

# Association of Accountants and Auditors of Republic of Srpska, BiH

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## AAARS Presentation

June 2017

CFRR Vienna

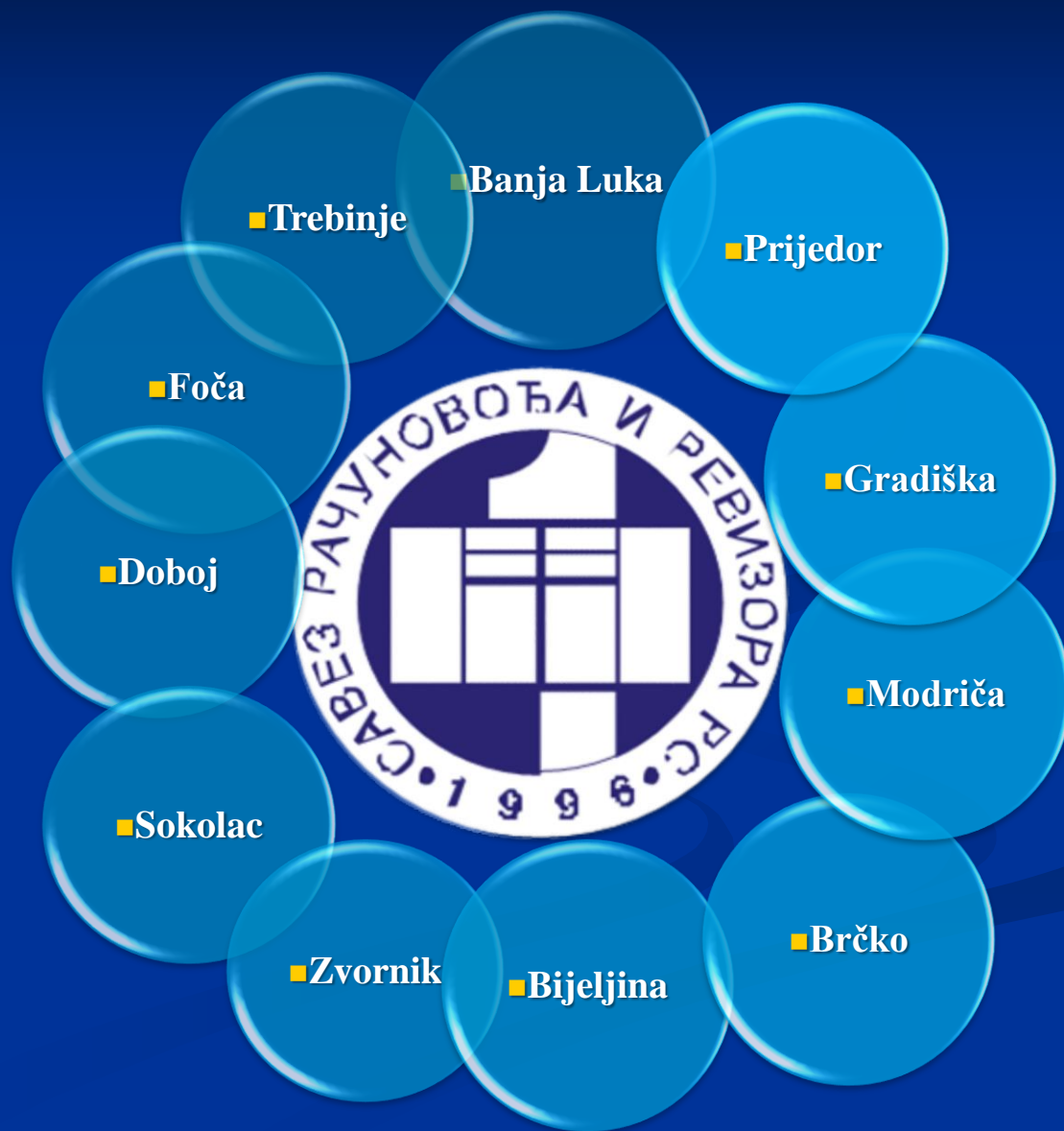


**ACCOUNTANCY  
EUROPE.**

# AAARS – Organizational structure

✓ The AAARS is consisted of 11 accounting societies based on territorial principle (11 Branches plus the Headquater of AAARS in Banja Luka)

✓ was founded and registered on 28 October 1996, as an association of professional accountants and auditors from RS, BiH



# Professional Regulations

*AAARS has around 4000 active members (plus 3000 pasive members that are not practising profession or they are in retirement)*

- compared to the total number of population in Republic of Srpska of around 1.2 million of citizens it means that around 0.3% of total country's population are the members of AAARS.
- accepting and applying International Standards of Financial Reporting (IFRS) / International Accounting Standards (IAS), International Standards on Auditing (ISA), IFAC's Code of Ethic for Professional Accountants
- transformation of the profession towards European Accounting Aproach and the Directives of EC/EU

*Law on Accounting and Auditing of Republic of Srpska (Official Gazette of RS, number 94/15)*

- This Law prescribes the full application of IPSASa, IFRS for SMEs i IFRS / IAS.
- IFRS for SMEs is applicable for Small and Medium Enterprises
- All others are fully obliged to apply full IFRS
- IPSAS applies for the public sector companies and from 2005 these standards are in the application on the full accrual basis of accounting – at the moment the translation from 2013 is in use but we are expecting these days to have the translated version of IPSAS from 2016

# Professional Qualifications

## *AAARS regulates 3 types of professional qualifications:*

### *1. Certified Accounting Technician (CAT)*

- high school qualifications related to the profession and passing five exams (1399 active members and until now we have certified 2435 CAT)

### *2. Certified Accountants (CA)*

- diploma of faculty education related to the profession, experience and passing nine exams (1866 active members and until now certified 3092 CA)

### *3. Authorized Auditor (AA)*

- faculty education related to the profession, working experience , high competencies and passing 14 exams (120 active members and until now certified 222)

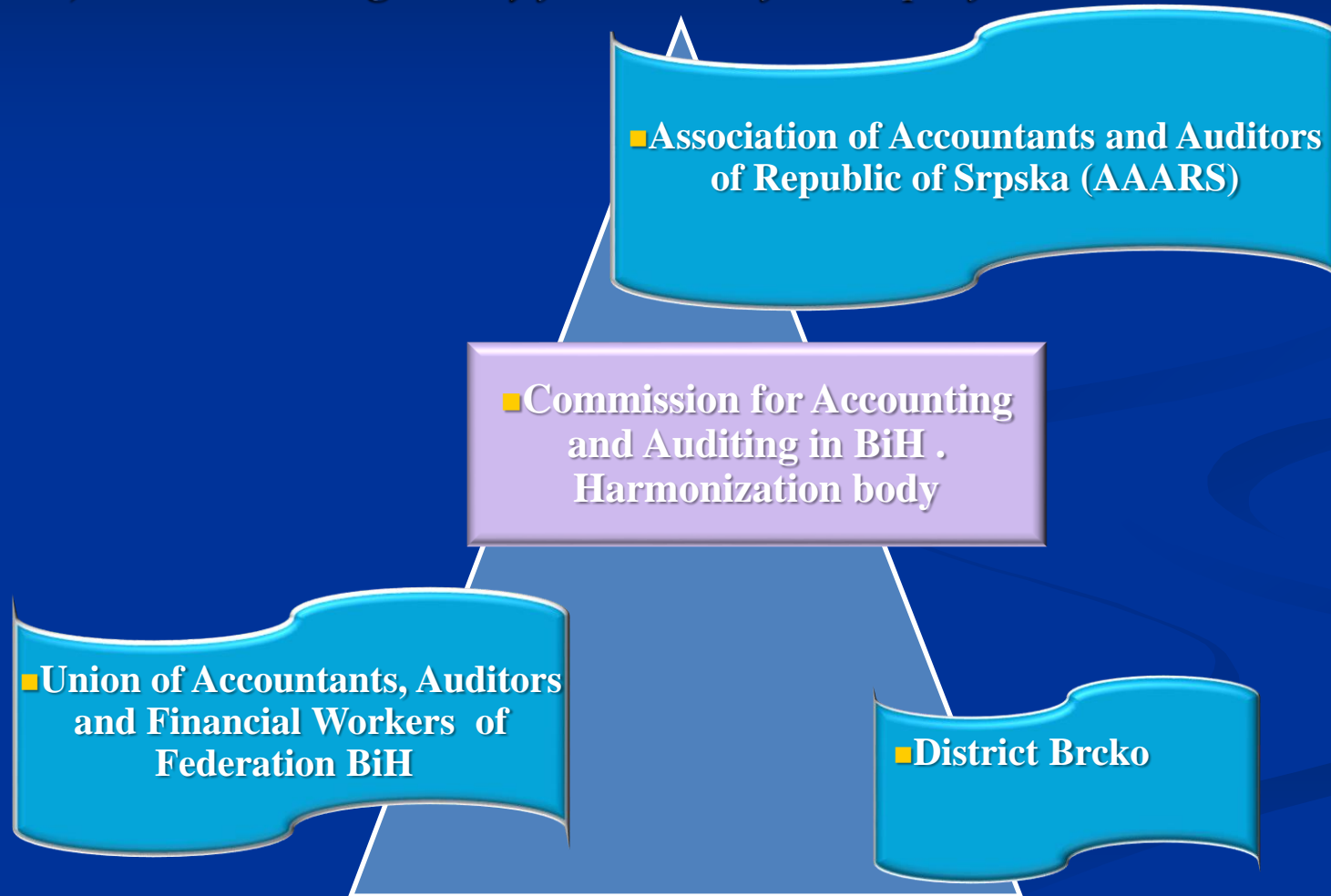
*\* Also, AAARS has 393 students that are in the process of passing exams (an average passing rate on AAARS exams is around 40%)*

## *AAARS has also strongly supported the development of related specialitistic qualifications in RS and BiH:*

- Forensic Accountant (CFE based) – 46 certified professionals
- Public Sector Accountant (CIPFA based) - part of certified accountants professionals and special section formed
- Internal Auditor (IIA based) - 226 certified professionals
- Financial Evaluator (IVSC based and a full member of IVSC) - 241 certified professionals

# Professional Regulation – Legal Framework

- ✓ *Law on Accounting and Auditing in BiH from 2004 has created harmonization role for legal and profesional framework for Accounting, Auditing and Financial Reporting in BiH and Law on Accounting and Auditing of Republic of Srpska (and FBiH) is the main regalatory framework for the profession*





# Professional Regulations

*Cooperation on defining and enhancement of professional regulations – The Assembly and Government of Republic of Srpska is responsible for introducing and implementing laws and regulations together with other stakeholders in RS and BiH*



# AAARS International Cooperation

## STAREP

Strengthening Auditing and Reporting in Countries of the Eastern Partnership

[► Read more](#)



## EU-REPARIS

The Road to Europe: Program of Accounting Reform and Institutional Strengthening

[► Read more](#)



## A&A ROSC

Accounting and Auditing Reports on the Observance of Standards and Codes

[► Read more](#)



## FRTAP

Financial Reporting Technical Assistance Program

[► Read more](#)

## JERP

Joint Economic Research Program on IFRS for SMEs in Kazakhstan

[► Read more](#)



WORLD BANK



# IFAC

International  
Federation  
of Accountants



ACCOUNTANCY  
EUROPE.

## CFRR

Centre for Financial  
Reporting Reform



ORDRE DES  
EXPERTS  
COMPTABLES



MEMBER FIRM



THE INSTITUTE  
OF CHARTERED  
ACCOUNTANTS

IN ENGLAND AND WALES

AUTHORISED TRAINING EMPLOYER

ICAEW  
CHARTERED  
ACCOUNTANTS



# CNCC

COMPAGNIE  
NATIONALE DES  
COMMISSAIRES AUX  
COMPTES



## FCM

Fédération des Experts Comptables Méditerranéens

# Regional Cooperation

- ❖ Association of Accountants and Auditors of Republic of Serbia
- ❖ Institute of Certified Accountants of Montenegro
- ❖ Association of Accountants and Financial Auditors of Slovenia
- ❖ Chamber of Financial Auditors of Romania
- ❖ Institute of Authorised Auditors of Bulgaria
- ❖ Association of Accountants in Romania - CECCAR
- ❖ SEEPAD – South East Europe
- ❖ Association of Accountants of Poland - SKWP
- ❖ Association of Auditors of Poland - KIBR
- ❖ Croatian Chamber of Auditors
- ❖ Association of Accountants of Macedonia





# Regional Cooperation – translation of standards and other articles of IFAC and IAESB

■ *Translation of publications in Serbian language AAARS is doing in cooperation with AAAS from Serbia and ISRCG from Montenegro (Serbian speaking countries) – this started in 2005 and is functioning up to date and it will continue in the future – **Committee for Translation** which consists of representatives from all three associations is responsible for quality of translations and it is formed as a permanent regional body*



# Comprehensive cooperation with Academic Institutions and International Institutions



*- Cooperation agreements with all State Universities in RS and focus is on harmonisation of academic and professional education syllabus (State University of Banja Luka and East Sarajevo)*

*- AAARS Accounting Board gathers Deans and Professors of Accounting, Audit and Finance Departments of Universities and PAOs from Balkan region and Europe*



# Continious Profesional Development - CPD

- Organization of exams for professional qualifications as well as specialist qualifications with all preparation activities and lectures;
- Organization of education, seminars, trainings, scientific symposiums, congresses, international conferences and other forms of scientific and professional training and CPD
- Development and promotion of professional and ethical standards;
- Research and development projects in area of accounting, auditing and finance;
- Publishing books, brochures, journals and other publications for the membership and candidates for professional titles
- Improvement of Quality of Financial Reporting in RS and BiH (French Profesional Associations and ICAEW – we have two active projects with them in improving Quality Control in Auditing and Accounting)
- In 21 years of our existence, AAARS has successfully organised 20 Congresses for our members and guests, 12 Scientific Symposiums on the topic of Corporate Governance where university professors, respectable businessmen, top managers and professionals from the domain of accounting, auditing, finance and business have presented a great number of their scientific and practical works, ideas, achievements and experience.
  - In addition, a lot of young intellectuals have a chance to present their opinions and ideas at the annual Congress and Symposium of our Association while professionals can actively interact with others about finance, accounting and auditing issues.
  - A lot of international guests are also part of our congresses and they share their international experience with our members during discussions at these events organised by AAARS and it is very important for our CPD and improvement of profesionals in our country



# AAARS and CFRR Cooperation

***AAARS has a strong cooperation with the World Bank and CFRR in Vienna from 2005:***

*- Representatives of AAARS have been a part of numerous seminars and conferences organized by CFRR and they were very helpfull and crucial for our development and the progress of our profession*

*- Representatives of AAARS have been actively involved in preparing ROSC Report for BiH with World Bank staff and it has been great team work and cooperation that improved our capacities in the professional association*

*- Representatives of AAARS have been actively involved in many CFRR's Working Groups and actively participated in numerous discussions and conclusions that are relevant for the profession*

*- Representatives of AAARS are part of CFRR program with series Audit Training of Trainers (Audit ToT) and it is very good practical tool for improvement of training in professional associations in our region*

*- Representatives of CFRR actively participated in discussions and conclusions at our Congresses with many visits to our country during last period*

*- Representatives of CFRR helped our professional association (AAARS) to become a full member of IFAC*

*- Representatives of CFRR and AAARS together with professors from University of Banja Luka, Faculty of Economics conducted the research related to the compliance of studies, exams and education that is also implemented in our professional association with clear study and very good results*

***\* The conclusion is that the role of CFRR from Vienna is very helpful for improvement of the profession and profesional associations in the region . We have done together many good things and hopefully we will make new enhancements in future through cooperation and new programs in order to satisfy public interests and improve financial reporting, quality of profession and business enviroment in the region***