

A&A Indicators

EU-REPARIS FR CoP

Session Plan

15 minutes

Context and background

30 minutes

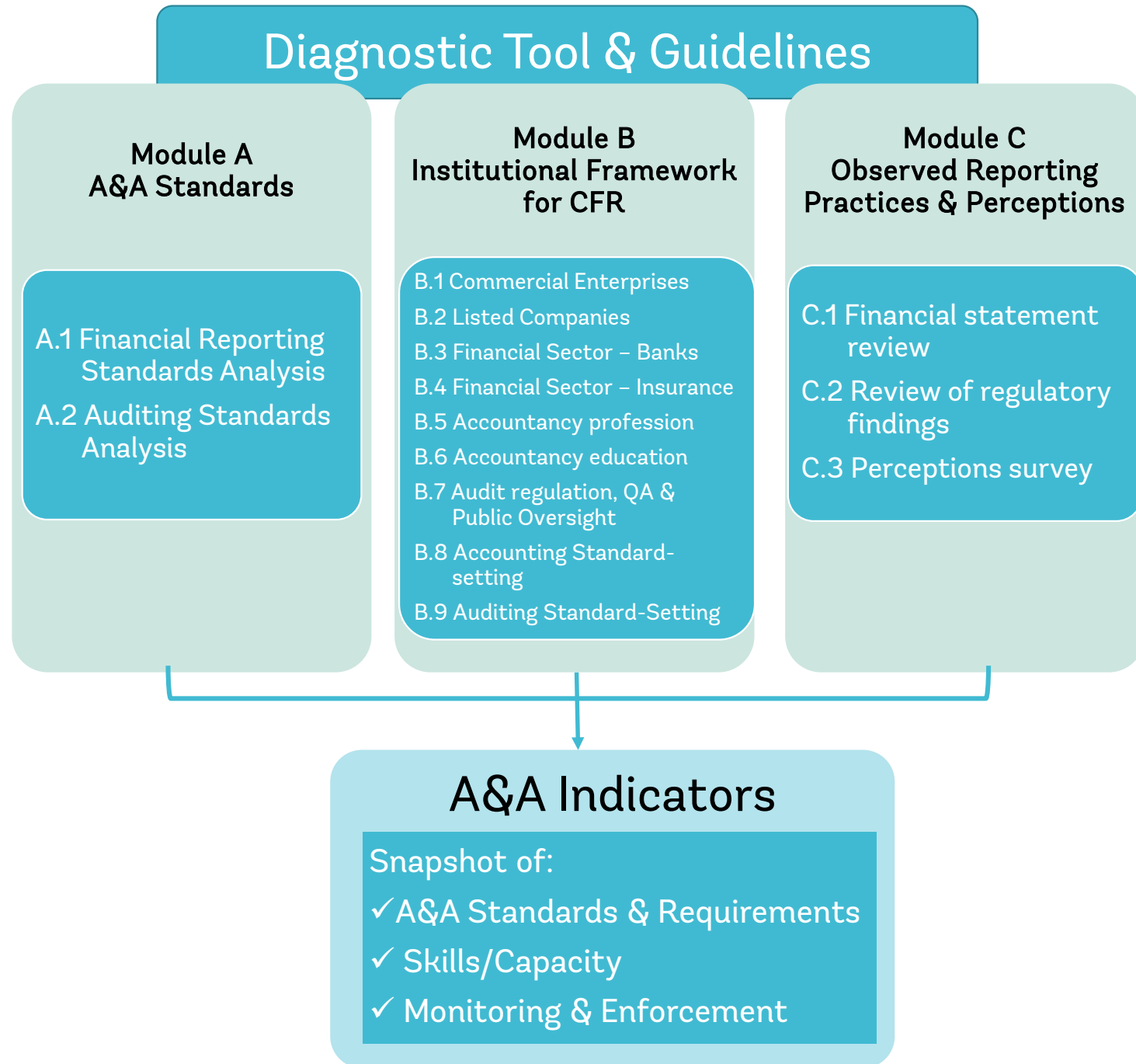
Small group discussion

40 minutes

Feedback from small groups; large group reactions and discussion

ROSC AA 2.0 Context

(new diagnostic tool)



Why were indicators developed?

1. **Clear lens** for providing a **snapshot** of the essential aspects of A&A
2. **Communicate with greater clarity and precision** to non-specialists
3. **Measurability** – can be used as a M&E tool or complement to funding operations e.g. for setting baselines as well as tracking results
4. **Comparability** over time and between jurisdictions
5. **Signposting** the road to good practice, when possible

Why were indicators NOT developed?

- Comparing or ranking countries: methodology, coverage, and frequency of reassessment do not allow for comparisons or rankings
- Giving jurisdictions an aggregate A&A score: methodology does not allow for an aggregate score

7 indicators

1. A&A Standards
2. Financial Reporting and Auditing: Listed companies
3. Financial Reporting and Auditing: Banks
4. Financial Reporting and Auditing: Insurance companies
5. Financial Reporting and Auditing Exemptions and Simplifications for Commercial Enterprises, including SMEs
6. Accountancy Profession
7. Audit Regulation, Quality Assurance & Public Oversight



Group discussion

Aspects to consider: what makes a good indicator?

- Sound indicators should have the following characteristics:
 - **Validity** – the indicator captures what it's supposed to capture i.e. the indicator or sub-indicator is a suitable proxy
 - **Measurable** – based on well-defined, observable criteria (to the extent possible)
 - **Comparable** – over time and between jurisdictions (global applicability)
 - **Reliable** – generates consistent results independent of who collects the data
 - **Feasible** – data can be measured and collected as part of a ROSC A&A assessment

Note on ratings

- The introduction to each indicator outlines the specific rating scale to be applied to each indicator.
- Accountancy Profession indicator follows the IFAC methodology, and thus takes a different approach using IFAC country profiles and collaboration with the IFAC team.
- A jurisdiction must meet all the criteria listed to obtain that rating. There is no credit given for meeting a fraction of the rating criteria. For example, if a jurisdiction meets one of the two rating criteria under rating “4”, it will not receive a rating of “3.5”, but rather a “3”.
- Jurisdictions will receive an overall rating for each indicator, which is equal to the simple mean of the ratings of the sub-indicators.

ROSC A&A Indicators: next steps

- Validation and feedback on practical application on specific indicators and rating criteria
- Dissemination
- Piloting / testing indicators

Group
exercise:
Rating your
country using
ROSC A&A
indicators

Please rate your country according to one indicator.

As part of the process, please think about/give us feedback on:

- Are the rating criteria clear? Objective? Sound?
- Is there anything that is missing?
- Is there anything that is not relevant?
- Comments or suggestions for improvement?