

Euromed Study: working group on accountancy and audit:

'Towards the Free Trade Area'

Paul Van Geyt

## Introduction

**Working group Euromed accountancy and audit**

**5 phases**

**Malta (2003)**

**Ankara and Alger (2004)**

**London (2005)**

**Luxemburg and Athens (2007)**

**Brussels Conference (the 5th phase)**

## Final Declaration

- **Strengthen the regional cooperation**
- **Exchanging experiences, informations and good practices**
- **Necessary support**
- **Supply actual legislation**
- **Creation information center**

## Study 5<sup>th</sup> phase: private and public sector

- **Analyse evolution since 2003 in each MP**
- **Comparative tables on bases of questionnaire**
- **Evaluation**
- **Conclusion**

# Conclusions: private sector

## Accountancy

- 1. Consolidation: option in most of cases**
- 2. Generalised preparation of annual accounts**
- 3. Different types enterprises**
- 4. International standards: consequences: application, interpretation and formation problems particularly in SMEs**

# Audit

- 1. Big differences**
- 2. Mandatory/optional regulation**
- 3. Local standards inspired by ISA and IFAC**
- 4. Legal framework=important for quality of regulation and quality control**
- 5. Crucial for credibility = existence control organism and quality control**
- 6. Major problems in education and professional training**

# South-South cooperation

- 1. At starting point**
- 2. Some projects existing**
- 3. Work of FMC**

# Conclusions-propositions private sector Accountancy

- 1. Convergence movement to IAS/IFRS: quid SME's?**
- 2. Application problems**
- 3. More action on education, training, transparency**
- 4. accounts, public control**
- 5. Increasing internationalisation=more importance**
- 6. consolidated accounts**
- 7. Institutional organisms have to less force and capacities for good quality control and public oversight**
- 8. Creation Central organism for accountancy normalisation in the region?**

# Audit

- 1. Extend the audit obligation? For comparable and true financial information**
- 2. Qualified professionals=admission profession (education) + quality control (professional training and continuous formation)**
- 3. Cross-border mandates and reciprocity**
- 4. Differences in audit standards: examination, listing, convergence (ISA)**
- 5. Creation central organism? Role FCM?  
exchange experience and info + central database + international representation?**

# Conclusions public sector

- 1. Significant requirement improving public financial management capabilities**
- 2. How?**
  - improved and consistent training of staffs**
  - increase exchange of experiences (twinning, interaction)**
  - cultural change and administrative reform**
  - support of accountancy profession**
  - establishment regional training centre**

What you do in cooperation...

you do it better!!!

Thanks for your attention

Good luck for 2010!