievements and problem areas	Next steps
A.6 Corporate governance	
Belarus has regulatory requirements for corporate governance that oblige entities to establish audit committee and define internal control procedures relating to the preparation of financial statements.	Improving regulatory requirements in line with the OECG Principles of Corporate Governance
A.7 Ethics	
National audit rules “Professional ethics of audit service providers” are valid in Belarus	From January 1, 2020, the IESBA International Code of Ethics for Professional Accountants will be put into effect in Belarus.
A.8 Investigation, discipline and appeals	
The regulatory framework of Belarus contains provisions for conducting investigations in relation to the work that professionals have done on corporate reporting. It is mandated to impose penalties for non-compliance with the investigation process.	Improving investigative procedures and disciplinary sanctions, taking into account law enforcement practice.



Pillar B – Institutional framework

Major achievements and problem areas	Next steps
The Ministry of Finance is responsible for the development of accounting and auditing standards.	Improvement of the process of developing accounting and auditing standards.
Belarus doesn't have a body in charge of ESG reporting requirements.	The Ministry of Finance will be the body responsible for setting ESG reporting requirements under the draft State Program "Public Finance Management and Financial Market Regulation".
A number of state bodies are in charge of enforcement of accounting standards.	Determination of the authority or unit to be responsible for enforcement of the ESG reporting requirements.
The Ministry of Finance is responsible for issuing licenses for auditors.	Enhanced application of the Core Principles for Independent Audit Regulators, issued by the IFIAR.
There are several professional accountancy organizations in Belarus. None of them is a member of IFAC.	Revitalization of professional accountancy organizations in various areas.



Pillar C – Human Capacity

Major achievements and problem areas	Next steps
The Technical Competence and the Professional Skills components of the professional accountancy education program include the topics, corresponding learning outcomes, and levels of proficiency outcomes, as required by IES issued by IAESB.	Inclusion of the components on IFRS for SMEs and on ESG reporting in the professional accountancy education program
The certification programs for professional accountants and auditors require an assessment (examination) prior to certification. The certification requires a set period of practical experience in performing the work of accountancy.	Establishment of a system for assessing and approving the practical experience environment.
Professional accountants and auditors are required to confirm qualifications at least once every two years.	Increase in the number of training hours for professional development.
The education programs include training for accounting technicians.	Exam introduction for accounting technicians.

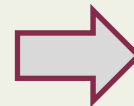


Pillar D – Capacity Building Process

**Draft State Program
“Public Finance Management and Financial Market
Regulation”**



**Subprogram
“Regulation of
accounting, reporting
and auditing in the
corporate sector”**



**Non-financial reporting
development concept
and action plan for its
implementation**



ADT Project outcomes

- Determining the current status of the Belarusian accounting infrastructure
- Assessment of the national capacity for sustainable development
- Strengthening involvement of stakeholders in the process of accounting infrastructure development
- Identifying gaps and determining priority areas for further development



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**Thank you
for your attention!**