

**Strengthening the Capacity of the
National Accounting Council**

**Meeting the Challenges of
Financial Reporting Reform
in Albania**

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**Sheraton Hotel
Tirana, 16th May 2013**

Strategic Priorities for the NAC

- Introduce EU endorsed IFRS for Listed Companies
- Amend National Accounting Standards to conform to all requirements of EU Company Law directives for non-listed Companies.



Broader Strategic Aims - IFRS

- Create a sustainable mechanism for IFRS adoption, translation updates, as part of the process of endorsing IFRS for use in Albania:
 - Enhance NAC understanding of IFRS
 - Enhancing the translation process and publication of updated translation of IFRS
 - Enhance understanding and awareness on IFRS for SMEs and recent developments in this area.



Broader Strategic Aims - NAS

- Enhance the standard setting process through improving its transparency and broader participation of stakeholders:
 - Improvements in the standards setting process
 - Establishing regulations and mechanisms
 - Training of the members of the NAC
 - Enhance transparency in the standards setting process through the involvement of a broader range of stakeholders and consultations;
 - Define the approach for further development National Accounting Standards

The Terms of Reference for the Project

- A. Strengthening and improving NAC's ability to set and adopt standards
- B. Strengthening capacities of NAC as a sustainable and professional standard setter
- C. Improvement of National Accounting Standards
- D. Preparation of a consolidated version of IFRS



Addressing the Issues

D

**Preparation of a consolidated version
of IFRS**



Addressing the Issues

D

**Preparation of a consolidated version
of IFRS**

A

**Strengthening and improving NAC's ability
to set and adopt standards**



Addressing the Issues

D

**Preparation of a consolidated version
of IFRS**

A

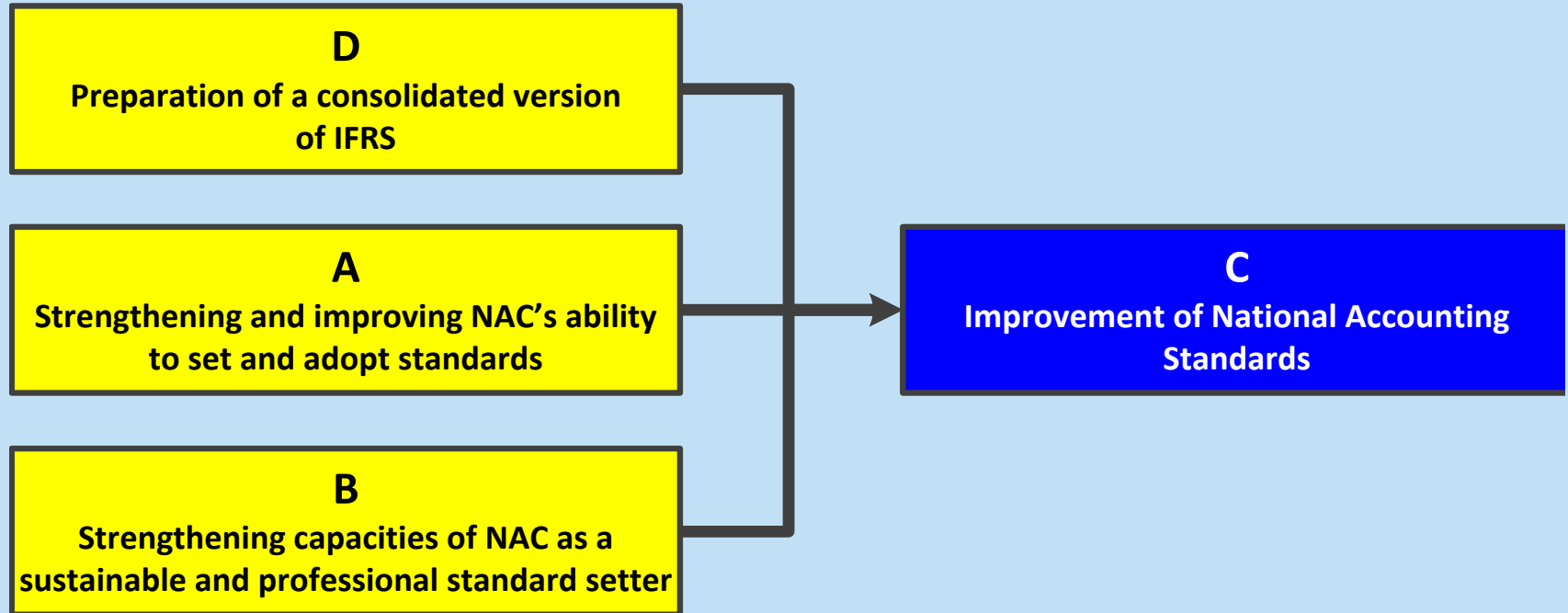
**Strengthening and improving NAC's ability
to set and adopt standards**

B

**Strengthening capacities of NAC as a
sustainable and professional standard setter**

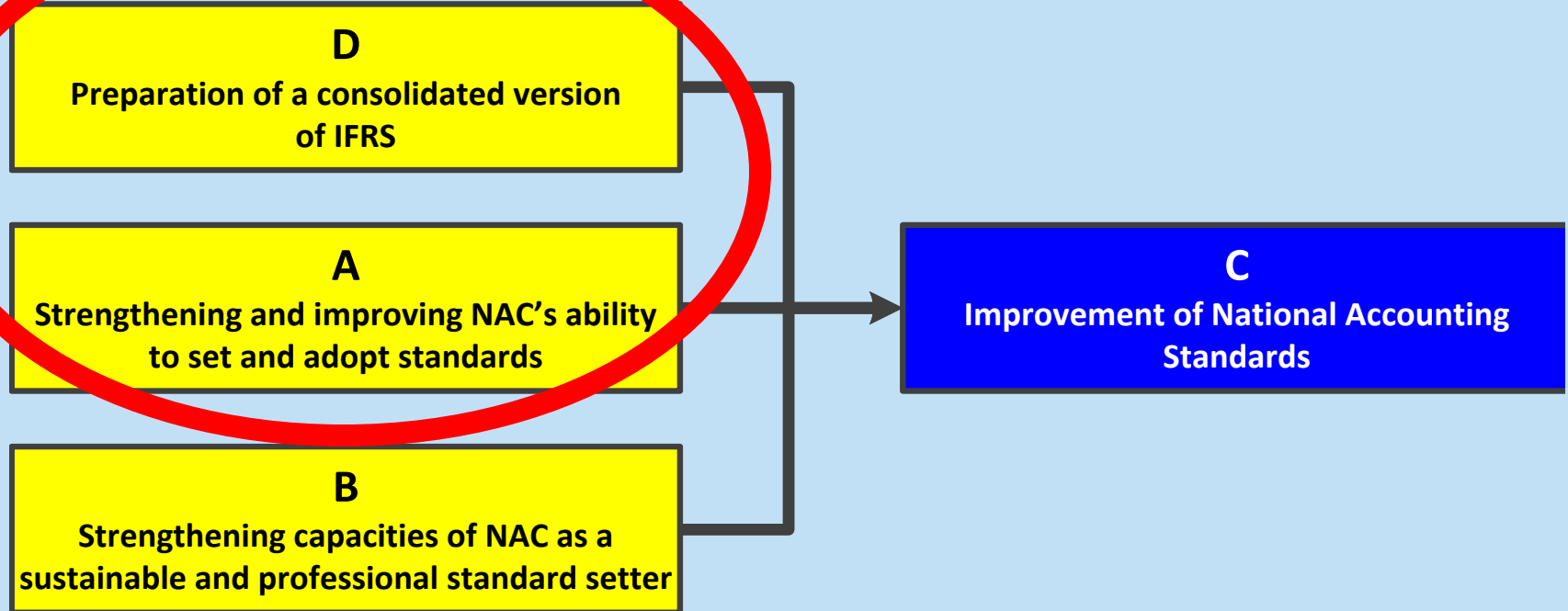


Addressing the Issues



Addressing the Issues

SYSTEMS AND PROCEDURES



Addressing the Issues

SYSTEMS AND PROCEDURES

D

Preparation of a consolidated version
of IFRS

A

Strengthening and improving NAC's ability
to set and adopt standards

B

Strengthening capacities of NAC as a
sustainable and professional standard setter

TRAINING AND DEVELOPMENT

C

Improvement of National Accounting
Standards



Addressing the Issues

SYSTEMS AND PROCEDURES

D

Preparation of a consolidated version of IFRS

A

Strengthening and improving NAC's ability to set and adopt standards

B

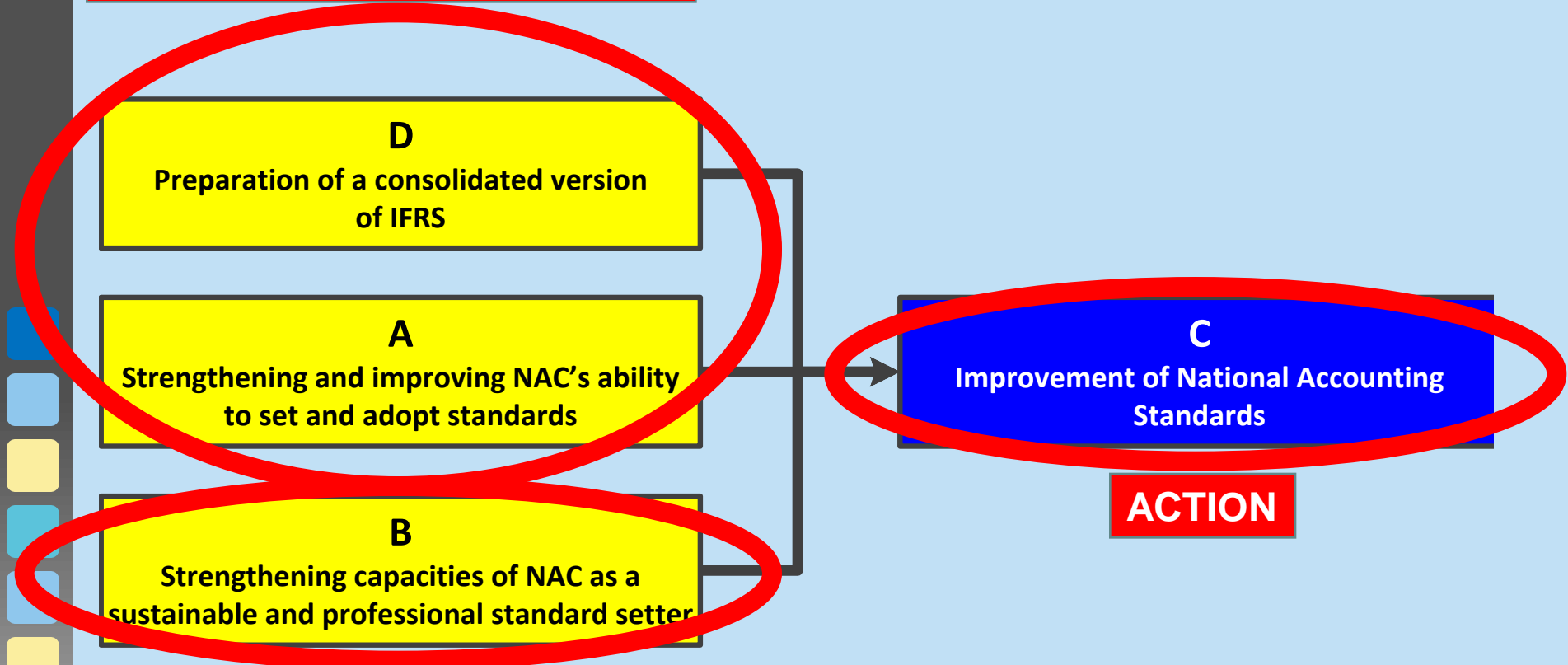
Strengthening capacities of NAC as a sustainable and professional standard setter

TRAINING AND DEVELOPMENT

C

Improvement of National Accounting Standards

ACTION

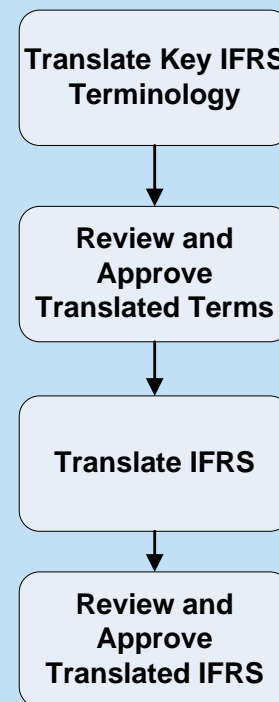


Preparation of a consolidated version of IFRS

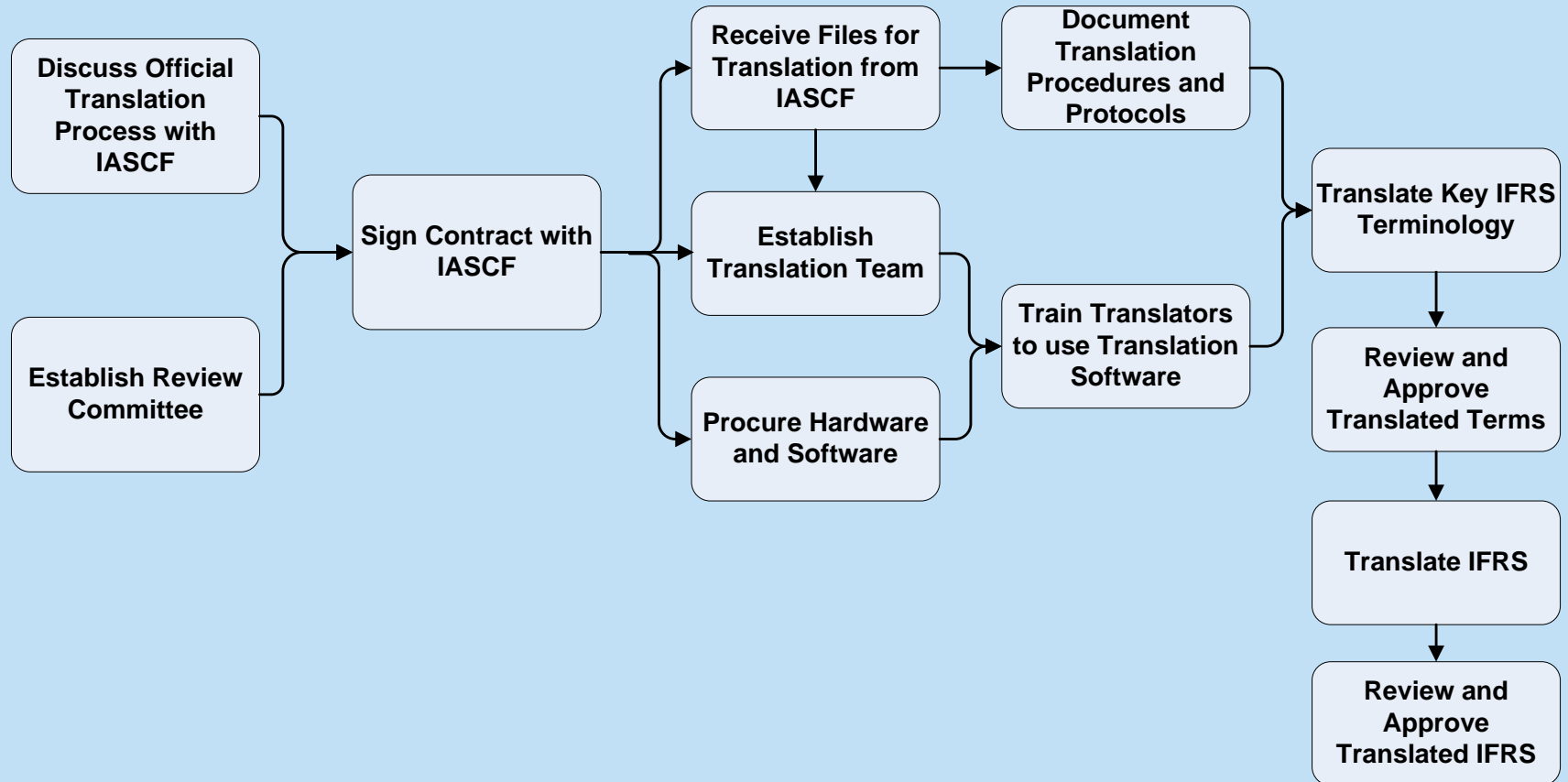
- Aims and Objectives No 1 –
- To achieve up to date translations of International Financial Reporting Standards (IFRS), including the International Financial Reporting Standard for Small and Medium Entities, produced in accordance with the IFRS Foundation's translation process.



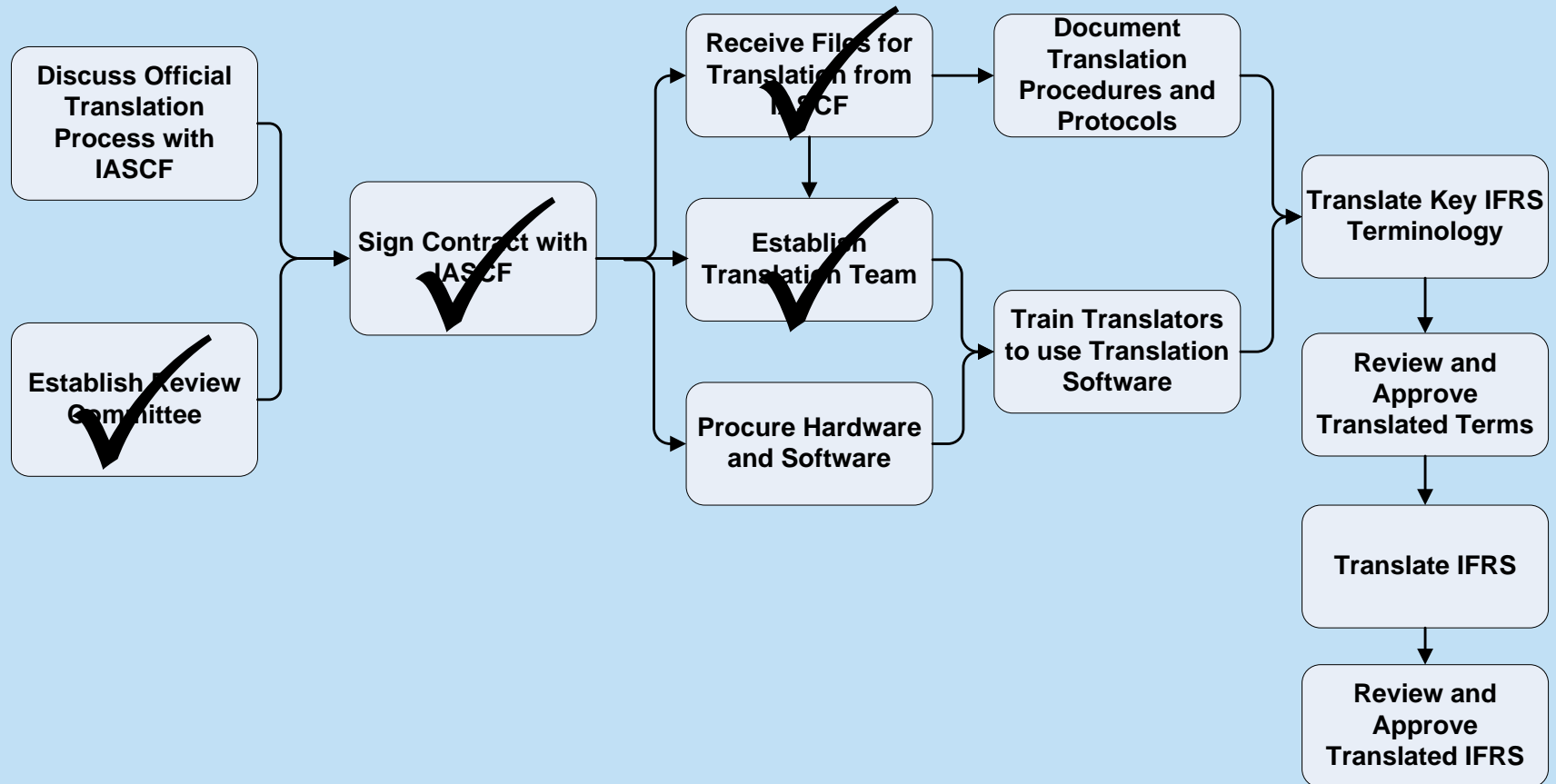
Overview of IASB Translation Process



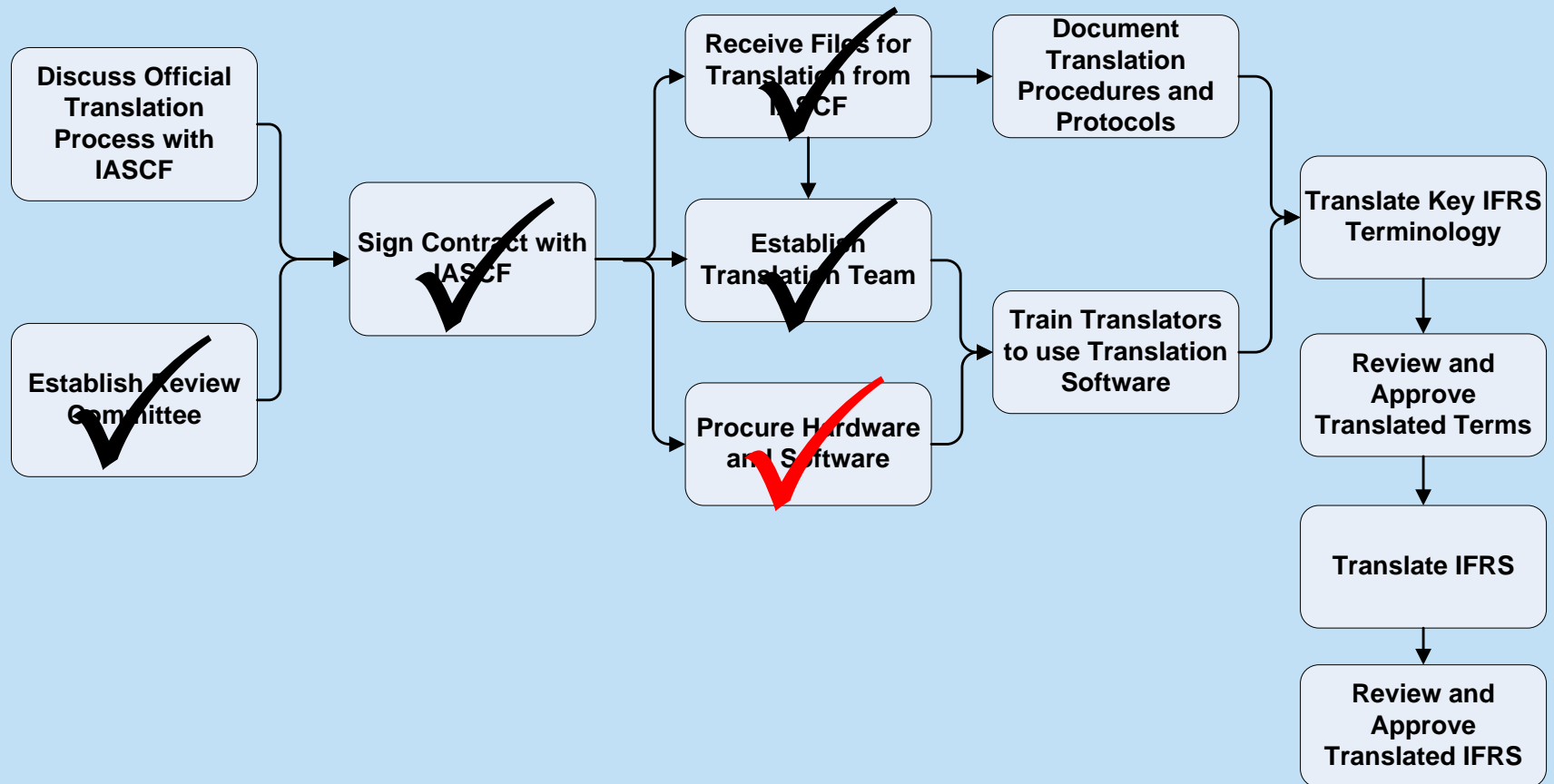
Overview of IASB Translation Process



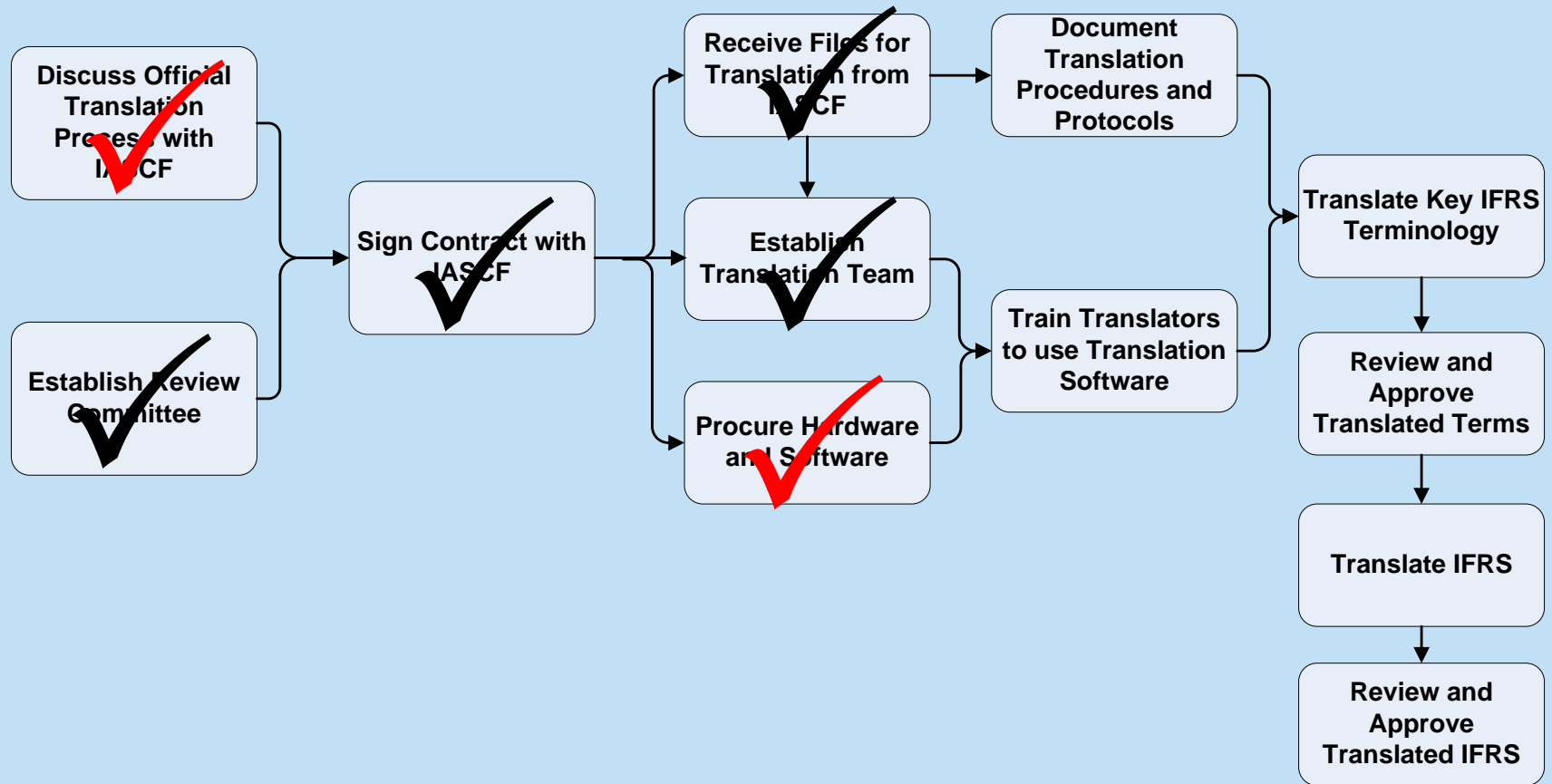
Overview of IASB Translation Process



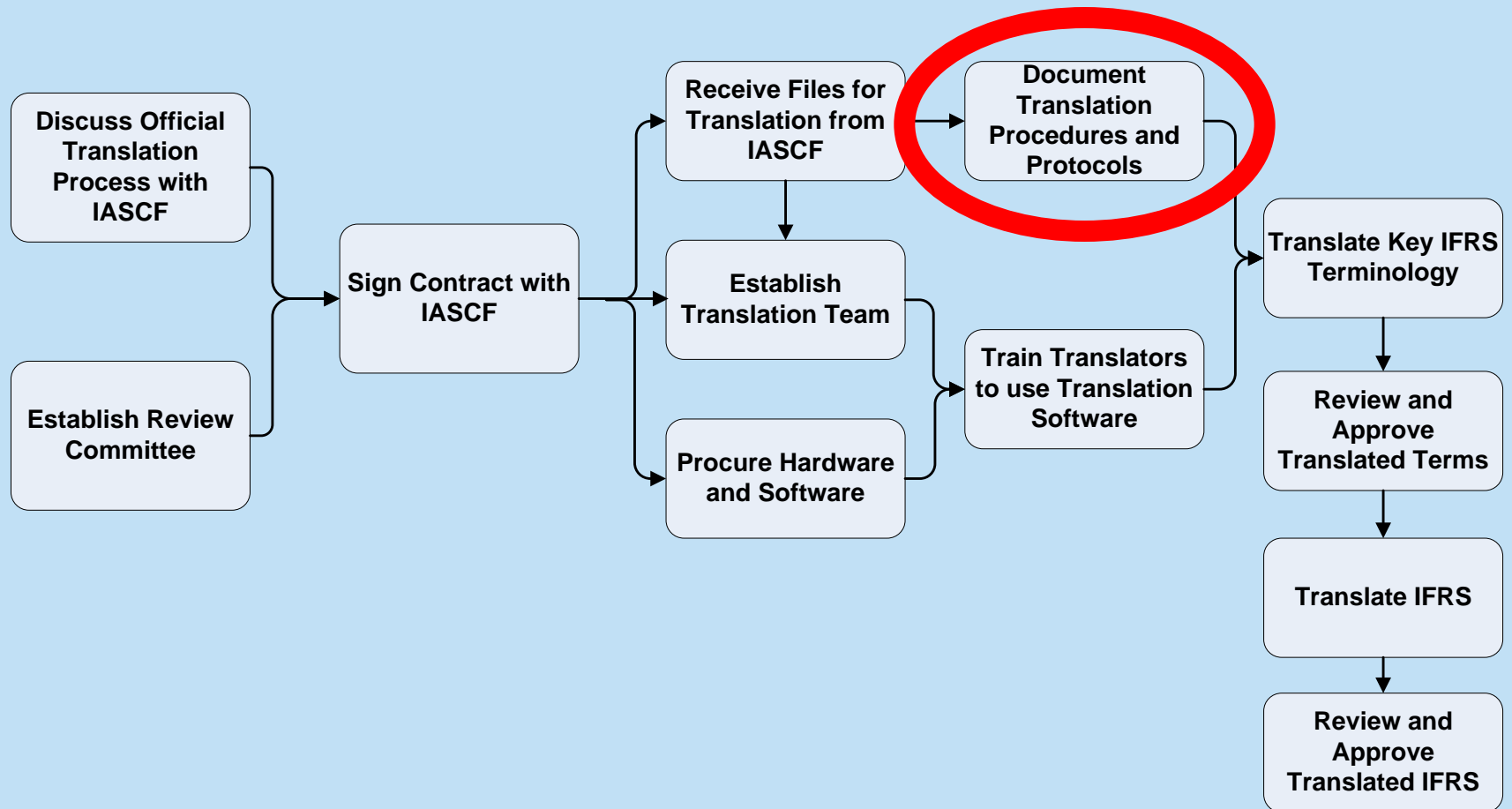
Overview of IASB Translation Process



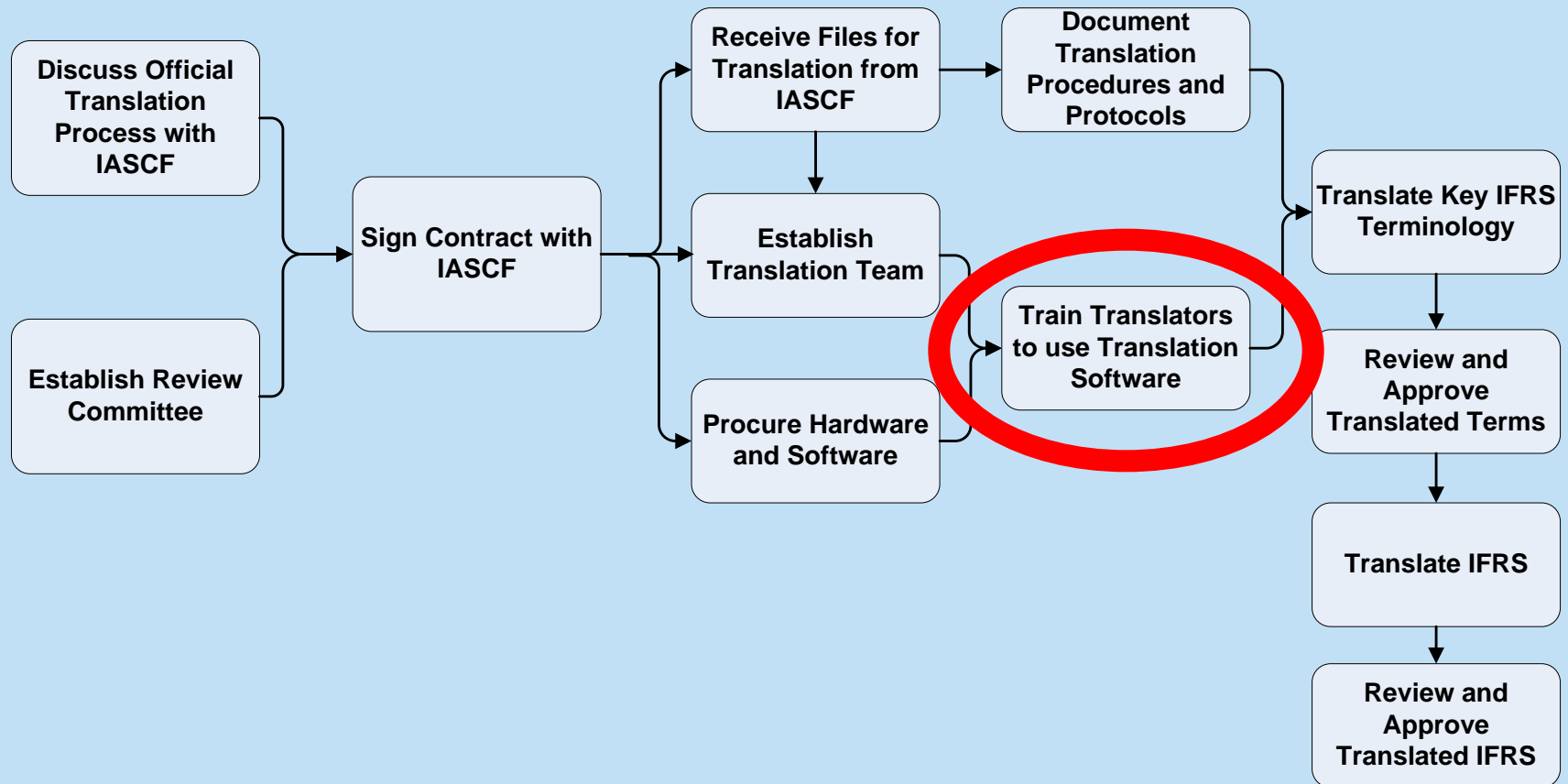
Overview of IASB Translation Process



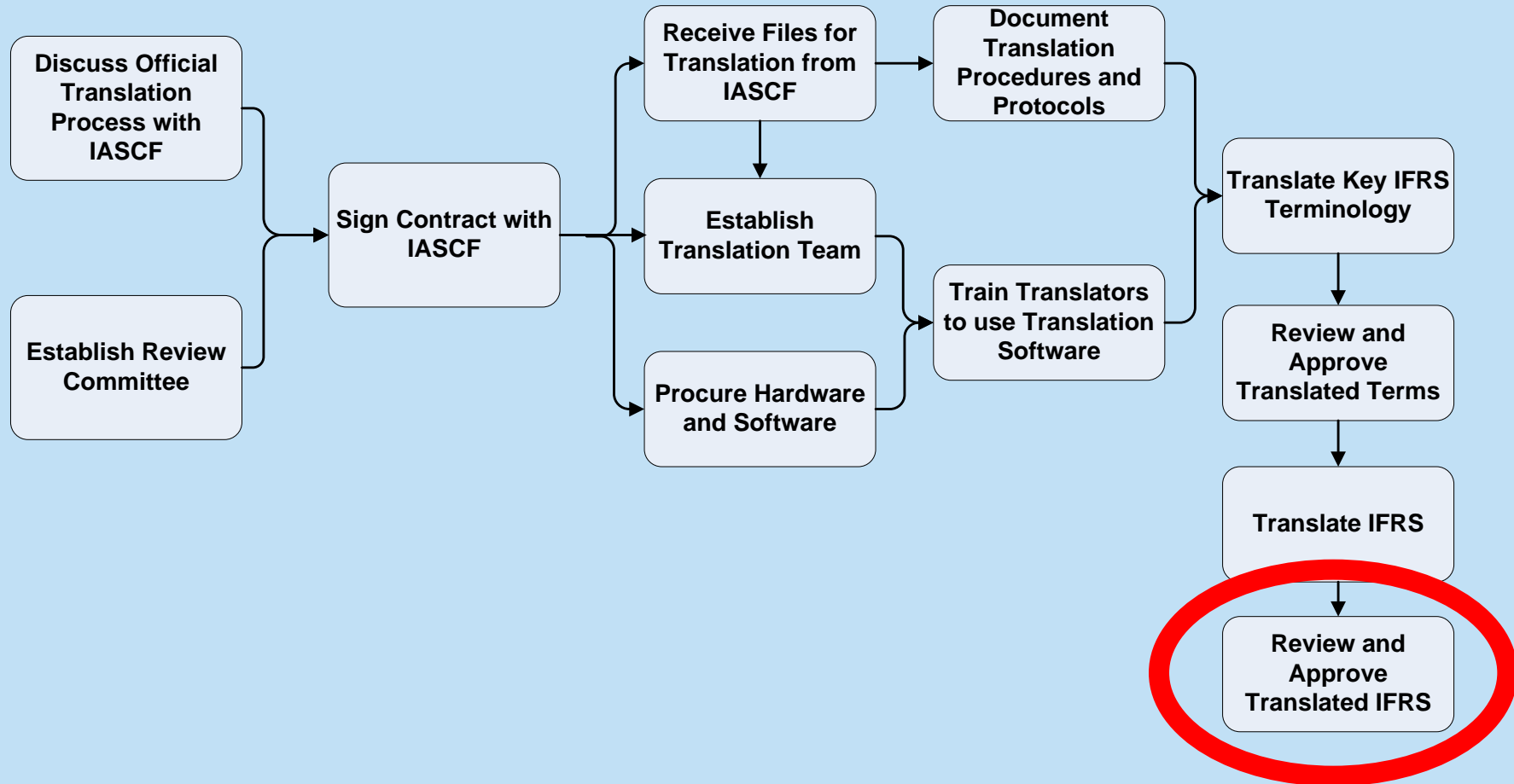
Overview of IASB Translation Process



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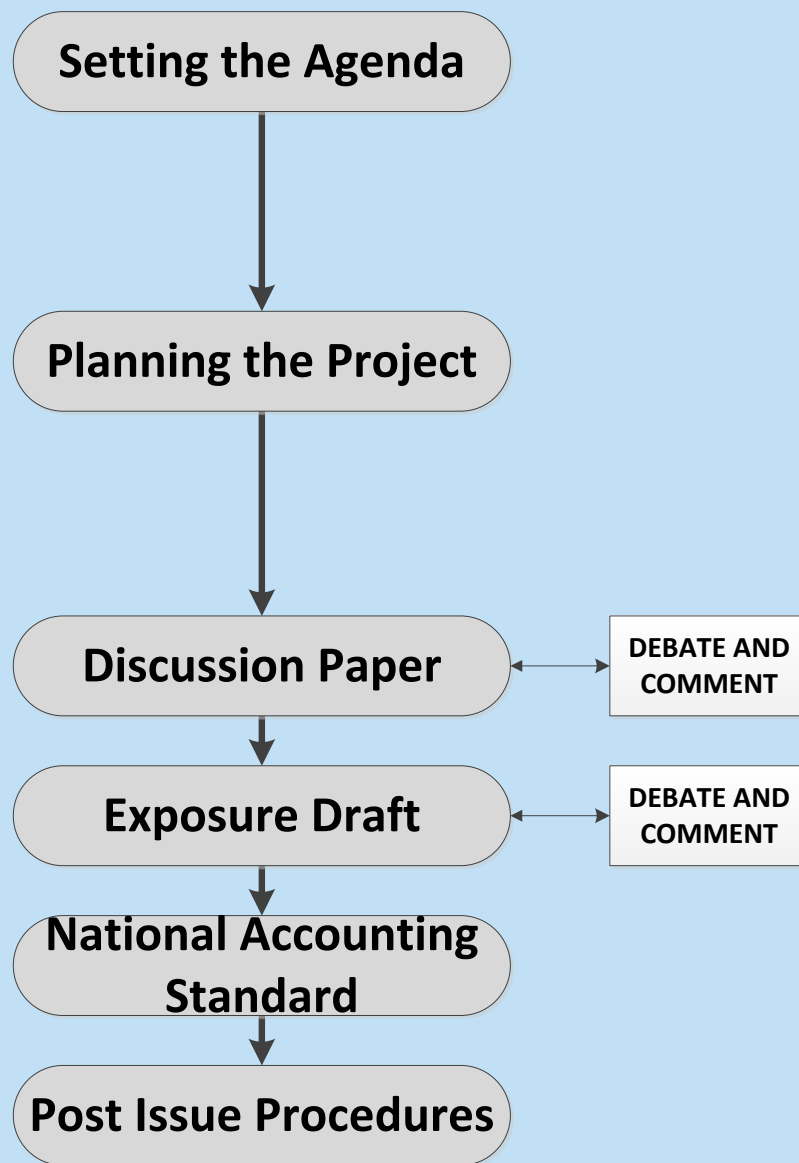


Strengthening and improving NAC's ability to set and adopt standards

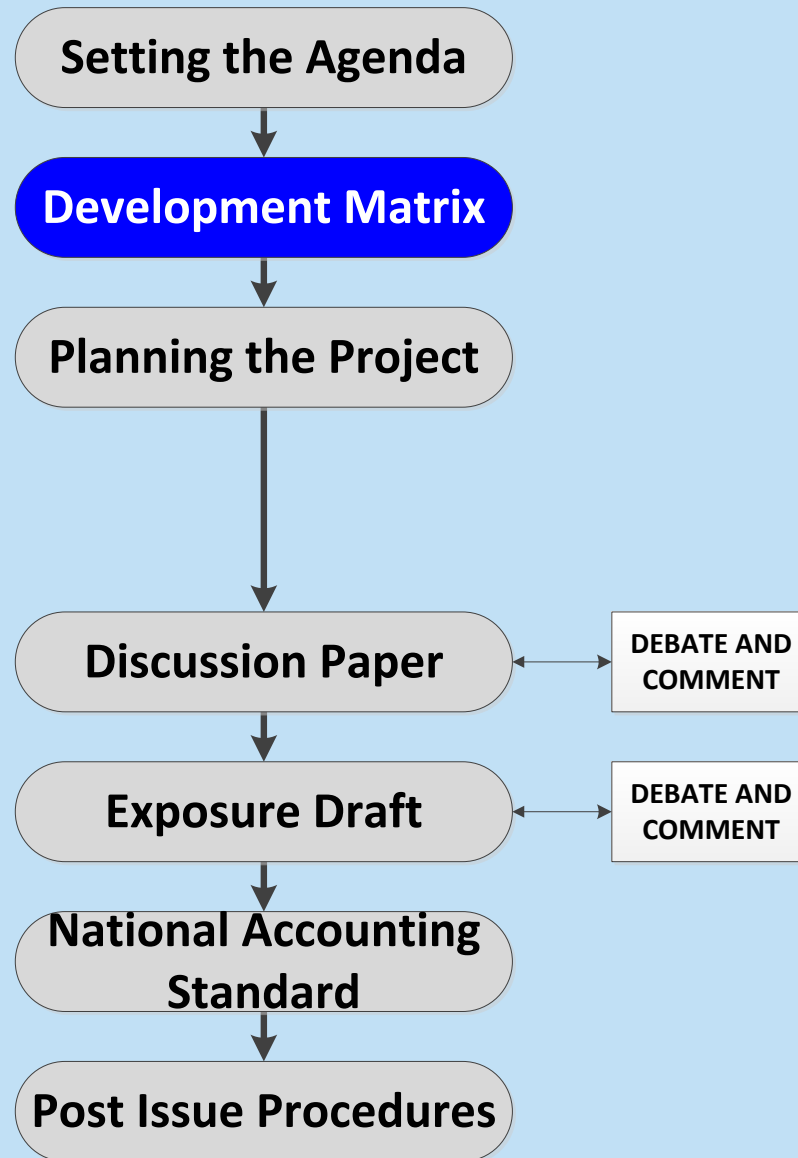
- Aims and Objectives No 3 –
- To enhance the standard setting process through improving its transparency and broader participation of stakeholders and providing appropriate application guidance to promote compliance.



Overview of NAS Development Process



Overview of NAS Development Process



The Development Matrix

- Prepared by the Project Manager
- Identifies Issues that need to be Considered
- Documents proposals and reasons/justifications for proposals
- Audit Trail



Overview of NAS Development Process



Overview of NAS Development Process



The Working Group

- Working Groups give the NAC access to additional practical experience and expertise
- Working Groups allow both preparers and users to be involved from an early stage
- They discuss the issues identified in the Development Matrix
- The Working Group communicate via an on-line forum
- Project Manger summarises conclusions in Development Matrix



Overview of NAS Development Process



Overview of NAS Development Process



Strengthening capacities of NAC as a sustainable and professional standard setter

- Training
 - ACCA Courses for NAC Staff
 - Study Tours
 - Seminars
 - Class Room Training
 - On the Job Training



ACCA Courses for NAC Staff

- Enhancing NAC understanding of IFRS
- Enhancing understanding and awareness on IFRS for SME
- Project Activities:
 - Three Staff now have ACCA Certificate in IFR
 - These staff now studying for ACCA Diploma in IFR



Study Tours

- Learning from Successful Organizations
- Discussing Challenges and Solutions with Peers
- Project Activities:
 - Study Tour to IASB in London (March 2013)
 - Study Tour to FRSB in Croatia (June 2013)



Seminars

- Raising awareness of issues
- Discussion of issues
- Disseminating key information
- Project Activities:
 - The Implementation of IFRS and NAS in Albania
 - The Translation and Consolidation of IFRS
 - The On-going Development of NAS
 - Survey Feed Back and Round Table Meeting
 - Survey with Banks



Classroom and On the Job Training

- Enhancing practical skills
- Increasing capacity for standard setting
- Project Activities:
 - Translation Software Training (TRADOS)
 - Survey Software Training
 - On-line Forum Training (June 2013)
 - Survey Analysis
 - NAS Development



Summary

- The Project has concentrated on:
 - Systems and Procedures
 - Training and Development
- Survey of Users and Preparers of Financial Statements
 - If you were invited to participate – please do so – your views are important
- Now focusing on handing over to NAC Staff
 - Introducing Systems and Procedures
 - Amending NAS



THANK YOU

