



Strengthening Auditing and Reporting in
the Countries of the Eastern Partnership



The World Bank Centre for Financial Reporting Reform



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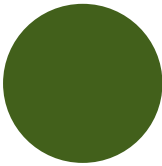
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Why financial reporting reform matters



Strong systems of corporate financial reporting create an environment of trust and support investment and economic development.

Transparent reporting is a central element of a modern corporate governance framework.



Businesses including SMEs that prepare reliable, transparent and comparable financial reports can access finance at better conditions and thrive.

International and EU standards bring transparency and enhance the business climate.



Active monitoring and enforcement of financial reporting by regulators and tax authorities contribute to financial stability and improved public administration.

Aligning financial reporting systems with the EU promotes integration and access to the internal market for Eastern Neighbourhood countries.



Working with the countries of the EU's Eastern Partnership to develop effective and sustainable frameworks for accounting and auditing



What is STAREP? A regional program for the countries of the Eastern Partnership - Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine - supporting the development of modern accounting and auditing frameworks, in line with international standards and taking account of EU requirements.

Why is it needed? There has been significant modernization of corporate financial reporting systems but common challenges remain. As Eastern Partnership countries seek to strengthen ties and deepen trade relationships with the EU, and boost foreign investment, they will benefit from understanding EU legislation in the area of financial reporting and auditing (a key element of its regulatory and business environment).

What does it do? STAREP provides knowledge, analytical and advisory services and capacity development support to partner countries. This includes delivering targeted learning; fostering peer-sharing; and offering technical assistance, policy advice and implementation support.

Who is it for? The program is designed for all key stakeholders in the corporate financial reporting process, including policymakers, members of the accounting professional, academics, regulators and local business leaders.

Who funds it? Funding for STAREP is provided by Austria, the European Union, Luxembourg and Switzerland.

How is STAREP implemented? It is managed by the Centre for Financial Reporting Reform (CFRR), part of the Governance Global Practice of the World Bank responsible for corporate financial reporting activities across the Europe and Central Asia region. CFRR has extensive experience in using a regional approach to help participating countries tackle shared issues. This ensures regional consistency, enables countries to learn

from others' experience and builds sustainability through the development of supporting networks of institutions.

What is the implementation period? STAREP was launched in October 2013 and completion is expected by mid-2018.

What are the areas of focus? The World Bank has undertaken detailed reviews of accounting and auditing standards and practices in all Eastern Partnership countries. This has enabled STAREP to identify and focus most actively on the following three thematic and two cross-cutting areas.



Accounting Education Reform Promoting the development of accounting education aligned with international and EU standards at university level; for professional qualification; and for continuing professional development of those already qualified. Activities include a Community of Practice and implementation of a CFRR developed curriculum benchmarking tool.

Accounting and Auditing Standards Supporting the implementation of accounting and auditing frameworks. This includes addressing the reporting needs of smaller enterprises; the application of international standards; the enforcement of financial reporting requirements; and the introduction of public oversight and quality assurance arrangements for statutory audit. Activities include a Community of Practice and regular learning events.

Financial Regulators Practice Forum Building capacity and knowledge of IFRS among financial regulators, ensuring proper implementation and reinforcing a clear and well defined relationship between IFRS reporting and prudential reporting. Activities include workshops and seminars and involvement in research to improve the relationship between auditors and regulators.

Reform Momentum and Support Maintaining momentum for accounting and audit reform among policy makers, including ministers of finance, their deputies and other senior officials, through regular dialogue and high-level conferences.

Country-level Implementation Support Providing individually tailored help desk and ad-hoc advisory services to Governments. Offering advice and support in developing national activities, as well as implementation support and complementary activities to ongoing national projects.

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