

CAPACITY BUILDING OF THE ALBANIAN JUDICIARY FOR CASES INVOLVING FINANCIAL REPORTING AND AUDITING

OVERVIEW

A World Bank governance project in Albania provided technical assistance to improve magistrates' knowledge of financial reporting and auditing. This marks a key step forward in enhancing the justice sector through capacity building of key stakeholders, particularly in the areas of financial reporting and auditing. The initiative under the [Strengthening the Quality of Auditing and Reporting Project \(SQARP\)](#) provided tailored training, practical tools, and accessible e-learning resources which significantly enhanced the capacity of key justice sector stakeholders to manage cases related to corporate financial reporting. The activities, implemented by the [Albanian School of Magistrates \(ASoM\)](#), were unique in Albania and in the Western Balkans region as it deepened magistrates' understanding of accounting and corporate financial reporting principles and how it can be applied to the law. With this knowledge, Albania is on the road to strengthening both the judicial and financial reporting sector thereby contributing to the overall economic development of the country.

BENEFICIARY

“The School of Magistrates expresses its gratitude to the SQARP project for its contribution to strengthening the financial competencies of Albanian magistrates. This initiative marks an important step towards aligning the judiciary with international standards and ensuring the continuous development of judicial capacities. The School of Magistrates remains committed to continuing the development of these capacities for a more efficient and informed justice system.”



SHKOLLA E MAGJISTRATURËS
E REPUBLIKËS SË SHQIPËRIË

APPROACH

The SQARP funded activity was implemented by the Albanian School of Magistrates with support from two consulting firms, the Chartered Institute of Public Finance and Accountancy (CIPFA) and UHY Elite. The World Bank provided advisory and supervisory support in the development of the training and worked in partnership with the ASoM in designing of the approach, which began with a training needs analysis to identify specific gaps and needs of magistrates in the areas of financial reporting and auditing.

Following this, a comprehensive learning framework and tailored curricula were developed to address these identified needs. Selected participants were trained, after which they conducted sessions to equip magistrates with the necessary skills.

Training was delivered across the country. The training took place in Tirana, in Vlore for the Southern judicial districts, in Shkodra for the Northern judicial districts, and in Pogradec for the Eastern judicial districts and was piloted with approximately 10 percent of magistrates. During the training, magistrates actively participated by presenting real judicial case questions related to the training topics. Trainers provided immediate technical and conceptual guidance, which enhanced the magistrates' understanding and helped them by:



Identifying relevant **topics** for further **investigation**



Formulating **precise** questions for **court-assisting experts**.

This active engagement indicates that the training addressed practical judicial needs and equipped magistrates with tools for immediate conceptual application, even if these scenarios are not yet observable in their professional practice. Finally, a technical guide was prepared, and four self-learning modules were created for remote learning via the School of Magistrates' [e-learning platform](#), providing ongoing support and learning opportunities in financial reporting and auditing.

“The training was very valuable for improving the skills of magistrates in the field of accounting, considering the developments our country is undergoing in terms of strengthening the rule of law and European integration.”

Magistrates' Feedback

CHALLENGE

The intersection between law and finance is becoming increasingly complex and intertwined. Legal professionals everywhere face an evolving landscape that demands a deeper understanding of accounting and financial reporting principles. For Albania, the business sector has experienced rapid expansion, drawing significant foreign direct investment. However, this economic growth has been accompanied by a rise in financial disputes, fraud, tax evasion, and compliance issues, which have become increasingly frequent and complex. Historically, judges and prosecutors have lacked specialized training in finance, leading to challenges in interpreting evidence, an over-reliance on experts, and potential delays in case resolution. Enhancing the financial literacy of the judiciary is essential to improving the efficiency and accuracy in handling these financially intricate cases. In the past, key challenges have included:

FINANCIAL LITERACY GAP



Albanian magistrates faced a significant gap in financial literacy, impacting the quality of judicial decisions in financial cases.

COMPLEX FINANCIAL CASES



Judges and prosecutors often struggled with the complexity of financial cases due to insufficient knowledge and skills.

UNSUSTAINABLE EDUCATION MODEL



A sustainable model was needed to integrate financial education into the judicial framework.

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IMPACT

GAP ANALYSIS



Magistrates expressed concerns about the lack of knowledge to understand accounting and financial reporting

LEARNING FRAMEWORK



Development of a Learning Framework on Accounting and Financial Reporting tailored to magistrates needs

TRAINERS TRAINED



Training of Trainers: **12 trainers** trained with methodology on how to teach accounting for magistrates

TRAINING OF MAGISTRATES



80 magistrates attended a five-day training on accounting and financial reporting in various cities across the country

HANDY GUIDE



1000 printed copies of the technical guide

E-LEARNING



4 self-learning modules with text, presentations, questions and answers prepared for remote learning

LESSONS LEARNED



- **Participant-Centered Learning:** Incorporating real-world cases and practical exercises led to greater participant satisfaction and better retention of knowledge.
- **Importance of Local Context:** Tailoring training materials to Albania's context, with reference to local regulations and common case types, made the sessions more relevant and directly applicable.
- **Simplification of Content:** Breaking down complex financial topics into digestible modules, supported by real-life examples, boosted understanding.
- **Flexibility in Delivery:** Adjusting training schedules and methods was key to engaging magistrates with busy workloads.

SUSTAINABILITY



The School of Magistrates has integrated and will expand the training program into their continuing professional development (CPD) programs to include the following:

- More mock trials, case studies, and interactive exercises to reinforce theoretical knowledge with practical skills.
- Regularly refresh the e-learning modules to incorporate updates in financial standards and relevant case studies.
- Collaborate with finance institutions and professional bodies to bring new expertise and resources into the judiciary's financial training programs.

Trained instructors will be contracted by the School of Magistrates. All of this ensures long term sustainability of the program. There is interest from other ECA countries to learn from Albania's experience and introduce similar training for judges and prosecutors.

LONG TERM IMPACT




Beneficiaries expressed an immediate positive impact in knowledge gained. The ASoM will assess the impact over the longer term through potential indicators of success, such as, case resolution time, the number of consultations with professional accounting experts, consistency of decisions in financially related matters, and reduction in the cases of appeals.

ABOUT THE PROJECT

The Strengthening Quality of Auditing and Reporting Project (SQARP) is funded by the Swiss State Secretariat for Economic Affairs (SECO) through the Albania Corporate Financial Reporting Phase III Single Donor Trust Fund. The SQARP's objective is to strengthen the relevant stakeholder's capacity to improve, apply, and enforce corporate financial reporting in line with good international standards and practices in Albania. Developed based on a programmatic approach to improve the enforcement of corporate financial reporting in Albania, SQARP provides the necessary underpinning for continued reform in this area. It builds on and reinforces previous reform work, supporting the implementation of improved laws and bylaws and other priority reforms reflected in the revised 2020 Country Action Plan. It follows two previous Projects: Corporate Financial Reporting Enhancement Project (CFREP, phase I) and Enhancing the Quality of Financial Reporting Project (EQFINREP, phase II), both funded by SECO. The SQARP is implemented by the Government of Albania, under a Recipient-Executed grant agreement, and by the World Bank's [Centre for Financial Reporting Reform \(CFRR\)](#), based in Vienna, Austria, under a Bank-Executed grant.



SQARP

 Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
Confederaziun svizra

Swiss Confederation

Federal Department of Economic Affairs,
Education and Research EAER
State Secretariat for Economic Affairs SECO

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