

Building a strong and sustainable accounting and auditing profession in Moldova



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Andrei Busuioc
Senior Financial Management
Specialist

CFRR, The World Bank

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Objectives of the workshop



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The **key objectives** of the workshop are to:

- » share knowledge on how professional accountants and auditors can contribute to an improved business climate and in this context, understand what a PAO is and what it does; and
- » discuss and consider options on how professional bodies should be structured to perform their role effectively.

In addition, the workshop aims to serve as a platform for open discussion with representatives of PAOs and the Ministry of Finance of Moldova to identify possible areas for improved cooperation and priorities for reform. This is important in the context of new Accounting and Auditing laws and the role that PAOs could play in the further development of the accounting and auditing profession in Moldova.



The role of professional accounting/auditing organizations in Moldova

The role of PAOs in Moldova – the main findings from A&A ROSC

- » The updated 2013 [A&A ROSC](#) noted that there are three professional accounting/auditing associations (PAOs) in Moldova which share similar objectives but cooperate very little:
 - 1) Association of Professional Accountants and Auditors (ACAP)
 - 2) Association of Auditors and Auditing Firms of Moldova (AFAM)
 - 3) Association of Auditors and Management Consultants (EcoFin-Consult)
- » Poor cooperation tends to weaken the profession's image and its ability to articulate clear positions to the public and policy makers

The role of the profession in Moldova – the main findings from A&A ROSC

Observations

- » Fragmented profession with weakened ability to promote their positions
- » Majority of accountants do not have a professional qualification nor is a member of an association
- » Weak partnerships with the industry and commerce chambers
- » Auditors are not required to hold membership in any professional association
- » The professional associations do not perform any formal role in the qualification, licensing, regulation or public oversight of auditors

Recommendations

- » The profession need to contribute to A&A regulation
- » Both the professional associations and the Government should collaborate towards increasing the reliability of the local accountancy professional qualification initially on the local market initially and, in the longer term, internationally
- » The professional associations should be more proactive in the implementation of the accounting and auditing reforms through increased quality and improved perception of the profession by the business community



The role of PAOs in Moldova – current situation

- »After 2013 things did not change much
- »Limited public information available about quality assurance performed by PAOs in respect of their members, especially auditors
- »Only one PAO is full member of IFAC
- »Limited information on PAOs entry requirements and their quality
- »Policy makers expressed an intention to delegate some functions related to public oversight to local PAOs, following certain conditions (to be defined)



The role of PAOs in Moldova - what could be done to consolidate the role of the profession?

- » The profession could benefit from unifying its efforts and ensuring a greater level of cooperation with the Government, regulators and other stakeholders in addressing the common challenges encountered by the profession, including those facing auditors
- » As a medium to long-term priority, serious consideration should be given to the option of building one strong professional association
- » Improved education/qualification/designation that would be recognized and appreciated on the local market and internationally; the role of the profession (development of the Concept note and regional activities under STAREP/EduCoP)