

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

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CFRR Program Partners Meeting

CFRR 

**Centre for Financial
Reporting Reform**



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

3 Years Duration

Mid 2015 - 2018

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

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

Strengthening the Profession and its Services

- IFAC Membership
- Training capacity: ToT
- Supporting SMEs

Establishing Appropriate Regulatory Framework

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

Building appropriate Education

- University and Professional Bodies

Mobilization for country-level projects



Country Projects

Targeted technical assistance programs: Kosovo and Montenegro



STRENGTHENING
FINANCIAL
SECTORS

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)



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

Albania: EQ - FINREP

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