

IFRS and ISA Translation, education quality of professionals and Reliable financial reporting

Prof.Ass.Dr. Hysen CELA
Chairman of the Board of Directors - IEKA

IMPORTANCE OF FINANCIAL REPORTING

- × **Financial Statements (FS)**
 - + Serve in the economic decision-making of stakeholders.
- × **Quality and reliability of FS** - define entities' relationships with stakeholders
 - + shareholders,
 - + employees,
 - + managers,
 - + customers and suppliers,
 - + lenders, government, media, etc..,
 - + general public.

IMPORTANCE OF FINANCIAL REPORTING

- × After 90s there was a need **for a new system of financial reporting:**
 - + Rapid structural changes of the economy
 - + Diversification of business entities,
 - + Lack of early tradition,

IMPORTANCE OF FINANCIAL REPORTING

- × **Stages of financial reporting improvement**
- × **Law 7661 (1993)**
 - + EC Directives 4 and 7 (French Model)
 - + Development of standards and procedures.
 - + General Accounting Plan (GAP)
 - + **Law 9228 (2004)**,
 - + Accounting Standards (NAS 1-14) (2006)
 - + - modern
 - + - utility
 - + - user oriented

IMPORTANCE OF FINANCIAL REPORTING

- × **Proper implementation** of financial reporting requires :
 - + Chartered Accountant”(CA)
 - + Statutory Auditor (EKA), EKR,
 - + Other specializations "internal audit" "tax consultant", "public accountant", etc.
- × **Qualitative Standards**

THE ROLE OF PROFESSIONAL STANDARDS AND COMPETENCY IN THE RELIABILITY OF FS

- × Reliable financial reporting requires **effective coordination** between :
 - + **Technical quality reporting standards**
 - + **Theoretical and practical preparation of accounting professionals,**
 - × technical skills and professional capacity,
 - × integrity,
 - × objectivity,
 - × impartiality and
 - × appropriate professional conduct
 - + **Independent verification of information by auditors**
 - + **Objective opinion**
 - × Confirmation of the implementation in practice of professional standards

TRANSLATION OF IFRS AND QUALITY OF FINANCIAL REPORTING

- × **Law 9228 (2004)** requires the application of IFRS
 - + Entities listed on the stock exchange,
 - + Second tier banks,
 - + The insurance and reinsurance companies
 - + Other major entities of public interest.
- × **Practical implementation** requires translation into Albanian, by NAC.
 - + In 2007 the "E Government" project, under the auspices of UNDP,
 - + There were also translated the IPSASs

TRANSLATION OF ISA AND AUDIT QUALITY

- × **ISAs Translation** (2000) - IEKA

- × In 2003 - ISAs were published in Albanian for the first time **(1999 Edition)**
 - + in strict compliance with the policy of IFAC translation
 - + were declared mandatory for all members.

- × In 2007, the second edition of ISA was published and of other pronouncements of IFAC **(2006 Edition)**,
 - + International Standards on Auditing,
 - + International standards of review, quality, commitments to draft the historical financial information and other security commitments,
 - + Directives of relevant practices.
 - + IFAC Code of Ethics.

- × In 2011 the clarified standards of IFAC were published **(2010 Edition)** together with the revised text of IFAC Code of Ethics

TRANSLATION OF IFRS AND ISA AND QUALITY OF EDUCATION

- ✘ Translated Standards contribute:
- ✘ **In improving the quality of education professionals**
 - + university high schools,
 - + professional bodies,
- ✘ **Translation quality contributes**
 - + in the increase of the number of beneficiaries
 - + in unifying the use of literature.
 - + in coherent implementation of professionals,
 - + Improving their continuous qualification and update of previous obtained knowledge.
- ✘ **A product in Albanian is more beneficial to use**
 - + the number of users is expanded
 - + there is uniformity in its treatment

× THANK YOU