

# ACCOUNTING AND AUDIT REFORM IN GEORGIA



ბუღალტრული აღრიცხვის,  
ანგარიშგებისა და აუდიტის  
ზედამხედველობის საშახსური

SARAS



REPORTING  
PORTAL

REPORTAL.GE



Investments

Audit



Education

Mission:

To facilitate **economic growth**, and maximize **employment opportunities** in Georgia by providing society with relevant and **reliable financial and non-financial information** through supervision system based on **international standards**



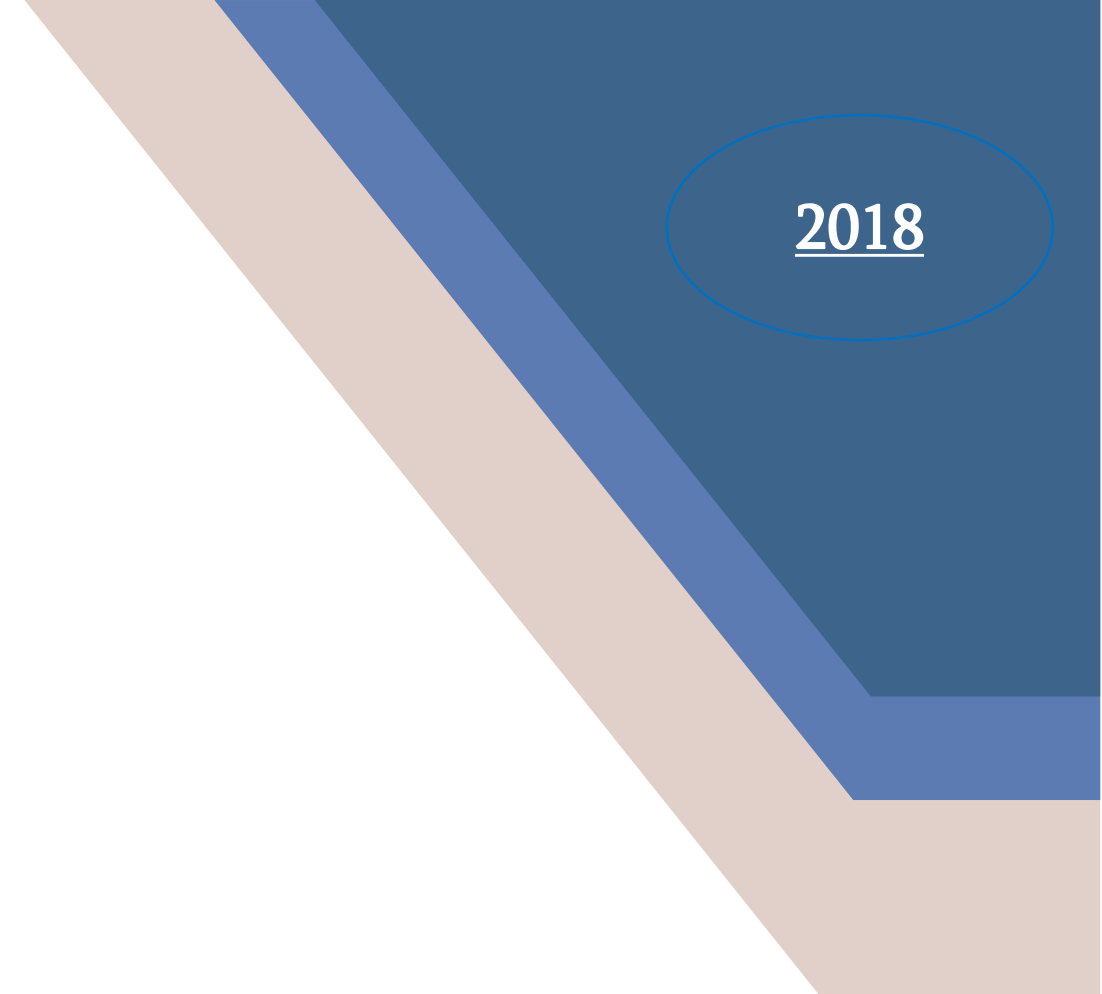
- EU Association Agreement
- MoF sub-division
- 21 Staff Member + Board
- Law Enforcement
- 100% Financed from State Budget

# REGULATORY FRAMEWORK

SIZE	Assets	Revenue	Ave. # of Employees	Required Financial Reporting Standard	Management Report	Audit
IV Category (Micro)	< 1 Mil.	< 2 Mil.	< 10	Local Standard	Voluntary	Voluntary
III Category (Small)	< 10 Mil.	< 20 Mil.	< 50	IFRS For SMEs	Voluntary	Voluntary
II Category (Medium)	< 50 Mil.	< 100 Mil.	< 250	IFRS For SMEs	Mandatory	Mandatory
I Category (Large)	> 50 Mil.	> 100 Mil.	> 250	IFRS	Mandatory	Mandatory
PIE	Financial Institutions, Listed Companies			IFRS	+ Non Financial & Corporate Governance	PIE AUDIT

ENTITY	PUBLISHED	UNDER REVIEW	IN THE PROCESS
PIE	119	-	-
I	100	-	-
II	370	-	-
III	41	-	-
IV	39	-	-
NGO	1	-	-
<b>Total</b>	<b>770</b>	<b>-</b>	<b>-</b>

Not Submitted
16
10
45
-
-
-
<b>71</b>



Compliance rate **92%**

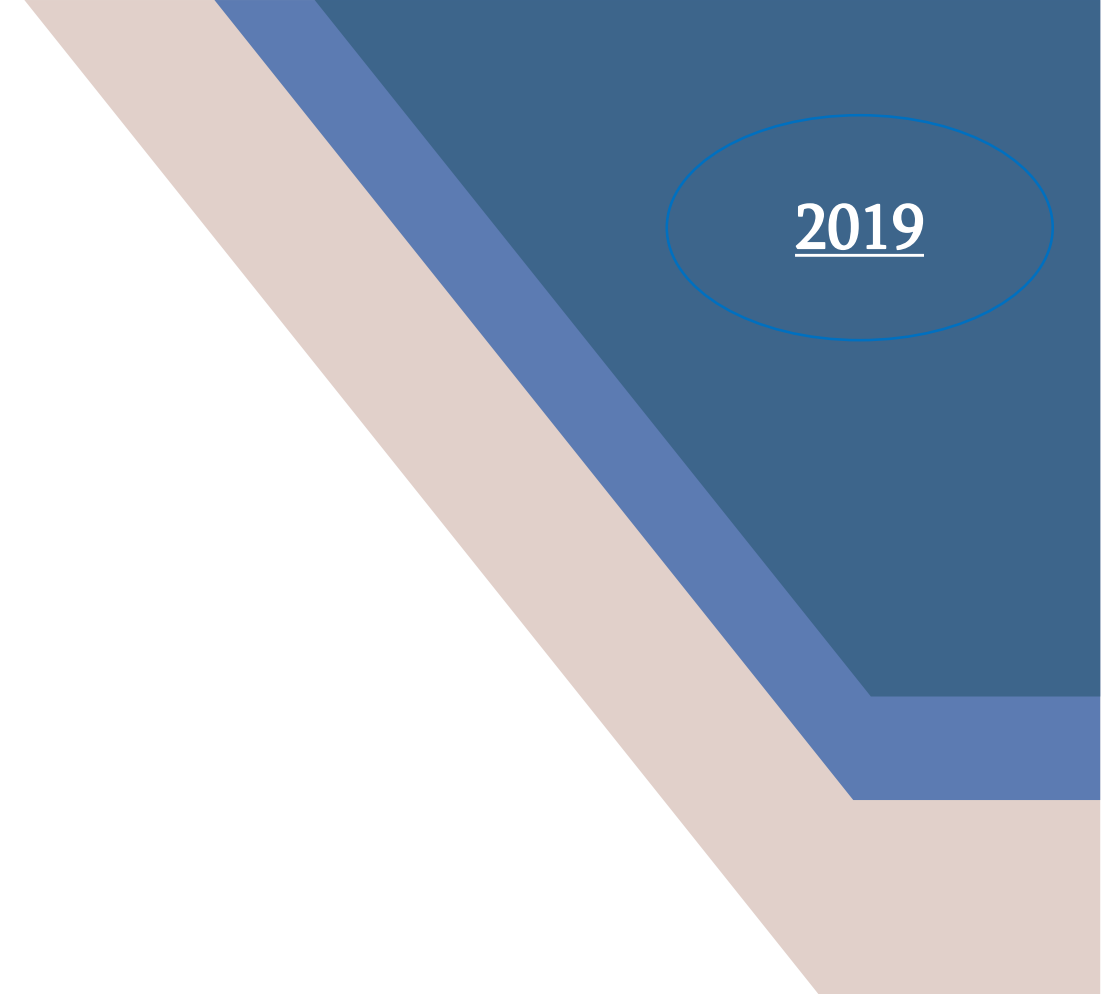


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PIE	Financial Institutions, Listed Companies			IFRS	+ Non Financial & Corporate Governance	PIE AUDIT

ENTITY	PUBLISHED	UNDER REVIEW	IN THE PROCESS
PIE	96	1	1
I	100	2	5
II	365	11	30
III	2,937	39	238
IV	21	22,146	4
<b>Total</b>	<b>3,519</b>	<b>22,199</b>	<b>278</b>

Not Submitted
13
9
48
362
-
<b>432</b>



Compliance rate **90%**



# SUPPORT OF IFRS FOR SMES IMPLEMENTATION

## Training of trainers

- Training materials worked out by a foreign expert Mike Wells
- Training of 30 English trainers
- Development of training materials for Georgian reality
- Training of 58 Georgian trainers
- Development of the Training materials for the final users
- Final users' training with prepared material

## Translation of the training modules

- Translation of the modules
- Review of translated modules
- Publishing the 35 modules for any interested parties



# SUPPORT OF IFRS FOR SMES IMPLEMENTATION



- ❑ 88 trained trainers
- ❑ Training materials
- ❑ Pilot trainings
  - 5 completed groups (100 persons)
  
- ❑ **35 Training Modules**  
<https://www.saras.gov.ge/ka/Home/Modules?Length=4>



# PERFORMED TRAININGS

## Commercial Trainings

- Tbilisi 257
- Batumi 20

## Free of Charge Trainings performed so far

- Pilot – 100 Accountants
- MoF Academy – 40 Accountants
- TBC Bank -100 Accountants (up to 500)
- World Bank - 40 Accountants (up to 500)
- EBRD - (up to 100)
- Enterprise Georgia - negotiating

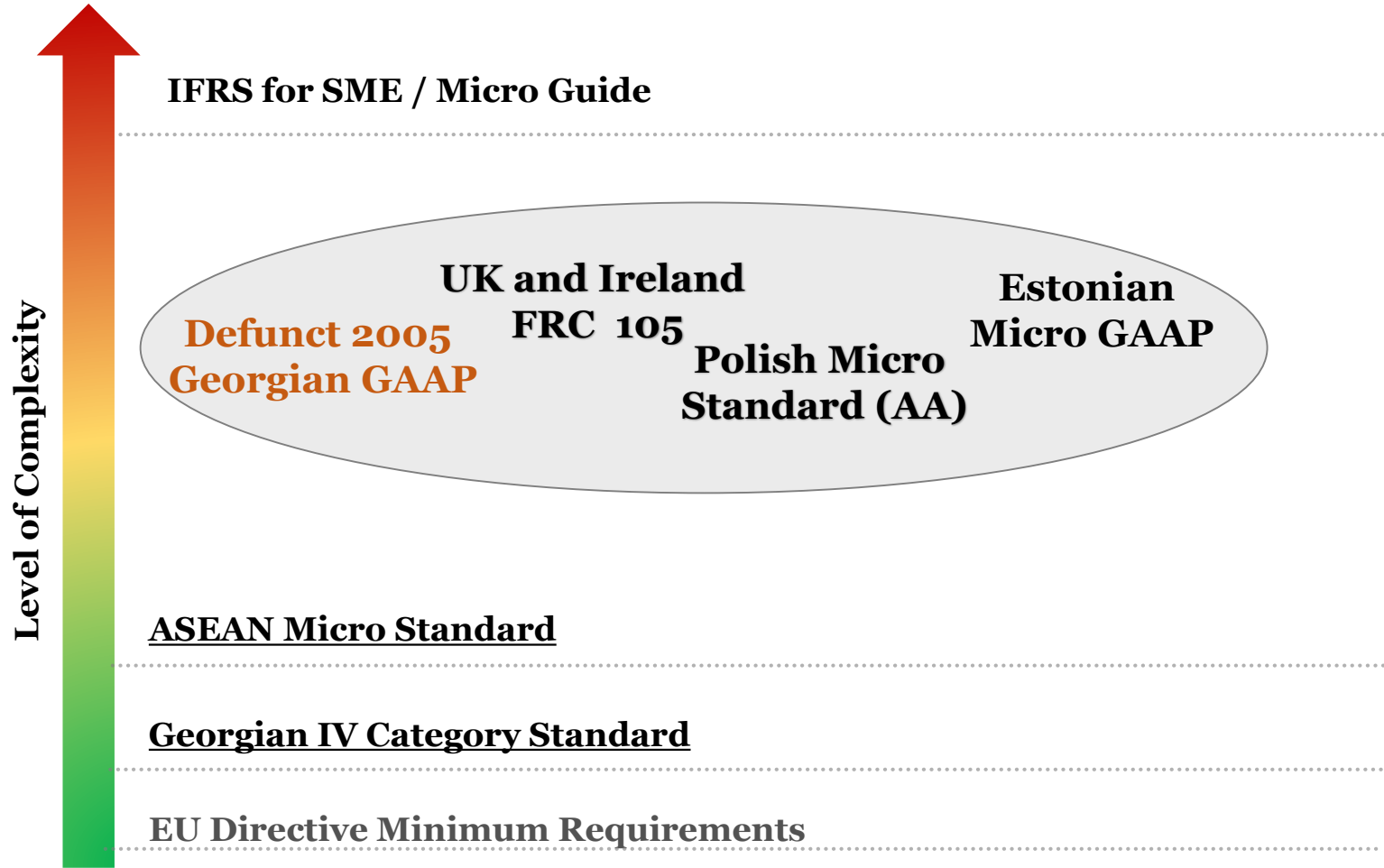
So far more than 500 accountants from III category entities were trained.

Estimated Population ~ 4,000 SME's

*IFRS for SMEs Train  
the Trainers workshop*



# LEVEL OF COMPLEXITY



Reform assistance  
to Georgia  
საქართველოში რეფორმების  
განხორციელებაში დახმარება



ბუღალტრული აღრიცხვის,  
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ზედამხედველობის სამსახური

Improved Financial Reporting for Easy Access to Finance  
and Growth of Business | GGF project

## **Professional accountancy organizations**

- **The Georgian Association of Independent Accountants and Auditors (GAIAA)**
- **The Georgian Federation of Auditors, Accountants and Financial Managers (GFAAFM)**
- **The Georgian Federation of Professional Accountants and Auditors (GFPAA)**

## BENEFITS OF THE REFORM

- **Higher Transparency for Capital Markets**
- **Higher Access to Finance**
- **Reduced administrative burden/cost savings**

**More complete and accurate financial information available to:**

- ✓ **Potential Investors**
- ✓ **Financial Institutions**
- ✓ **Credit rating agencies**
- ✓ **Tax Office**

- IFRS standards
- International Audit Standards
- Auditors Registries
- PROFESSIONAL education Registries
- Manuals
- News
- Legislative Base
- Online Dictionary



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- 
- Georgian Entities Financial and Non-financial published Reports
  - News
  - **Research results**



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