# Progress and Highlights Corporate Financial Reporting Reform in the Western Balkans

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CFRR Program Partners Meeting









# Overview Ongoing Projects in the W.B.



Road to Europe: Program of Accounting Reform and Institutional Strengthening

2015-2018



**EU-REPARIS** is funded by the European Union and is a part of **WB EDIF**.

# **Serbia - Technical Assistance to Reform Corporate Financial Reporting (STAR-CFR)**

Development partner: SECO

2016-2019

# Albania-Enhancing Quality of Financial Reporting (EQ-FINREP)

Development partner: SECO

2015-2017

#### **Kosovo Public Oversight & Quality Assurance**

Development partner: FIRST Initiative

2017-2018

## **Montenegro - Capacity Building for Effective Audit Oversight**

Funded by the World Bank 2013-2016

# **Overview EU-REPARIS**



# **Objective**

Support the implementation of CFR frameworks in line with the EU acquis with a view to promoting enhanced availability, transparency and reliability of financial information.

## **6 Countries**

Albania BiH Kosovo FYR Macedonia Montenegro Serbia

# **4 Components**

- » Corporate Financial Reporting Reform (including In-country engagement)
- » Education and Capacity Development (including ToT)
- » Access to Finance and Financial Sector (including Pilot Project)
- » Regional Cooperation and Knowledge Sharing

# **3 Years Duration** Mid 2015 - 2018

**Budget:** EUR 3.6 Million



# EU-REPARIS - Main Highlights 2016



## **Ministerial Conference Week**

Ministerial Conference Sr. Officials Workshop PAO Forum

## **Education and Capacity Development**

Regional publication on profiling/benchmarking Audit Training of Trainers stream IFRS for SMEs

# **Financial Reporting Community of Practice**

Financial Reporting for SMEs – catalyst for Bank lending
Transposition tables

#### **Financial Sector**

Tool – Relationship between Supervisors and Auditors Access to finance pilot project

# **Country level implementation:**

- Technical assistance
- Complementary country level projects



# **EU-REPARIS - Highlight Results To-Date**



# **Supporting the Region**

- Publications and Research
- Awareness, understanding and capacity to direct reforms
- Collaboration
- EU integration and alignment

## **Establishing Appropriate Regulatory Framework**

- Regulatory Simplification
- International Standards including IFRS for SMEs
- Public Oversight

# **Building appropriate Education**

University and Professional Bodies

# **Strengthening the Profession** and its Services

- IFAC Membership
- Training capacity: ToT
- Supporting SMEs

Mobilization for country-level projects



# **Country Projects**



# Targeted technical assistance programs: Kosovo and Montenegro



Focus Area: Public Oversight & Quality Assurance

**Development Partner:** FIRST Initiative

**Budget:** US\$ 250.000

Implementation Period: June 2017 (launch) –

December 2018

**Objective:** Equip Kosovo Financial Reporting Council (KFRC) with key structural elements and tools that enable a sustainable Public Oversight and Quality Assurance System over the statutory audit function Focus Areas: Public Oversight & Quality

Assurance / PAO Development

Funded by the World Bank

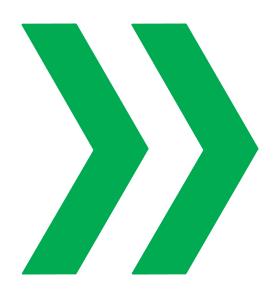
**Budget:** US\$ 500.000

Completed August 2016 (3 year program)

#### **Key Results:**

- Compliance with the most recent EU legislation on accounting and auditing (New Law on Accounting passed July 2016 and new Law on Auditing passed December 2016);
- Professional Body applied for full IFAC membership (December 2016);
- Introducing requirement for Quality Assurance over external auditors (December 2016)

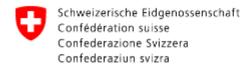
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# Serbia Technical Assistance to Reform Corporate Financial Reporting (STAR-CFR)

Alfred Borgonovo, Sr. Financial Management Specialist, CFRR





Focus Area: Corporate Financial

Reporting

**Development Partner: SECO** 

**Budget:** EUR 3,400,000

Implementation Period: June 2016

(launch) - December 2019

## Objective:

An an enhanced investment climate by facilitating quality financial reporting in line with the EU *acquis communautaire* and good international practices.

## Recipient-executed components:

- "Mass trainings"
- Legislation changes
- Translation of Standards

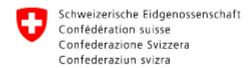
## Bank-executed components:

- Monitoring and enforcement: Technical assistance to regulators
- Education: Assist Universities and Professional Bodies in updating their programs
- SOEs: Implementation of a financial performance monitoring tool



# Albania-Enhancing Quality of Financial Reporting (EQ-FINREP)

Andrei Busuioc, Sr. Financial Management Specialist, CFRR



Focus Area: Enhancing quality of

institutions

**Development Partner: SECO** 

Funding: EUR 2.2 mln

**Implementation Period:** October 2016 –

December 2019

**Objective:** To improve the capacity of institutions to teach, support, regulate, enforce and disseminate high-quality corporate financial reporting in line with the EU *acquis* and good practices.

### Components:

1: Accountancy education

2: Monitoring and enforcement of financial reporting and auditing

3: Filing and publication of statutory financial statements

4: Project management, coordination, evaluation and public awareness

#### Key expected results:

- 1. Improved curricula and training
- 2. Establish public oversight and improve enforcement in financial sector
- 3. Improved public availability of financial statements
- 4. Reform capacity and next phase of reforms