



Accountancy Profession Strategic Forum

Serdica Ballroom, Sheraton Sofia Hotel Balkan, Sofia

16 – 17 April 2013



Accountancy Profession Strategic Forum

Welcome and introduction

Boyko Kostov, President, ICPAB

Martin Manuzi, APSF Chairman



The degree of external change is such that professional bodies will struggle to maintain relevance unless they engage in proactive, medium-term strategy development encompassing internal organisation, member base, products and relationships with other market actors and public authorities.

Tuesday, 16 April

New services and broader engagement across economy

Governance, funding, communication and implementation

International cooperation to pool resources

Investing to retain confidence of regulators

Attracting high quality entrants to profession

Wednesday, 17 April

Common goals: working with regulators and the World Bank

EU reform agenda: engaging proactively

Conclusions for future strategies



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Welcome and introduction

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Leadership views: enhancing relevance in national economies and institutions





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Leadership Views: Enhancing Relevance in National Economies and Institutions



Leadership Views

STAY CLOSE TO
REGULATORS:
Government
Bank/Insurance
Stock Exchange

STRONG EDUCATION:
CPD
Universities
Technical Expertise

MEMBERSHIP ASSISTANCE:
Quality Control
Problem Resolution
Technical and Legal
Assistance

PROFESSIONAL
BODY

ADDRESS USERS NEEDS:
Confidence
Assurance
Credibility

INTERNATIONAL
MEMBERSHIP:
IFAC/FEE
Best Practices
Trends/Benchmarking



Leadership Views

No Professional Body?

- What Education?
- Who represents the Profession?
- Recruitment?
- Each Auditor for himself?
- Audit Market and Audit Fees?

Indispensable Role:

- Membership Agregator
- Education
- Harmonization
- Being one step ahead
- Helping to solve problems
- Lobbying



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Leadership views: enhancing relevance in national economies and institutions





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New services to meet market and broader economic needs

- ◆ Representative and Voice of Mid-Tier in Eu
- ◆ Regulatory information and discussion forum
- ◆ Listed Company Audit Market Focus Group
- ◆ SME Market Focus Group
- ◆ Meetings with MEPs, Commission, other European organisations
- ◆ Contacts with FEE and national accountancy institutes
- ◆ Country initiatives
- ◆ Six-monthly full meetings

Who does EGIAN represent?

- ◆ 24 Members
- ◆ Mid-Tier Networks and Associations
- ◆ Additional potential members

	Europe	Global
◆ Combined turnover	€10+ bn	€30+ bn
◆ Combined staff	115,000	330,000

- ◆ Global regulatory focus and rapid change
- ◆ European Reforms – Regulation or Directive
- ◆ More Listed company audit work
- ◆ Audit Exemptions – rising thresholds
- ◆ Voluntary Audit & Assurance
- ◆ Dynamic support for Entrepreneurs
- ◆ Public Sector Accounting
- ◆ Ongoing Globalisation of Business

- ◆ Benefit to society
- ◆ Drivers of demand for Assurance
- ◆ Types of Assurance Services
- ◆ Opportunity for your organisations

- ◆ Lenders
- ◆ Other third parties
- ◆ Sustainability and CSR
- ◆ Governance
- ◆ Risk

- ◆ Access to finance
- ◆ International
- ◆ Growth Consultancy
- ◆ Outsourcing
- ◆ Compliance
- ◆ Tax
- ◆ Family Office
- ◆ Investment advice

- ◆ Representing the whole market
- ◆ Helping to provide a Mid-Tier voice
- ◆ Focus strongly on public interest
- ◆ Rebuild trust and standing in the profession
- ◆ Thought leadership
- ◆ International in your thinking
- ◆ Professional educators
- ◆ Clear, concise and efficient regulation



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New services to meet market and broader economic needs

New opportunities for training (tax)

- Greece in a fiscal tight spot
- Need for assistance in tax compliance from the private sector
- The profession's experience in training essential since government unable to help
- Wide Range of seminars
- Thoughts for a specialized post – qualification course

Public Sector Accounting

- Lack of effective reporting major reason why difficult to reign on public sector expenditure
- Most Government owned utilities have adopted IFRS but central government uses cash based accounting
- Commitment to adopt accrual based accounting
- SOEL members experienced in the audit of government entities
- Ready to assist in the use of IPSAS or some form of EPSAS



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New services to meet market and broader economic needs

NEW SERVICES - RECOGNITION AND DEVELOPMENT POLISH PERSPECTIVE AND EXPERIENCE

Krzysztof Burnos,

Member of National Council of Statutory Auditors

Chairman SME/SMP Assurance Services Development Committee

Who are we?

- ✓ Organisation created by regulator
- ✓ Profession dedicated to regulated assurance services (audits, valuation)
- ✓ Power limited to assurance services
- ✓ Statutory auditors (audit and other industries)
- ✓ Wide range services provided:
 - audit
 - business consulting
 - taxation
 - bookkeeping
 - due dilligence
 - others

Who is a recogniser and a developer?

- ✓ Audit firm recognises
 - understands clients needs
 - direct contact
 - services direct provider

- ✓ Professional body develops
 - promotor of new services and standards
 - standard setter
 - control over high quality application of standards

What is a case of Poland?

- ✓ SMEs call for less legal burdens
- ✓ SMPs call for lower audit thresholds
- ✓ KIBR incorporated IAASB standards (as of July, 2014)
 - Audit (ISAs)
 - Review (ISRE2400, ISRE2410)
 - ISQC1
 - Other assurance (ISAE3000, ISAE3400)

- ✓ Next step:
 - promote the relevance of review (ISRE2400) for audit-excluded SMPs - higher quality of accounting at lower cost
 - promote ISRS 4410 on compilation engagement

THANK YOU

Krzysztof Burnos,
Member of National Council of Statutory Auditors
Chairman SME/SMP Assurance Services Development Committee



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New services to meet market and broader economic needs

Future of Audit

- Single Accounting Directive and Audit Policy proposals
- IAASB work on audit reporting
- What is wrong with the audit?
- Statutory audit still essential for the effective operation of the global economy.
- Auditor's reporting cannot be seen in a vacuum, there is a link to financial reporting.
- Extend the value of audit into other assurance services
 - Scope of assurance engagements includes reasonable assurance engagements (audit) and limited assurance engagements (review)
- Replace with other form of assurance? (SME perspective)

Focus on core areas or continue to diversify?

The market we knew is gone for good. We now have to consider:

- What are we for?
 - Are we a profession that values its professionalism?
 - Or, are we portraying ourselves as being “everything to everyone” ?
- How can we leverage core competences?
 - How can we rebuild trust?
 - How can we recapture a role at the heart of good governance and transparency?

Diversification Vs Consolidation

- Traditional turf
 - Auditing, assurance and financial reporting domains
 - Compliance side / Advice on the financial capacity of business
- Large market for services based on ethics, independence and judgement
- What could accountants claim?
 - Corporate governance
 - Risk and compliance
 - Corporate finance
 - Internal audit
 - Tax and tax planning
 - Financial management
 - Forensic accounting
 - Fraud examiner



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New services to meet market and broader economic needs

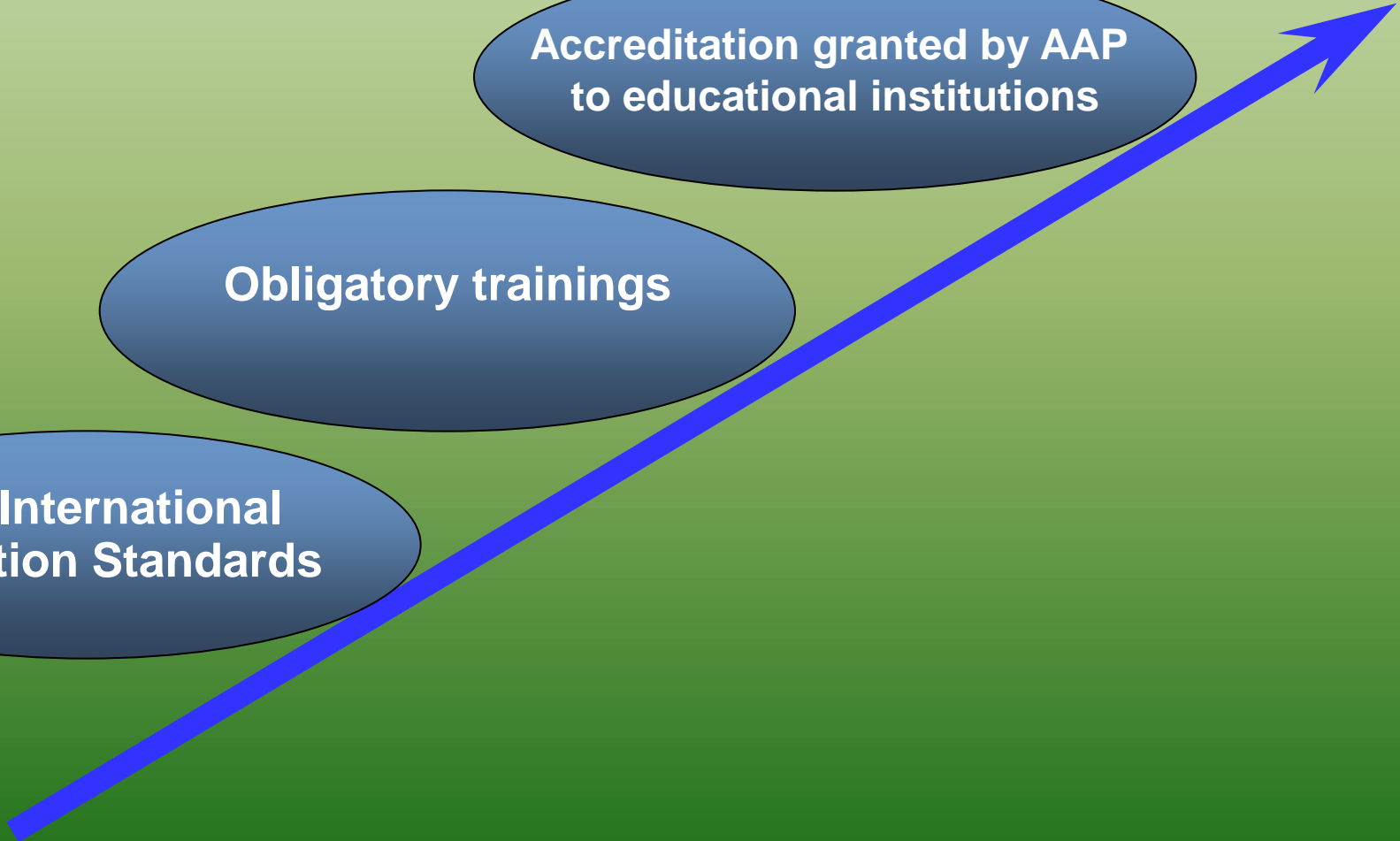


Continuous development

Accreditation granted by AAP
to educational institutions

Obligatory trainings

IFAC International
Education Standards





CPD – Continuous Professional Development

- ❑ Based on IFAC's International Education Standards (IES)
- ❑ **Obligatory trainings reflecting the evolving market needs:** e.g. Public Sector accounting; financial reporting and analysis; measurement and presentation in financial statements (assets; property, plant and equipment; financial instruments etc.); new forms of business activity; anti-money laundering; risk management; ethical dilemmas
- ❑ Courses organised by the Accountants Association in Poland and accredited educational institutions
- ❑ Compliance with CPD requirement is ensured by Presidiums of AAP Regional Offices



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New services to meet market and broader economic needs



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Coffee and networking





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Strategy: governance, funding, communication and implementation



International
Federation
of Accountants

Governance, Funding and Communications to Drive Strategy Implementation

Sylvia WY Tsen
Director, Quality and Member Relations

Accountancy Profession
Strategic Forum
Sofia, Bulgaria: 16-17 April 2013

Strategic Plan Implementation

Governance

- Strategic leadership
- What the organization wants to achieve
- How will it get there
- How long will it take

Advocacy and
Communication

CEO and Technical Resources

- CEO and executive staff
- Volunteer (Committees)
- Technical staff
- Infrastructure and other operational resources

Advocacy and
Communication

Funding

- A decisive strategy to fund the organization or special initiatives
- Sustainability
- Not conflicting with public interest

Branding and
Communication

Strategic Initiatives to Advance the Profession

Expand community beyond current membership

- Expand PAO as a centre of excellence for other contributors to financial reporting and assurance
 - Accountants in government (collaboration with Accountants General office)
 - Accounting technicians
 - Other?
- Offer IFRS and other courses to businesses, banks, chambers of commerce
- Mergers: Australia / NZ, Canada, Denmark, Netherlands, Sweden, others

Strategic Initiatives to Advance the Profession

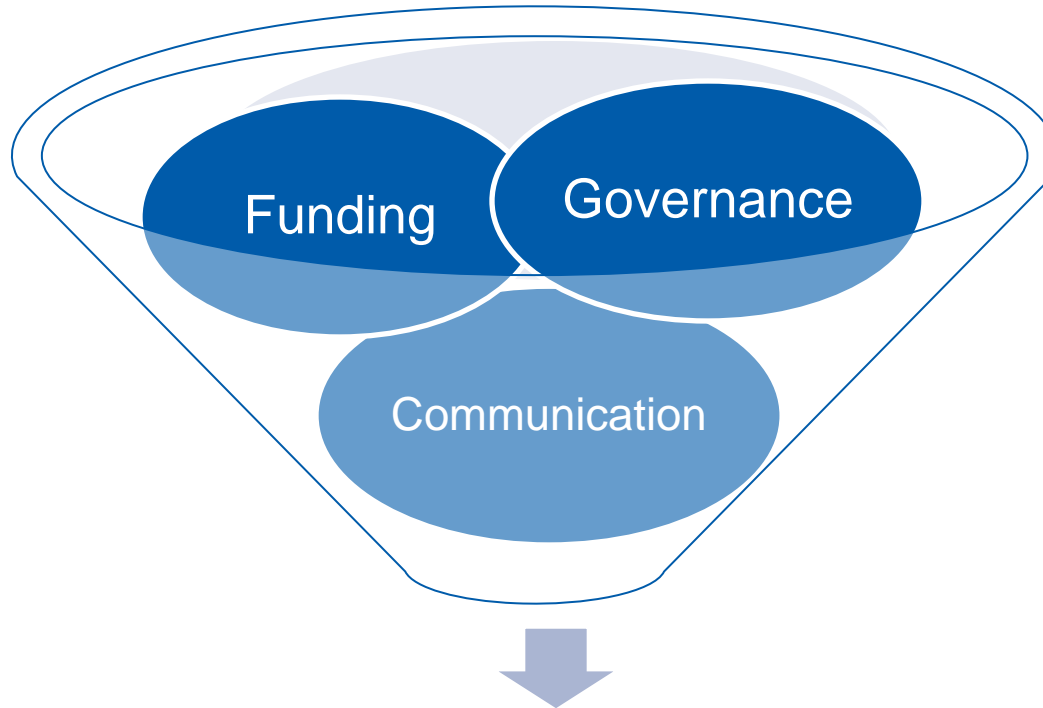
Auditors and Public Practitioners

- Subscriptions to non-members of the public (non-AICPA members)
- Voluntary quality assurance review
- Practice management centres of excellence
- SMP Committee - Equip IFAC members to support value of and role of their SMPs
 - Example resources: Dealing with pressure to lower fees, ISQC 1 for SMPs, sustainability issues

Strategic Initiatives to Advance the Profession

- Singapore “Accountancy Hub” for the region by 2020
 - *“Singapore will be a respected voice for the Asia region on international accounting and auditing standards and practice. The professional development environment will be vibrant with a diversity of talent, skills and accountancy bodies. “*
- Australia – 3 PAOs speaking as one voice (reporting to Parliament, responses to consultations)
 - “Not the Parliament’s job to sort out the profession’s views”
 - Support independent ethics standards board
- InterAmerican Accounting Association (South and Central America):
 - Create an IFRS for SME accreditation / certificate

Delivering on Strategy



Delivering Strategic Results



www.ifac.org



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Strategy: governance, funding, communication and implementation

STRATEGY

„GOVERNANCE AND STRATEGY DEVELOPMENT”

- **professional qualification/CPD**: regulatory duties relating to the organization and supervision of training, determine the framework, lay down the training program, requirements for examinations, conduct examinations
- **quality assurance**: setting up and operation of the related system
- **disciplinary** cases
- cooperate with the government **agencies and authorities**, take part in the work of the trade organizations
- methodological **assistance** and **consulting** to registered statutory auditors and audit firms
- rules of professional **ethics**
- operate the **Arbitration Board** and the Legal Aid Center
- gather **information** regarding measures affecting the interests of auditors, changes in the regulations, professional opinions and developments, and regularly make available its findings.



STRATEGY

„ACHIEVE WIDER RELEVANCE”

- Create balance between SMPs and big firms
- make advantage of differences and harmonize the activities of authorities and audit institutions
- develop service activities to members
- provide up to date information of market situation
- development in methodology
- other related services: consultation and guidance in tax, accounting issues, property/asset valuation
- decrease costs and increase in funding





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Strategy: governance, funding, communication and implementation

STRATEGY - GOVERNANCE AND FUNDING KIBR PERSPECTIVE

Krzysztof Burnos,

Member of National Council of Statutory Auditors

Chairman SME/SMP Assurance Services Development Committee

Limitation of activity

- ✓ Organisation created by regulator
- ✓ Legal task-focused structure:
 - registers of auditors
 - standards provider
 - compulsory CPD programming
 - quality control over audit firms
 - disciplinary proceedings
 - **what about the response to members needs?**
- ✓ Volunteers' works based organisation

Expected activity

- ✓ Do more than just legal tasks
 - provide tools for audit firms (SMPs)
 - ~ IT software for ISAs
 - ~ audit documentation sample
 - develop the market
 - ~ ISRE 2400 promotion
- ✓ Modernise the training models
 - more workshops
 - e-learning implementation
- ✓ Find financing other than membership fee
 - educate future auditors
- ✓ Place auditors in SMEs sector (as high as law profession)

- ✓ Membership fee
 - administration
 - tools for SMPs
 - ~ IT software for ISAs
 - ~ audit documentation sample
 - create the market
 - ~ ISRE 2400 promotion
 - investment in new training models (workshops, e-learning)
- ✓ FRTAP served by World Bank
- ✓ Oversight fee
 - Quality control activity
 - Investment in quality control tools

THANK YOU

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Member of National Council of Statutory Auditors
Chairman SME/SMP Assurance Services Development Committee



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Strategy: governance, funding, communication and implementation



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Lunch





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Regulatory roles and relationships with oversight authorities



Regulatory roles & relationship with oversight authorities

Chamber of Auditors of the Czech Republic (CACR)

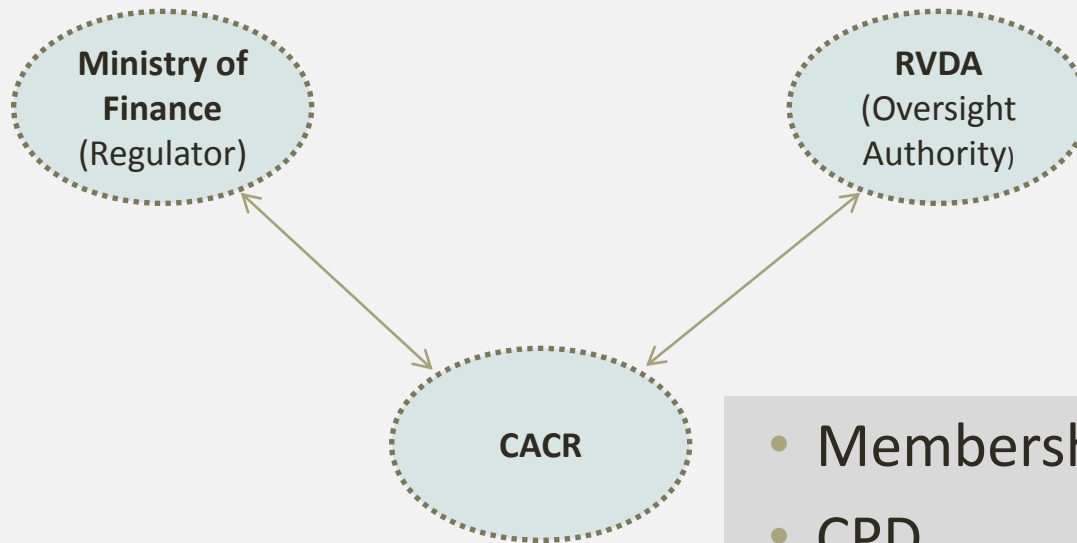
Sofia

April 16 – 17, 2013

Czech Audit Profession

- Czech Chamber of Auditors established by law in 1993
 - Active member of IFAC and FEE
- New Act on Auditors in 2009: European Directive on Statutory Audit approved & implemented
 - Self-regulatory status still in place, however Public Oversight established in 2009
- Nowadays: 1350 auditors registered (1300 active licenses)
 - Approx. 45% => sole practitioners
 - Approx. 55% => employed by 340 audit firms
- Only one Chamber of Auditors in Czech Republic

Czech Audit Profession



- Membership + Exams
- CPD
- Technical support to members
- Quality control

About the Chamber

Structure:

- General Assembly: consisting of all practitioners and votes
 - Executive Committee: chaired by President
 - Supervisory Committee: key role in Quality control
 - Disciplinary Committee: sanctions
- Office: 20 FTE of which 10 quality inspectors

CACR: Supervisory Committee

- Responsible for audit quality supervision
- Its 11 members elected by Assembly of auditors
- Audit quality control department (approx. 10 staff) reports to Supervisory Committee
- Activities are governed by Supervisory Rules
- Semi-annual report on audit quality control sent to Czech Public Oversight Board (POB) and Executive Committee

CACR: Supervisory Committee – cont.

- *Cyclical approach*: Currently in place, audit quality inspection to be performed at least once in 6 years (Public Interest Entities once in 3 years) in accordance with:
 - ISA, incl. ISQC 1
 - Code of Ethics
- *Risk Assessment approach*: To mix cycles & risk based testing, big topic in Czech
- Inspection team consists of AQC inspector (team leader) and Supervisory Committee member => peer review approach to be minimized, big topic in Czech

CACR: Disciplinary Committee

- 7 members, all of them auditors
- Independent position in exercising of powers, especially in relation to Executive and Supervisory Chamber bodies
- Conducts disciplinary proceedings in accordance with Czech law and Chamber's disciplinary code
 - 90% of signals of incidents comes from Supervisory Committee (& Czech National Bank)

RVDA (POB)

RVDA (Czech Public Oversight Board):

- Since 2009
- Supervising and appealing role namely
- Presidium (6 members) in charge with 2/4/6 years of mandate => Partial rotation every 2 years
- Only 1 auditor in Presidium
- Nominations made by Ministry of Finance (in agreement with Czech National Bank)
- Nominations proposed by various institutions (MF, CNB, Chamber of Trade, Industry Chamber, Academicians, CACR)

RVDA (POB) – cont.

- Supervising role closely linked to quality assurance inspection programme
- Inspections performed namely by inspectors employed by Chamber plus auditors elected into Supervisory Committee, no inspections performed by POB only, POB can join any inspection or initiate new one
- Number of overall inspections growing:

Year	No. of Inspections
Prior to 2009	less than 100 p.a.
2009	148
2010	191
2011	248
2012	258

RVDA (POB) Roles

- Whole process supervised by POB Quality Control Committee
- CACR required to submit performance report semi-annually
- Historically: Not all auditors inspected
 - Every statutory auditor must be inspected by June 2013 (current cyclical approach)
- Inspection rating implies potential disciplinary treatment
 - Size of penalties is topic
 - Penalties of 2012: Over CZK 2,6 mil collected (EUR 104 K)

RVDA (POB) Roles – cont.

Cyclical inspection approach of 6 and 3 years:

- C,D rating result (scale of A to D): Inspection in period of 2 years to be repeated
- Quality of work in centre of inspections
- Special focus on auditors of PIE
- Public Interest Entity: All publicly traded entities, all financial institutions, big companies with employees over 4000, etc. => definition of PIE a big topic in Czech

Conclusions

- No interference by regulator, once law approved
- Public oversight in place, no state oversight
- Quality control: role of non-practitioners (quality inspectors) essential => replacements of peer review
- PIE definition is an issue: role of capital markets in CEE
- Public oversight: supervising and appealing role namely
- Both CACR and POB publish annual quality control reports

Thank you.

Questions?



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Regulatory roles and relationships with oversight authorities



Regulatory roles and relationships with Oversight Bodies

Paul Simkins, Director, Quality Assurance, ICAEW

Outline

SWOT analysis

Strategy

- In
- Out
- Up
- Down
- Together



SWOT analysis (1)



Successes

- More bodies in more countries
- Sharing good & best practice

Weaknesses

- Complacency
- Not addressing criticism
- Slow to handle complaints

SWOT analysis (2)



Opportunities (frustrations!?)

- Build relationships with other regulators and enhance data sharing
- Join forces, share resources (don't duplicate effort)
- Encourage feedback
- Prove we can do the job, earn respect, open our doors, accept the deal!

SWOT analysis (3)



Threats

- 'European initiatives'
- Hostile overseers!
- The need to demonstrate we are effective and tough

IN – Internal challenges and cultural change

- **Can't do to 'can do'**

Liberate thinking, encourage innovation & PILOT!

- **Lead by example**

IQAR linked to performance review, FBQs, ISQC1 for us too

- **Right First Time, every time**

Aim for 100% - robust Quality Control

- **Soft skills**

Negotiating/convincing, language (not old-school)

- **Focus on key issues and on results**

Audit quality v minor breaches; long-term & sustainable fixes

- **Investment in infrastructure (S5)**

OUT – Monitoring- transparency and reporting

- **Balance**

useful, helpful, guidance v disclosing our inner workings

- **Mystery**

don't disclose too much - **encourage full compliance**

- **Keep them guessing!**

short notice of file selection better

- **Share findings**

with the profession and the best ways to avoid problem areas

UP – Oversight authorities: building good relationships and overcoming challenges

- **Schmooze or Challenge?**

Choose our battles (from a position of strength/knowledge)

- **Cross fertilise**

Share ideas/methods/initiatives and engage in discussions

- **Bow to the inevitable (with grace!)**

No point warring with those with power to change the rules..

- **Demonstrate** initiative, agility and skill

Prove we deserve our role in regulation (firm and fair)

- **Innovate**

Look at our other work, other bodies - have a go!

DOWN (1) - Practitioners: managing perceptions, securing positive engagement

- **Promote value** of dynamic & effective regulation
Benefit to the standing of our profession & confidence in business
- **Trust is essential**
Encourage our firms to self-check & self-declare
- **Fairness**
Reward transparency/honesty with a proportionate response
- **Credibility**
Demonstrate our focus on important issues not trivia
- **Help & support**
Establish reputation – our aim to prevent errors, slip-ups, breaches

DOWN (2) - Practitioners: managing perceptions, securing positive engagement

- **Communicate**

Share our visit findings, provide warnings & detailed guidance

- **Coordinate**

With training, monitoring & software providers

- **Maintain relevance: innovation, interaction (S1)**

Listen to our members, respond to new regulation

- **New services (S2)**

Public sector, AML, other accountancy bodies?

- **Investment in Tech-support (S7)**

Guidance, templates/checklists, roadshows, alerts, web-services

TOGETHER – Cross-border: sharing expertise and pooling resources

- **Building regional regulatory teams**

 - Consider neighbouring countries

 - Recruit stronger teams with bigger budgets

- **Working internationally (S4)**

 - Meet, find common goals, innovate together

 - Help each other out when skilled resource is limited

- **International liaison/national capacity building (S8)**

 - Shared our workshops, training events

 - Arrange secondments and visit shadowing

Questions





A world leader
of the accountancy
and finance profession



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Regulatory roles and relationships with oversight authorities

Regulatory roles and relationships with oversight authorities (current model)

New law since 2010

Management Board

- carry out quality controls and disciplinary procedures
- monitoring processes (activity and trainings)
- technical support (methodology)

Oversight Board

- oversight of over quality control and disciplinary proceedings
- approving standards
- examination
- qualification

Regulatory roles and relationships with oversight authorities

- Activities of implementation of new system:
 - all practitioners (auditors) had to pass test of knowing ISA-s (main goal was to motivate study of ISA-s)
 - implementation of new quality control procedures
 - implementation of web-based reporting solution for oversight
- Oversight Board and quality control (QC) procedures are funded by government.
- QC results are public.
- QC teams are outsourced in first stage. In next stage is planned to hire professional staff.



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Regulatory roles and relationships with oversight authorities

A close-up photograph of a person's hand holding a black and silver ballpoint pen, poised to write on a white document. The background is blurred, showing a person in a blue shirt. The text is overlaid on the image in a bold, green, serif font.

REGULATORY ROLES AND RELATIONSHIPS WITH OVERSIGHT AUTHORITIES

**ANA DINCĂ, VICE-PRESIDENT
CHAMBER OF FINANCIAL AUDITORS OF ROMANIA**

Public oversight in Romania



The Directive 43/2006/EC was transposed in Romania by the Government Emergency Ordinance no. 90/2008 - the establishment of the Council of the Public Oversight of the Statutory Audit Activity (CSPAAS).

The Romanian public oversight board has the ultimate responsibility for:

- a) The approval and registration of Romanian statutory auditors and audit firms;
- b) The adoption of statutory auditors' and audit firms' ethical standards and internal quality control system;
- c) Continuous professional development;
- d) Quality assurance and quality assurance reviews;
- e) Investigation and discipline systems.

In practice, all these activities are conducted by the Chamber of Financial Auditors of Romania by means of its departments and structures, under the CSPAAS oversight.

Public oversight in Romania



23 August 2012 - Romanian Government approved the Ordinance amending the GEO 90/2008, thus the Council for the Public Oversight of the Statutory Audit Activity changed its name into the Council for the Public Interest Oversight of the Accountancy Profession (CSIPPC) - both professional bodies in Romania will be submitted to its oversight: CAFR and CECCAR.

New EC audit proposals: Professional bodies will lose their attributions, others than auditors' registration and approval.

By diminishing the role of professional bodies and taking over their tasks, the profession will suffer significant changes and professionals - auditors and audit firms will lose their benchmarks.

Irrespective of the public oversight system adopted at EU level, it is essential that professional bodies, who have contributed to the construction and consolidation of the profession, are involved in the profession, thus inculcating in their members the values and the discipline.



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Regulatory roles and relationships with oversight authorities





Hrvatska revizorska komora
Croatian Audit Chamber

Relationship between monitoring findings, technical support and disciplinary procedures

- enhanced technical support to auditors
- organised workshops
- change in disciplinary mechanism

Transparency and external reporting in the monitoring process

- develop understanding of regulatory activities performed
- potentially counter productive



Hrvatska revizorska komora
Croatian Audit Chamber

Sharing of expertise and pooling of resources across borders

- establish mechanism of sharing experience of QA reviewers
- find proper funding mechanism



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Regulatory roles and relationships with oversight authorities

Regulatory roles and relationships with oversight authorities in Slovakia

SOFIA, April 2013

Professional bodies

- ▶ **Slovak Chamber of Auditors (SKAU)**
(auditors – membership obligatory)
- ▶ **Slovak Chamber of Certificated Accountants (SKCU)**
(certified accountants – membership voluntary)
- ▶ **Slovak Chamber of Tax advisory (SKDP)**
(tax advisors – membership obligatory)

Slovak Chamber of Auditors (SKAU)

- ▶ *Auditors and audit firms – membership mandatory*

	<i>auditors</i>	<i>audit firms</i>
▶ 2000 –	770	184
▶ 2008 –	843	228
▶ 2012 –	825	237

- ▶ reduction of new admissions to the audit register
- ▶ Age structure of auditors– ranging from 50 to 65 years is 520 auditors

Scope of the activities of the Chamber of Auditors

- ▶ carry out an audit **quality assurance review**
- ▶ ensure and control the **continuing education** of auditors and assistant auditors
- ▶ make **comments on draft legislation** relating to auditors activities
- ▶ **cooperate** with the Authority regarding **oversight**

Quality assurance review

- ▶ quality assurance review through reviewers appointed by the **Chamber of Auditors**.
- ▶ An audit quality assurance review must be carried out at least:
 - **every three years** with respect to an audit of a public-interest entity;
 - **every six years** with respect to an audit of other accounting entities.
- ▶ The **system** of audit quality assurance reviews shall be subject to oversight performed by the Authority.
- ▶ Chamber of Auditors **reports** results to Authority

Constitution of Oversight

- ▶ Has taken in place in **2008** based on the Act no. 540/2007 on Auditors, Audit and Oversight of the Audit Performance
- ▶ Authority shall perform oversight through **non-practitioners and auditors**
- ▶ the number of **non-practitioners** performing oversight **must exceed the number of auditors**

Oversight Authority

- ▶ The Authority shall perform **oversight** of the following:
 - the system of audit quality assurance reviews conducted by the Chamber of Auditors;
 - Quality assurance review based on the claims
 - Quality assurance review with respect to an audit of a public interest entity

Ways to fund oversight authority

- ▶ The sources of income of the Authority consist mainly of:
 - a contribution from the **state budget** in accordance with the Act on the State Budget;
 - **annual contributions**; (PIE 0,01% from the BC)

Ways to fund professional body

- ▶ The sources of income of the Chamber of Auditors consist of :
 - **membership fees**
 - **remuneration for services** provided by the Chamber of Auditors

Strategic planning

- **Expand the scope** of the professional bodies and their members activities towards stakeholders, government (special training)
- **Enhance communication** with membership base (roundtable, FAQ-website)
- Investment in the provisions of the **technical and other services to members** (use new technology, e-learning)
- Enhance **cross-border** cooperation

Thank you for your attention

SKAU
Slovak Chamber of Auditors
Bratislava

Zdenka Kvasková



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Regulatory roles and relationships with oversight authorities



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Education and training: investing for the future



The Institute of Certified Public Accountants of Cyprus

ICPAC

Education & Training

Theo Parperis
President



Students:

- **Student/trainee accountants number more than 3.000**
- **ICPAC operates in cooperation with ACCA a “JOINT EXAMINATION SCHEME”**
- **Aptitude tests for local Tax and Law papers, are included as optional papers**



Students:

- **In order to obtain a practising certificate, the student or graduate accountant must succeed in the Aptitude tests.**
- **A large number of Audit Firms employ ICAEW trainees and ACCA trainees**
- **Student/trainee accountants have received world prizes for the performance in the examinations of ICAEW, ACCA and other international bodies**



Members:

- **ICPAC operates a CPD scheme for all members and a declaration has to be submitted annually (min 40 units per year)**
- **ICPAC offers a number of seminars to the members that cover a wide range of their professional needs. There is an Educational Committee that coordinates this function.**



Members:

- **Joint events are also held with the two large British accounting bodies for educational purposes.**
- **ICPAC organises congresses in cooperation with other organisations that specialise in this field (eg the Nicosia Economic Congress).**



Members:

Technical support is provided to members via:

- **An agreement with ICAEW**
- **Local professionals for tax and vat guidance**
- **A number of specialised committees for a wide range of matters.**



Thank you,

**Theo Parperis
President**

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Accountancy Profession Strategic Forum

Education and training: investing for the future

ACCOUNTANCY PROFESSION STRATEGIC FORUM (APSF)

MEETING

16 AND 17 APRIL

SHERATON SOFIA HOTEL BALKAN, IN SOFIA

**EDUCATION AND TRAINING:
INVESTING FOR THE FUTURE
TURKEY PERSPECTIVE**

Dr. Cemal Ibis

President of EAAT

&

Member, IFAC SMP Committee



Turkey (TR) - Snapshot

Official Name of Country	Republic of Turkey
Capital City	Ankara
Government	Parliamentary Democracy
Population	75 million
Labor Force (Population)	26.7 million
Median Age	29.7
Official Language	Turkish
Currency	Turkish Lira (TRY)
Financial Center	Istanbul
GDP	USD 772 billion
GDP Per Capita	USD 10,444
Exports Value	USD 135 billion
Imports Value	USD 241 billion
Tourism Revenue	USD 23 billion
Tourist Number	31.5 million
Foreign Direct Investment	USD 15.9 billion
Number of Companies with Foreign Capital	29,283
Inflation Rate	10.4% (CPI)
Major Exports Markets	Germany (10.3%); Iraq (6.2%); UK (6.0%); Italy (5.8%); France (5.0%)
Major Imports Sources	Russia (9.9%); Germany (9.5%); China (9.0%); USA (6.7%); Italy (5.6%)
Trade Agreements	Customs Union Agreement with the EU Free Trade Agreements with Albania, Bosnia Herzegovina, Chile, Croatia, EFTA member countries (Switzerland, Norway, Iceland and Liechtenstein), Egypt, Georgia, Israel, Jordan, Macedonia, Montenegro, Morocco, Palestine, Serbia, Syria, Tunisia



Accounting Profession in Turkey

- 90.315 CPA & SCPA
- Most of them are sole practitioners
- Dealing with SMEs but also medium-sized companies; domestic or foreign
- 4 lines of service
 - Accounting
 - Tax
 - Consultancy
 - Audit

Education & Training

- Education and Training Center (TESMER)
 - prepares training programs for
 - Profession Entrance Exam
 - Qualification Exam
 - Continuing Professional Development
 - serves in 37 training centers
 - classroom programs
 - e-learning courses

Publications-Books

- **PERIODICS**
 - economic developments, changes in legislation, tax statistics, commentary and analysis, scientific and academic studies
- **BOOKS** - 422 books published
 - Handbook of International Standards on Auditing (2008 edition)
 - Handbook of Code of Ethics for Professional Accountants (2010 edition)
 - Guide to Practice Management for Small- and Medium-Sized Practices
 - Others – related to Tax, Labor and Social Security implementations, accounting, auditing etc.

Symposiums, Forums, etc.

- Accounting Forums - TURMOB
 - every year in a different city of Turkey
 - current issues regarding accounting and auditing
- National and International Audit Symposiums – Istanbul
- Turkish Accounting Standards Symposiums – Izmir
- Tax and Accounting Practices Symposiums – Ankara
- Congress on SMEs – EAAT (TMUD)
 - current accounting and auditing issues that SMEs face

New Turkish Commercial Code Training

- Training Project for New Turkish Commercial Code
 - approximately 40,000 professionals applied
 - 85 hours training given - free of charge
 - 7 hours – highlights of commercial code
 - 14 hours – IFRS for SMEs
 - 64 hours – audit
 - 28 hours – classroom sessions
 - 36 hours – web-based learning



Thank you for your kind attention...

cemalibis@marmara.edu.tr



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Exam – part D Case study

Exam – part C

IV LEVEL
Certified Accountant

Financial statements consolidation

IFRS

Accounting for specific situations (incl. ethics)

Business and finance

Exam – part B

III LEVEL
Chief Accountant

Advanced financial accounting (incl. ethics)

Financial reporting

Cost and management accounting

Finance

Law and taxes (part II)

IT

Exam – part A

II LEVEL
Accounting Specialist

Accounting (incl. professional ethics)

Economic law, labour law, and civil law

Tax law (part I)

I LEVEL
Bookkeeper

Accounting basics (incl. professional ethics)

Examination-based only



Promotion of the offer

- ❑ **Academia**
 - Research Council members
 - Student scientific circles
- ❑ **Media**
- ❑ **Newsletter** – disseminated among course graduates, participants of conferences, AAP members



Accountancy Profession Strategic Forum

Education and training: investing for the future



Accountancy Profession Strategic Forum

Presentation on World Bank Centre for Financial Reporting Reform



The World Bank Centre for Financial Reporting Reform



CFRR: Your partner in financial reporting reform

Sofia, 16 April 2013

*Henri Fortin, Head, Centre for Financial Reporting Reform
World Bank*

» World Bank unit in the Europe and Central Asia dept. dedicated to **C**orporate **F**inancial **R**eporting **R**eform



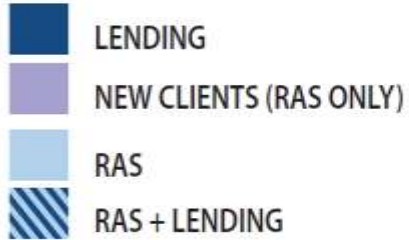
- » Set up in **2007**
- » **20** staff and consultants in Vienna plus network of experts in client countries
- » Active in **24** countries
- » **50+** regional workshops, conferences and other knowledge activities
- » **6,000** participants
- » Approx. EUR **4** mn. annual budget
- » **80%** donor-financed

Europe and Central Asia (ECA)



The World Bank in ECA

EUROPE AND CENTRAL ASIA CLIENTS



» Pillars of WB strategy in ECA

1. competitiveness
2. social inclusion
3. climate action

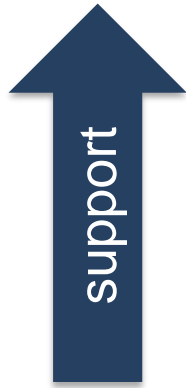
Cross-cutting themes

1. Gender
2. Governance

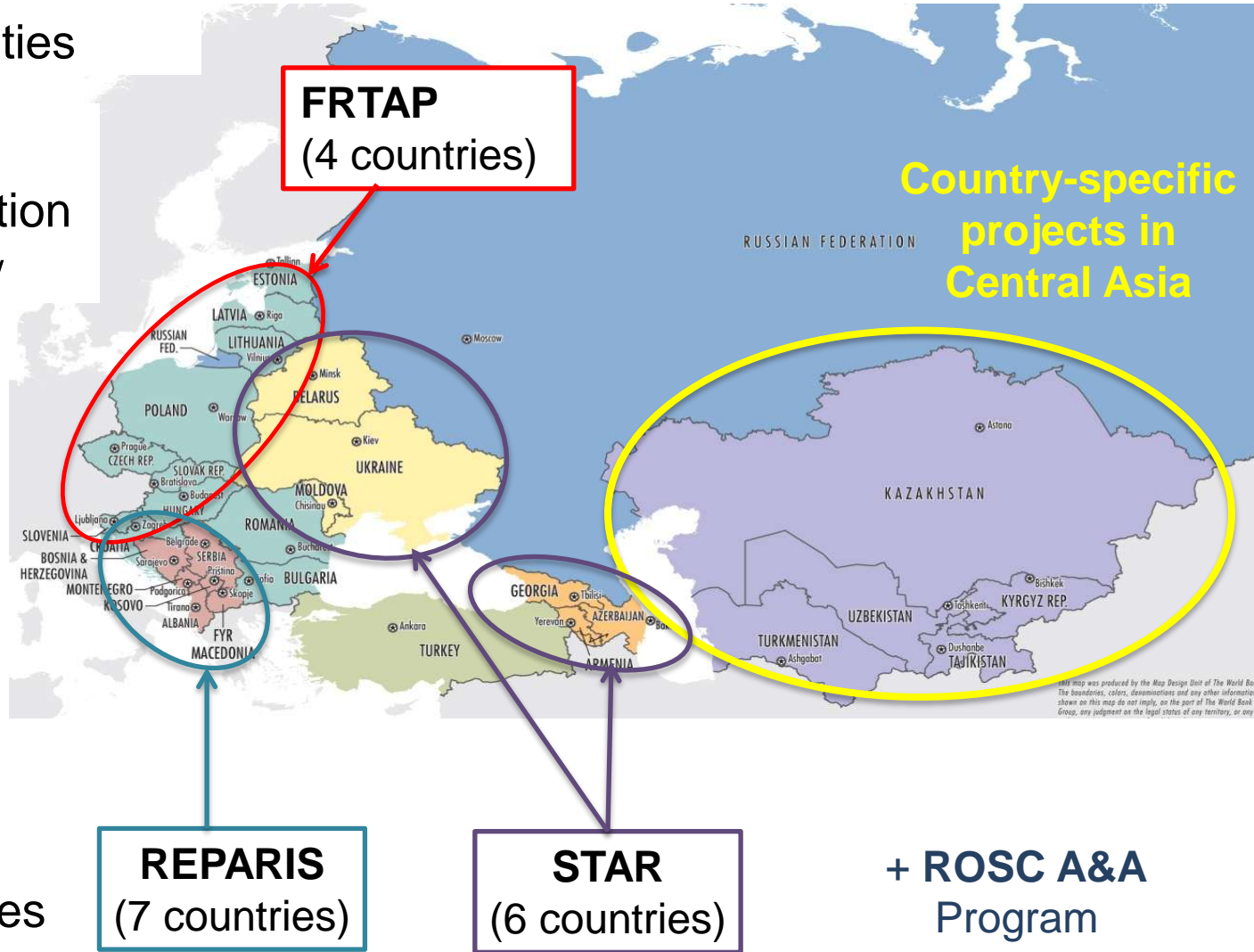
Our main programs

Countries' key priorities

- Competitiveness
- Regional integration
- EU membership/partnership



Strong, EU-aligned corp. fin. reporting systems and practices



Types of activities

Diagnostics and publications

- ROSC A&A reports
- Specialized areas (tax v. accounting, audit oversight systems, etc.)

Technical Assistance

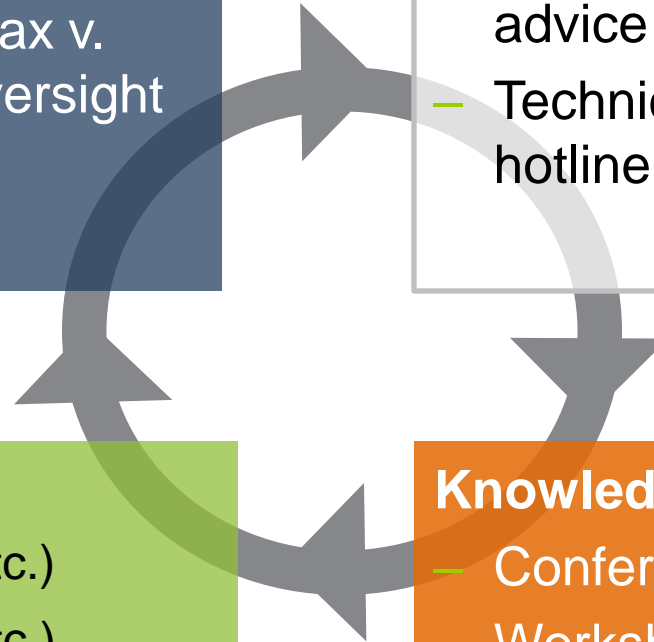
- In-country support and advice
- Technical help desk and hotline

Partnerships

- Global (IASB, IFAC, etc.)
- Regional (EC, FEE, etc.)
- In-country (Government, Professional Accountancy Organizations, Academia, etc.)

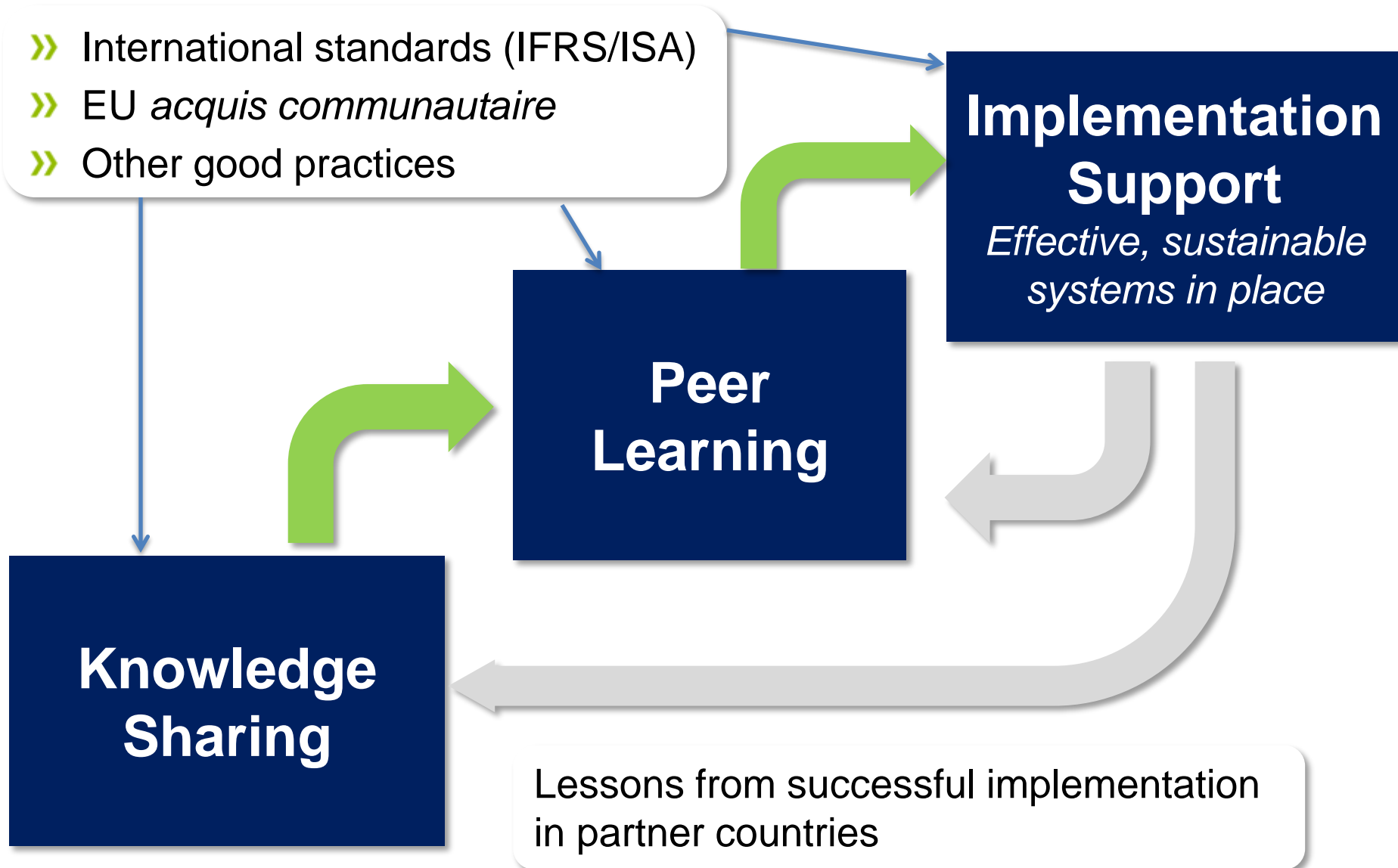
Knowledge Activities

- Conferences
- Workshops
- Virtual seminars
- Newsletter
- Website

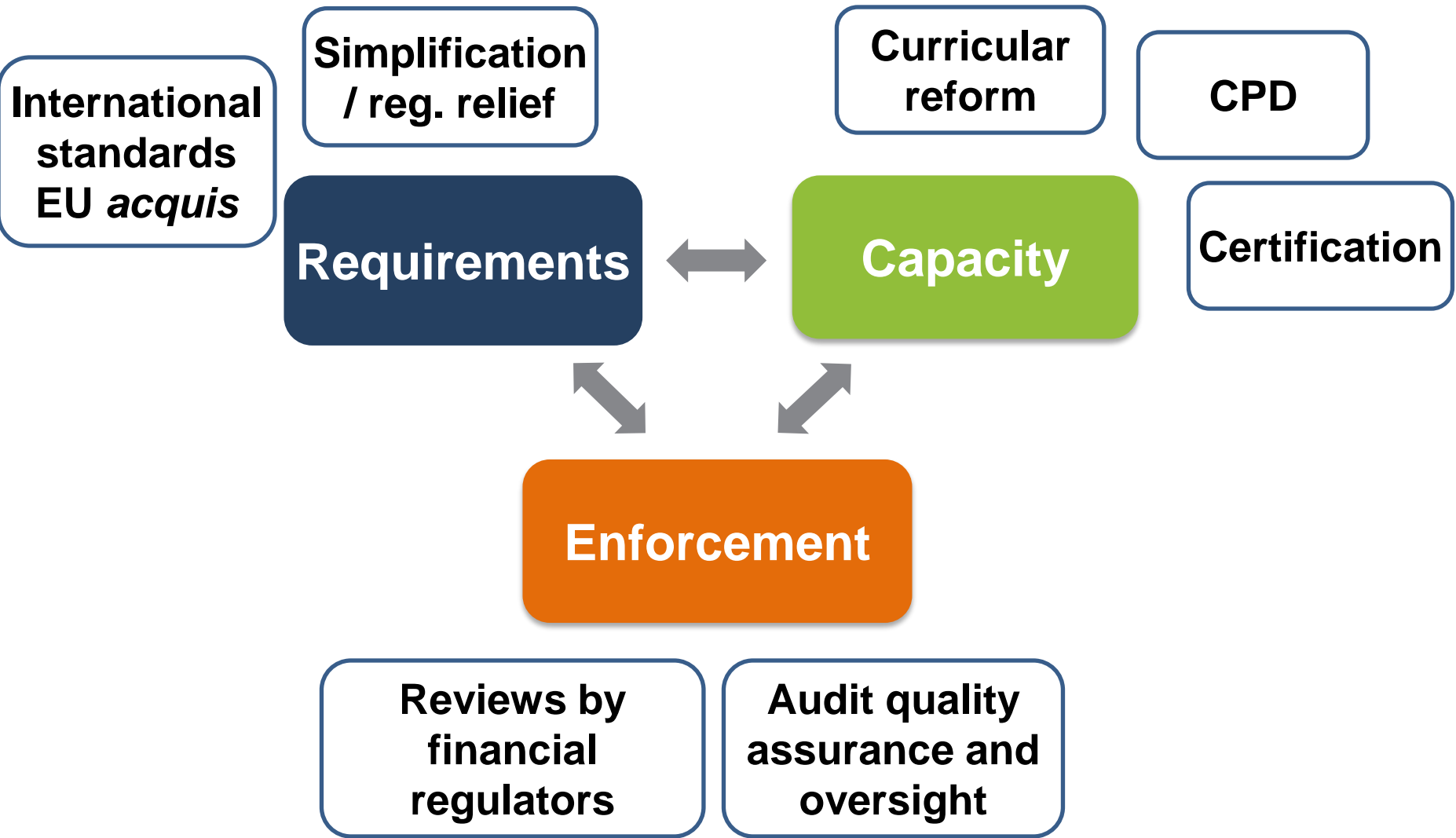


Our approach to regional engagement

- » International standards (IFRS/ISA)
- » EU *acquis communautaire*
- » Other good practices



The 3 dimensions of strong financial reporting systems



- » ROSC A&A completed June 2006
 - » TA project started in 2011
 - » Target completion October 2013
 - » EUR 1.25 million financed by Switzerland
1. Aligning national financial reporting laws with EU *acquis*
 2. Strengthening the capacity of the National Accounting Council – adoption and translation of IFRS
 3. Establishing Audit Public Oversight System
 4. Improving university curricula and professional certification
 5. Strengthening MoF policymaking capacity



Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
Confederaziun svizra

- » IFAC membership
- » Education systems
- » Continuing education – esp. in auditing
- » Quality assurance
- » Roles and relationships within the profession
- » Relationships with key stakeholders
 - Academia
 - Public oversight body, regulators, government
 - Business community
- » Sustainability



The World Bank Centre for Financial Reporting Reform



Thank you

*Henri Fortin, Head, Centre for Financial Reporting Reform
World Bank*



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Presentation on World Bank Centre for Financial Reporting Reform



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Close

