

Corporate and Public Sector Accountability Project – Launch Event

Baku, February 25, 2009



THE WORLD BANK
CENTRE FOR
FINANCIAL REPORTING REFORM



Presentation Outline

- » Accounting and Auditing ROSC Report
- » CAPSAP
- » Component 1
- » Component 2
- » Component 3
- » The World Bank's Centre for Financial Reporting Reform, Vienna



Accounting and Auditing ROSC

- » Revisit the statutory framework pertaining to auditing
 - Chamber of Auditors responsibilities
 - Auditors' responsibilities
 - Audit regulatory function (QA, I&D)
- » Revisit the statutory framework pertaining to accounting
 - Coordinated effort establish a single robust general-purpose system that would eventually come to treat disclosure and transparency as public goods available to all market participants
- » Sustainable standard translation process
- » Large scale pre-transition (IFRS) training program
- » Education



Corporate and Public Sector Accountability Project

- » A comprehensive project strengthening all pillars of financial management reform
- » Explicitly recognizes links between corporate and public sectors
- » From diagnosis to reform
- » The first project prepared and led by the ECA FM team



Corporate and Public Sector Accountability Project

- » Project development objective: Objective is to strengthen accountability and transparency in financial reporting for the public and corporate sectors in line with international best practices.
- » The key beneficiaries are the Public Interest Entities including State-Owned Enterprises, the Chamber of Accounts, the Chamber of Auditors, the Ministry of Finance, and accounting and auditing professionals and stakeholders in Azerbaijan.
- » Project description – 4 components:
 - Corporate Sector Component
 - Public Sector Accountability
 - Strengthening accounting, auditing and financial management capacity
 - Project management



Component 1 - Corporate Sector

- » 1.1 Introduction of IFRS in PIEs
 - 1.1.1 Software and IT infrastructure.
 - 1.1.2 IFRS implementation support TA for PIEs
- » 1.2 Revaluation of fixed assets
- » 1.3 Strengthening of legal and institutional framework and capacity for translation, adoption and enforcement of IFRS and NASCO
- » 1.4 Improving statutory framework and building capacity to regulate and oversee the audit function
 - 1.4.1 Strengthening of statutory framework and building capacity to regulate and oversee audit function
 - 1.4.2 Capacity building at Chamber of Auditors and strengthening of organizational structure



Component 2 - Public Sector Accountability

» 2.1 Introduction of NASBO

- 2.1.1 Updated IPSAS
- 2.1.2 Implementation guidance
- 2.1.3 Development of training materials

» 2.2 Legal framework for external audit

- 2.2.1 Legislative Framework
- 2.2.2 Relations with key stakeholders in the public sector
- 2.2.3 Organizational Structure and H/R Strategy
- 2.2.4 Institutional Capacity Building
- 2.2.5 Training
- 2.2.6 External relationships with other SAI – Twinning
- 2.2.7 External Audit of the SAI



Component 3 - Strengthening accounting, auditing and financial management capacity

Establishment of ACPATER

- » 3.1 Organizational and legal activities, workshop on the ACPATER development
- » 3.2 Furniture
- » 3.3 IT
- » 3.4 Training materials development/acquisition
- » 3.5 Train the trainers
- » 3.6 Development of certification program
- » 3.7 Training courses



Centre for Financial Reporting Reform

- » Office of the World Bank's Europe and Central Asia Region, located in Vienna, supported by Government of Austria
- » Responsible for the Region's corporate sector financial reporting activities, providing support to other Regions and external partnerships
- » 20 staff: a comprehensive mix of skills and experience
- » Roster of consultants and experts
- » Network of international partners, donors and standard-setters
- » Global distance learning studio



Centre for Financial Reporting Reform

» **Providing Frameworks for the Future**

- » Pilot for ECA's new business model – the Knowledge Bank
- » Emphasis on fee-for-service and donor-funded activities
- » Proximity to our partner countries
- » Proximity to our European regulatory and professional partners, especially the EU institutions
- » Proximity to our European development partners / financiers
- » Proximity to major market participants / investors in our partner countries
- » Enhancing ECA's European footprint
- » Generous financial support of the Government of Austria

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