



Twinning Fiche

Project title: Strengthening capacities of the Service for Accounting, Reporting and Auditing Supervision in Georgia

Beneficiary administration: Service for Accounting Reporting and Auditing Supervision Ministry of Finance of Georgia

Twinning Reference: GE 16 ENI FI 02 18 (GE 33)

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EU funded project

TWINNING INSTRUMENT

1. Basic Information

1.1 **Programme:** Technical Cooperation Facility II ENI/2016/039-337 / direct management

1.2 **Twinning Sector:** Finance

1.3 **EU funded budget:** 1.250.000 EUR

2. Objectives

2.1 Overall Objective(s):

The overall objective of the project is to support fulfillment of the commitments of Georgia in the context of the EU-Georgia Association Agreement (AA) which will lead to further support and enhancement of effective economic decision making through transparent and reliable reporting systems.

2.2 Specific objective:

The specific objective of the project is to support Service for Accounting, Reporting and Auditing Supervision (SARAS) to establish solid system of audit quality control and inspection, to enforce corporate reporting requirements and application of accounting standards, as well as to implement proper recognition process for professional certification programmes and examination processes and to increase human resource management capacity.

2.3 The elements targeted in strategic documents i.e. National Development Plan/Cooperation agreement/Association Agreement/Sector reform strategy and related Action Plans

Reform of auditing and financial reporting is one of the obligations for Georgia under the Association Agreement with the European Union and its implementation is a top priority for the Government of Georgia.

The proposed Twinning project is fully in line with the **Association Agreement**: particularly articles 316-319 envisage the implementation of relevant international standards at national level and gradual approximation with the EU rules in the field of accounting and auditing. Annex XXVIII of the document lists the relevant EU Directives intended for approximation, which include the Accounting and Audit Directives noted below in section 3.4.

The issues targeted by the project also reflect priority directions described both in the **Social-Economic Development Strategy of Georgia 2020** and the **Government Platform 2016-2020**.

The Social-Economic Development Strategy of Georgia 2020 envisages reforms in the fields of Corporate Reporting and Auditing for financial transparency and supporting approximation process with the EU Standards.

The Government Platform 2016-2020 is based on four-point plan of reforms which will be implemented for rapid development of the country, in order to fully meet the key challenges of building a modern government and spurring economic growth.¹ Four Point reform agenda also includes Capital Market and Pension Reform components, successful implementation of which is significantly dependent on further improvement of corporate governance and financial reporting.

The operational directions of SARAS reflected in the fiche are also targeted in **the Medium Term Strategy Document of MoF of 2018-2021** in accordance with the Decree N216 of the Ministry of Finance of Georgia. The above mentioned strategy document includes Supervision of Accounting, Reporting and Auditing as one of the priorities under the programme code of 23 06 and describes all the mandatory activities to be implemented by SARAS to achieve improved financial reporting practice and audit quality as well as financial transparency and stability in the country.

¹ http://gov.ge/files/41_61087_816118_GoG_Platform_LKF_19_05_2017.pdf

3. Description

3.1 Background and Justification:

Background

Service for Accounting, Reporting and Auditing Supervision (SARAS) is a legal entity of public law under the Ministry of Finance of Georgia. SARAS was established as a financial reporting and audit regulator in September 2016 in accordance with the Law of Georgia on Accounting, Reporting and Auditing, which is effective since June 24, 2016.

According to the law SARAS is the successor of the Audit Council of the Parliament of Georgia. Responsibilities of the Council included licensing auditors, setting standards for auditing, quality control and maintenance of the registry of auditors/audit firms. Apart from the Audit Council of the Parliament of Georgia SARAS inherited functions of the Accounting Standards Commission of the Parliament of Georgia. Commission's functions involved ensuring availability of international standards, interpretations for accounting in the Georgian language and setting temporary standards for accounting.

The Law on Accounting, Reporting and Auditing is aligned with the requirements of the EU Directive 2013/34/EU on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings; the EU Directive 2014/56/EU statutory audits of annual accounts and consolidated accounts; and the EU Regulation (EC) No 1606/2002 on the application of international accounting standards.

Under the new Law, SARAS becomes responsible for virtually all aspects of the regulation, oversight and supervision of corporate sector financial reporting, accounting and auditing in Georgia. Its responsibilities include:

- Setting accounting standards where international accounting standards are not used i.e. for small and micro entities;
- Establishing and administering the company financial reporting registry where financial statements are to be filed;
- Performing quality control on the financial reports submitted by companies;
- Establishing and administering the Register of Auditors and setting and maintaining requirements for auditors to be able to register;
- Performing periodic quality control of auditors on the Register;
- Setting standards and requirements for providers of audit and accounting qualifications necessary for registration on the Register of Auditors;
- Establishing and administering the governance, management and support functions as described in the Law for the effective and necessary operation of SARAS.

Taking into consideration the above mentioned important reforms have to be undertaken to improve financial sector efficiency and SARAS has its significant role in the process. Specific positive impacts of successful implementation of the Law and the effective operation of SARAS are expected to include the following benefits to Georgian economy:

- Enhancing transparency and business climate, thus bolstering domestic and foreign direct investment in the private sector;
- Assisting the integration of Georgia into the European and global economies;
- Aligning the normative and legal framework in the area of financial reporting, accounting and auditing with the *Union acquis* and other good international practices;
- Increasing disclosure and transparency of public interest entities (PIEs) which is expected to lead to increased domestic and foreign direct investment over time;
- Strengthening the stability and competitiveness of banking and non-banking financial sectors; and mitigating the risk of crises due to loan collection problems and a weak capital base;

- Encouraging greater transparency in both state and privately-owned enterprises, thus allowing shareholders and the public at large to assess management performance and influence its behavior;
- Facilitating SME access to credit by encouraging a shift from collateral-based lending decisions to decisions based on the financial performance of the prospective borrower, thereby supporting growth in the SME sector;
- Helping to ensure that the financial reporting and auditing rules applicable to different types and sizes of entity are appropriate to the needs of those entities and the users of their financial statements.

SARAS faces important ongoing challenges in developing the knowledge and capacity to perform its tasks and would benefit greatly from collaboration with a peer regulator within the EU. In this regard this Twinning project will contribute to strengthen SARAS capacity in audit quality inspection, financial/non-financial statements review, corporate reporting requirements, assess and recognize certification programmes, examination and etc.

Despite the fact that current legislation is drafted in line with the EU respective directives still there is a need to review the general framework as well as the secondary legislation to identify the gaps and bring it closer to the EU standards and practices.

Consequently specific attention will be paid to ensure that legal approximation process supported under this Twinning project will be according to the national framework on policy development, national unified methodologies for regulatory impact assessment and for legal approximation, and to the better regulation approach supported also at the EU level². A better regulation approach requires that policies and legislation are prepared on the basis of the best available evidence (impact assessments) and according to an inclusive approach involving both internal and external stakeholders.

Furthermore, building on the lessons learnt and the Better Regulation agenda promoted at the EU level³, this Twinning project will contribute to the overall public administration reform in Georgia by ensuring the introduction of an inclusive and evidence-based approach to policy-making and legal drafting in the respective sector. It will also pay specific attention to accountability and reporting lines between concerned institutions (agencies and ministries).

3.2 Ongoing reforms:

The Law of Georgia on Accounting, Reporting and Auditing was developed following a comprehensive assessment performed by the World Bank as to the accounting, financial reporting and auditing requirements and practices in Georgia in 2014-2015. The resulting Report on the Observance of Standards and Codes (A&A ROSC) was issued in 2015. The Law takes into account main recommendations of the A&A ROSC report and requirements of the Association Agreement between the European Union and Georgia, Articles 316-319, implementing relevant international standards at national level and gradually approximating local legislation to the EU rules in the field of accounting and auditing. The main goals of the reform is to help raise business transparency, develop capital markets, increase financial sector efficiency, improve the investment climate and corporate governance practice, approximate regulation of accounting and reporting with EU directives, and implement international best-practices in Georgia.

It is important to mention the Securities Settlement System Reform, which has been initiated by the National Bank of Georgia and the Tbilisi Stock Exchange. The project entails expansion of the securities system of the National Bank and inclusion of a subsidiary of the Tbilisi Stock Exchange – Georgian Central Securities Depository as a participant. The reform is a part of the Georgian Capital Markets Development Strategy in Georgia developed jointly by the Georgian Government together with the National Bank in 2016.

The Georgian Pension Reform, the key objectives of which are to retain and increase the purchasing power of the social pension, improve the ratio of pension income with respect to earned salary and ensure the financial sustainability of the social pension model.

² http://ec.europa.eu/info/strategy/better-regulation-why-and-how_en

³ http://ec.europa.eu/info/files/better-regulation-better-results-eu-agenda-0_en

3.3 **Linked activities:**

Strengthening Auditing and Reporting in the Countries of the Eastern Partnership (STAREP) (2014 - 2018) - STAREP is a regional program focusing on knowledge sharing and peer exchange implemented by the World Bank Centre for Financial Reporting Reforms in six countries including Georgia, and is supported by several partners, including the European Union. Significant technical assistance and support has been provided from the World Bank under its STAREP program which included review of the draft Law of Georgia on Accounting, Reporting and Auditing, (the law incorporates the requirements defined by the Directive No 2013/34/EU and Directive No 2006/43/EC), certain SARAS regulation and also preparation of EU Directives Transposition Tables. The World Bank support under the STAREP programme is ending in 2018 and can provide only limited technical assistance. While the Law enacted the legislation to bring legislative equivalence to the EU framework for corporate reporting and auditing, there remains the even greater challenge of implementing the requirements of the Law in practice.

Economic and Business Development in Georgia (Annual Action Programme 2017): The future programme aims to strengthen the regulatory and operational capacities of SARAS, responsible for the enforcement of company reporting requirements, application of accounting standards and for quality control of audit. Establishing such enforcement will allow the government to close the existing gaps in supervision, enforcement and monitoring of entities important to the Georgian economy. These changes will help to simplify access to credit for business and improve the transparency of business and investment climate in Georgia. The Twinning will, thus, provide synergies with this future support which will be provided by the World Bank – also as a follow-up to STAREP. Activities under the Economic and Business Development programme should commence towards the end of next year.

Related Programmes and Projects

The reform of Public Administration (PAR) is of utmost importance for the country and the process is supported through donor community. The EU total contribution to the “Support to the Public Administration Reform in Georgia” 2016-2019, is EUR 30 000 000 euro. Out of which EUR 20 000 000 is budget support share and EUR 10 000 000 for complementary support. The objective of the programme is to improve the efficiency, accountability and transparency of the public administration of Georgia, in line with the key Principles of Public Administration that have been developed by OECD/SIGMA in close cooperation with the European Commission. It will have a particular focus on the improvement of the policy planning and coordination capacities and processes in the central public administration. The professionalization of the civil service (including the reform of the civil service training system) will also be supported through the programme.

Project Title: Facility for the implementation of the Association Agreement in Georgia; EU funded; Duration: 2015-2018; Description: the project provides policy advice and capacity building support to the Georgian Government in coordinating the implementation of the Association, strengthening the institutional capacities of the line ministries and other public institutions to carry out the required reforms, including on policy development and legal approximation processes.

Project Title: Legislative Impact Assessment, Drafting and Representation; EU funded;

Duration: 2015-2018; Description: the project aims to improve the legal drafting process at the central level of government (through promoting better coordination among relevant entities, and introduction of the regulatory impact assessment of draft legislation) as well as the Government's international representation and reporting functions with special emphasis on the Ministry of Justice.

These two projects: AA Facility and Legal drafting supported the elaboration of unified methodologies, and provided capacity building to key institutions (government and parliament) in the legal approximation and RIA processes. These methodologies are to be formally approved by Government.

Two other projects, EU funded – implemented by GIZ, and USAID-funded ("G4G") also support LA and Regulatory Impact Assessment (RIA) but with focus on economic sphere.

Policy and legislative process

The National Policy Planning System Reform Strategy, adopted by the Government of Georgia in August 2015 recognises the current weak link between the policy planning process and legislation drafting, the absence of practice of legislative impact assessment and the weak institutional capacity of ministries in legal drafting. In the same line, the OSCE has published an assessment of the legislative process in Georgia in 2015, highlighting a number of weaknesses in the current (policy-making) and legislative process. The assessment specifically notes the reoccurring problem with implementation of laws, which can be attributed to the low quality of laws due to weaknesses in the law-making process. There is a pressure to complete numerous legal reforms in the shortest possible time: "This situation inevitably places enormous pressure on the combined law-making resources of the Government and the Parliament and leaves little time for essential elements of a well-ordered law-making process, such as regulatory impact assessments or proper consultation with civil society." Improvement of the legislative drafting process and quality of legislation is now a priority area of action for the Administration of Government under the Prime Minister (steering the policy-making process) and all line ministries. This primarily involves the Administration of Government, Ministry of Justice, and Ministry of Economy and Sustainable Development. The Government, with international support, is currently developing a uniform methodology for regulatory impact assessments, to be used by all legal drafters. Similar effort is being made with regards to developing a uniform approach to legal approximation.

To sustain the legal approximation process the Ministry of Justice (MoJ) with the support of the EU assistance (under above mentioned projects Association Agreement Facility and Legal Drafting projects) elaborated Legal Approximation Guidelines and Manual. These documents provide key principles and techniques of approximation that will guide and orient legal drafters throughout the approximation process.

These documents should be used consistently, not only by MoJ, but also by all line ministries, and institutions tasked with the approximation exercise. Such proceedings will help to ensure the achievement of a steady and sustainable approximation path.

3.4 List of applicable *Union acquis*/standards/norms:

As noted above, the Law of Georgia on Accounting, Reporting and Auditing (enforced since June 24, 2016), is mainly in line with the requirements of the EU *acquis*, and in particular with the following Directives are covered by the law:

- Directive No 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings⁴;
- Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards;
- Directive No 2006/43/EC of the European Parliament and of the Council of 17 May, 2006 on statutory audits of annual accounts and consolidated accounts⁵.

The law covers main points of the directives but still there is a need to make assessment of exiting legal framework and introduce changes accordingly.

The Law, and subsequent supervision and enforcement by SARAS, also ensures the implementation of the following international standards where appropriate:

- International Financial Reporting Standards (IFRS)
- International Financial Reporting Standards for Small and Medium Sized Entities (IFRS for SMEs)
- International Standards on Auditing (ISAs)
- International Education Standards for Accountancy (IESs)
- The International Federation of Accountants Code of Ethics for Accountants

⁴ Directive No 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings repeals and succeeds the Fourth Council Directive No 78/660/EEC of 25 July 1978 on the annual accounts of certain types of companies, and the Seventh Council Directive No 83/349/EEC of 13 June 1983 on consolidated accounts, referenced in the Association Agreement, Annex XXVIII.

⁵ As amended by the Directive No 2014/56/EU of the European Parliament and of the Council of 16 April 2014 on statutory audits of annual accounts and consolidated accounts,

3.5 Results per component

The Twinning project will provide advisory support to the SARAS in five main directions:

Component 1 – Advanced Approximation of Georgian Legal Framework on Accounting Reporting and Auditing with the EU acquis

Short Description

The general legal framework is in compliance with the EU acquis and relevant directives but still the gap assessment of the compliance of existing/primary and secondary Georgian legislation on Accounting, Reporting and Auditing with the relevant EU Directives needs to be done, together with the list of legislation to be amended or developed; if needed based on the recommendations and findings regulatory impact assessment could be applied as well. Also there is no long-term Strategy Document covering all SARAS responsibilities and measures to be introduced in relation to the legal framework, which should be the guiding document for the institution to meet its targets and develop steadily.

Result 1.1 – Georgian Legal Framework on Accounting Reporting and Auditing and related secondary legislation revised in accordance with the provisions of the Association Agreement

Indicators of Achievement:

- Amendments to the primary and secondary Georgian legislation on Accounting, Reporting and Auditing drafted in an inclusive process, accompanied by a sound RIA if required and using unified LA methodology and initiated by SARAS in 12 months from the start of the project;
- Public consultations held on a newly drafted Strategy Document in 12 months from the start of the project.

Component 2. Enhanced Capacity Building of SARAS in accordance with its mandate and tasks entrusted

Short Description

In order to fulfill its tasks effectively SARAS needs to have internal procedures in place and relevant staff well equipped with necessary knowledge and skills. Currently SARAS doesn't have an Operational Manual for quality inspections, enforcement or investigation to be advised during practical work. Also there is no methodology developed for review financial/non-financial statements and prepare reliable reports.

It's worth mentioning that the processes and procedures within SARAS for recognition of accounting and audit education by Professional Accounting Organizations (PAOs) and other providers are not developed and need more efforts from the SARAS side.

All the above mentioned means that SARAS staff and management team need in-depth trainings in different directions like: dispute resolution, enforcement, supervisory and etc. to demonstrate high level of competence while fulfilling its tasks and be recognized among other professional groups.

Finally the important point in effective functioning and delivery of outcomes by SARAS is the existing administrative structure of the institution and work force distribution which definitely needs to be assessed and appropriate work process map developed. Currently job descriptions, with Knowledge, Skills, Abilities and other characteristics KSAOs are not revised. An Employee Evaluation System with tools and guidelines for the process of performance appraisal is not developed. There is also a need to elaborate an Employee Code of Conduct and conduct a Training Needs Analysis (TNA) to ensure that all important need and requirements are identified and met. This TNA and training programmes shall be elaborated in close consultation with the Civil Service Bureau (CSB) and Ministry of Finance (MoF), to ensure consistency with the general requirements of skills and trainings in the civil service.

Result 2.1 – SARAS' ability of fulfilling its functions to conduct audit quality inspection and investigation strengthened

Indicators of Achievement:

- SARAS conducted inspections of approximately 40 audit firms on a risk-based till the end of the project;
- Dispute resolutions performed without any delay in accordance with the existing procedures (average timing for dispute resolution at SARAS Board level comprise 2 months);

Result 2.2 – SARAS' financial/non-financial statements review capacity and corporate reporting requirements enforced

Indicator of Achievement:

- 40% of PIEs, 20% percent of large and medium sized financial/non-financial statements reviewed at high level until the end of the project (approximately 150-200 in total);

Result 2.3 – SARAS' capacity to assess and recognize certification programs and examination processes of Professional Accounting Organizations (PAOs) enforced

Indicator of Achievement:

- At least 3 certification programmes together with examination processes recognized and monitored till the end of the project;

Result 2.4 – Administrative and human resources capacity of SARAS enhanced

Indicators of Achievement:

- SARAS staff performance goals set and appraisals made according to new systems till the end of the project;
- SARAS new structure designed and agreed with relevant authorities till the end of the project;

3.6 Means/input from the EU Member State Partner Administration(s):

Member State(s) is/are kindly requested to develop activities in the submitted proposal which are needed in order to achieve the results stipulated in the fiche.

The MS PL will be expected to devote a minimum of 3 days per month to the project in his/her home administration. In addition, he will coordinate from the Member state side the work of the Project steering Committee (PSC). MS Project Leader may participate in the project also as short-term expert (STE). In this case the MS Project Leader should satisfy requirements stipulated in the fiche for both the Project Leader and the relevant STE profile.

The RTA will be located in the premises of the SARAS in the beneficiary country on a full time basis and will be responsible for the direct implementation of the project under the overall supervision of the MS Project Leader.

The RTA will maintain day-to-day cooperation with the beneficiary administration and coordinate the work performed by the STEs. The RTA will have a key role in the coordination of the inputs required for the successful implementation of all the project activities.

Minimum two visibility events will be organized in the course of the implementation of the project; Kick-off meeting at the start of the implementation and the Final meeting at the end of the implementation of the project activities.

The required MS experts must either be civil/public servants of the relevant MS administration or be permanent staff of authorised mandated bodies. All experts must comply with the requirements set in the Twinning Manual 2017.

The RTA should be supported by a permanent RTA Assistant. The RTA assistant should be in close collaboration with the BA. The RTA assistant will perform general project duties and providing translation and interpretation services as necessary, practical arrangements for the project, such as organizational issues of expert missions, conferences, training, seminars, maintaining project records and etc. Until the RTA can select and hire an assistant, the Beneficiary administration makes a member of its staff available to support the RTA in his/her daily tasks.

A full-time language assistant should also be recruited. She/he should perform most of the required interpretation/translation services. She/he will provide day-to-day interpretation/translation to the RTA and project experts during missions.

Whenever required and needed for simultaneous interpretation during seminars and workshops, translation of large volume of documents additional interpretation may be procured and funded by the project.

Proposals shall include only the CVs of the proposed PL, of the RTA and of the Component Leaders

3.6.1 Profile and tasks of the Project Leader

Profile:

- A high ranking Member State official or assimilated agent with a sufficient rank to ensure an operational dialogue at political level;
- Considerable experience at least 5 years in the regulation of audit and accounting in the EU relevant administration;
- A good knowledge of accounting and/or audit systems, management and operational procedures;
- Deep understanding of the EU standards/requirement in accounting and/or audit ;
- Overall understanding of the relevant issues in the sector and area related to finances;
- Good leadership skills;
- Experience with working in the countries of the Neighbourhood East region will be considered an asset.

Tasks:

- Overall direction, supervision, guidance and monitoring of the project; ability to mobilise the necessary expertise in support of the efficient implementation of the project;
- Signature of project progress reports and the final report prepared with the support of RTA;
- Timely achievement of the project results;
- Co-Chairing of project steering committees; Provision of legal and technical advice and analysis whenever needed.

3.6.2 Profile and tasks of the Resident Twinning Adviser (RTA)

Profile:

- University degree in law, economic, MBA or similar discipline relevant to the project or equivalent experience of 10 years in addition to the 5 years of minimum experience requested below;
- Minimum 5 years of experience in the field of audit and accounting regulation;
- Sound comparative knowledge of relevant EU legislative and institutional requirements related to the project components;
- Solid knowledge of international audit and accounting standards;
- Previous experience in project management would be an asset;
- Good training, communication and advisory skills;
- Exceptional time management, organization, and prioritization skills;
- Excellent computer literacy;
- Experience of working in the countries of the Neighbourhood East region would be an asset.

Tasks:

- Overall coordination project implementation and of all activities, ;
- Coordination of the activities of the team members in line with the agreed work plan to enable timely completion of project outputs;
- Provide technical input to the project whenever needed and provision of advice in his field of expertise;
- Liaise with MS and BC PLs and daily contacts with BC RTA counterpart;
- Preparation of the initial and subsequent work plan(s) and project progress reports, together with PL, to be submitted to the Steering Committees;
- Liaison with EUD Project Manager and Programme Administration Office (PAO);
- Liaison with other relevant projects and relevant Georgian institutions.

3.6.3 Profile and tasks of Component Leaders:

Component 1: Approximation of Georgian Legal Framework on Accounting Reporting and Auditing with the EU acquis in the relevant area

Profile:

- University degree in economics, MBA or similar discipline relevant to the project or equivalent experience of 10 years in addition to the 5 years of minimum experience requested below;
- At least 5 years of progressively responsible experience in accounting field;
- Experience in standard setting or other relevant regulatory experience;
- Excellent knowledge of International Financial Reporting Standards and International Standards of Auditing;
- ACA, ACCA, US CPA. PhD in law or similar professional designation;
- Solid experience in legal drafting coordination process relevant to the project scope;
- Solid experience of developing and executing strategy and delivering results;
- Relevant experience in capacity building activities;
- Exceptional time management, organization, and prioritization skills;
- Fluency in written and spoken English.

Tasks:

- Component coordination, guidance and monitoring;
- Conducting analysis of the area relevant to the component;
- Preparing and conducting training programs;
- Timely proposals for any corrective measures;
- Liaise with MS and BC PLs and daily contacts with RTA and BC counterpart.

Component 2: Capacity Building of SARAS in accordance with its mandate and tasks entrusted

Profile:

- University degree in economics, MBA or similar discipline relevant to the project or equivalent experience of 10 years in addition to the 5 years of minimum experience requested below;
- At least 5 years of progressive experience in accounting and audit field , especially in inspection and or investigation;
- Demonstration of a strong understanding of auditing and assurance and experience in standard setting or other relevant regulatory experience will be an asset;
- Excellent knowledge of International Financial Reporting Standards and International Standards of Auditing;
- ACA, ACCA, US CPA or similar professional designation;
- Relevant experience in capacity building activities;

- A good understanding of human resource management, training and professional development of personnel;
- Experience of leading on organizational change projects including restructures and redundancy programs;
- Proficient with Microsoft office;
- Ability to communicate ideas clearly and articulately, in a constructive manner (both orally and in writing);
- Previous experience in similar projects would be an asset;
- Fluency in written and spoken English.

Tasks:

- Component coordination, guidance and monitoring;
- Conducting analysis of the area relevant to the component;
- Preparing and conducting training programs;
- Provision of legal and technical advice and analysis whenever needed;
- Timely proposals for any corrective measures;
- Liaise with MS and BC PLs and coordination with RTA and BC counterpart.

3.6.4 Profile and tasks of other short-term experts:

Specialist civil servants/staff of approved mandated bodies will be made available by the Twinning Partner (MS) to support the implementation of the activities and agreed with the beneficiary administration. Specific and technical matters relevant to this Twinning project will be taken over by a pool of STEs. The detailed expert input shall be established when drawing up the Twinning work plan.

Below some indicative qualifications and tasks: (NB: STEs CV should not be included in the MS proposal)

Qualifications of short term experts

- A university degree in law, political science, economics, MBA or similar discipline relevant to the project or equivalent experience of 10 years in addition to the 3 years of minimum experience requested below;
- A minimum of 3 years of experience in a respective field;
- Good command of written and spoken English;
- Considerable experience in a relevant audit and/or accounting technical field;
- Proven experience working on legal approximation issues;
- Solid knowledge of international audit and accounting standards;
- Experience in international Financial Reporting Standards;
- Experience in developing strategy documents;
- Demonstrated understanding of transformation in the auditing profession in the international arena;
- Good understanding of education, training and professional development;
- Relevant experience in Professional Accounting Organizations (PAOs) capacity building activities;
- Relevant experience in capacity building activities preferred;
- Proven experience in Human Resources Management;
- Experience in preparing regulatory framework, including fiscal and regulatory impact assessments, public consultations and inter-institutional coordination;
- Computer literacy.

Tasks of short term experts

- Contributing to the sustainability of the project by ensuring that aspects of the project related to their field of expertise are implemented timely;
- Supervision and on-site coordination of all activities related to their field of expertise and performed under this project;
- Timely proposals for any corrective measures;
- Assistance with drafting project related documents in accordance with the national rules for legislative development and preparation of trainings, study tours, workshops, seminars, etc.

- Liaise with RTA and BC counterparts.

4. Budget

Maximum Budget available for the Twinning Grant 1, 250,000 Euro

5. Implementation Arrangements

5.1 The European Union Delegation in Tbilisi, Georgia, will be responsible for the tendering, contracting, payments and financial reporting, and will work in close co-operation with the Beneficiary. The person in charge of this project at the Delegation of the European Union to Georgia is:

Ms. Sirje Poder

Attache Programme Officer, Private Sector Development, Trade Facilitation

Delegation of the European Union to Georgia

38 Nino Chkheidze St, 0102 Tbilisi, Georgia

Tel: +995 32 2943 763

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5.2 Institutional framework

The main beneficiary Institution of the Twinning project is the Service for Accounting, Reporting and Auditing Supervision of the Ministry of Finance of Georgia.

Currently SARAS has 21 permanent employee and two employees on contract. Structural units of SARAS are: Staff Office, Auditing and Professional Education Supervision Department, Accounting and Reporting Supervision Department. Also, Board (the Board) which is a body under the Service that reviews accounting, reporting, audit and related issues and makes respective decisions.

For details regarding SARAS' organizational structure, governance and departments and responsibilities please see **Annex 2 SARAS Organizational Chart** also and **Annex 3 SARAS Organizational Set Up and Responsibilities**.

Membership of SARAS in International Organizations:

SARAS is a full member of International Forum of Independent Audit Regulators (IFIAR), which provides rights for voting and participation in IFIAR Working Groups.

Relationship of SARAS with Local Bodies:

Within audit quality control system monitoring process SARAS is densely linked to other oversight bodies, among which are National Bank, the main function of which is to supervise banks, financial institutions and stock issuers on the basis of prudential analysis, the main intersection in the process is SARAS's function to implement audit quality control systems monitoring, including prudential review of financial statements of public interest entities. Also, in process SARAS cooperates with other state agencies like State Audit Office of Georgia, in terms of sufficiency of audit procedures while auditing state owned enterprises in part procurement and other legal compliance. Also the Georgian National Energy and Water Supply Regulatory Commission and Georgian National Communications Commission the main intersection of above mentioned Oversight Bodies with SARAS is to ensure all the submitted reporting in these bodies meet quality requirements and are in line with international standards.

All stakeholder representatives will be evolved in the project implementation according to their mandate and responsibilities.

5.3 Counterparts in the Beneficiary administration:

The PL and RTA counterparts will be staff of the Beneficiary administration and will be actively involved in the management and coordination of the project.

5.3.1 Contact person:

Ms. Natela Gloveli

Head of Staff Office of Service for Accounting, Reporting and Audit Supervision of Georgia

1 M. Aleksidze, 0193, Tbilisi, Georgia

5.3.2 PL counterpart

Mr. Yuri Dolidze

Head, Service for Accounting, Reporting and Audit Supervision of Georgia

1 M. Aleksidze, 0193, Tbilisi, Georgia

5.3.3 RTA counterpart

Ms. Natela Gloveli

Head of Staff office of Service for Accounting, Reporting and Audit Supervision of Georgia

1 M. Aleksidze, 0193, Tbilisi, Georgia

6. Duration of the project

Duration of the execution period: 21 months. [The execution period will end 3 months after the implementation period of the Action (work plan) which will take 18 months].

7. Sustainability

The achievements and benefits of the project will have permanent and ongoing beneficial effects on the effectiveness of SARAS, which will continue to be maintained by the Ministry of Finance of Georgia for the foreseeable future.

The sustainability of the project will be achieved through a suitable implementation of the project activities and availability of trained personnel in the Department of Audit and Professional Education Supervision and Department of Accounting and Reporting Supervision and as well as provision/development of relevant documents and training material for further use in Georgia.

In order to contribute to develop implementable legislation, the twinning project will support preparation of analytical prerequisites i.e. preparation of concept notes, impact assessments, estimation of implementation costs and will support SARAS on conducting inter-institutional and public consultations, including publication of consultation results.

The Beneficiary Institution is fully committed to ensure the long term impact of the Twinning project. Staff benefiting from different project activities trainings, practical exercise, inspections carried out, study visits shall transfer knowledge step by step to their colleagues. Smooth and effective functioning of the achieved results will be guaranteed by the relevant human and financial resources contribution. The relevant operational documents will be introduced based on the discussions / consultations with the relevant parties in a reasonable timeframe. Trained staff should be maintained within the administration to successfully fulfil their tasks.

Coordination with the CSB will also contribute to sustainability of training activities by integrating them, where possible, in the CSB's training programme.

Any internal procedure developed with the support of the project will be consistent with the formal decrees on the organisational structure and job requirements for the organisation and any by-laws that exist for all government bodies regarding job descriptions and written procedures. In addition, any written procedural manual or guidelines developed with the support of the project will be simple enough to be regularly updated and changed by the staff of the respective organisations without external support.

Since results should be sustainable, the Beneficiary should describe how in its budget planning (Medium-Term Business Planning or alike) it has planned necessary resources ensuring the sustainability.

8. Crosscutting issues (*equal opportunity, environment, climate etc...*)

Based on the fundamental principles of promoting equality and combating discrimination, SARAS will ensure equal opportunities between male and female in the management and implementation of the Project, including equal opportunities in training, site visits and participation in all of the Projects' missions and events; contributing thus to the promotion of gender equality.

The principle of implementation of this Twinning project will be based on environment friendly atmosphere. This in particular guarantees, minimising paper use during project implementation by the maximum feasible use of electronic tools and resources. Nowadays financial reporting, accounting and audit are mainly done through E-Systems so the project will follow the existing practice and strengthen SARAS ability in this regard.

9. Conditionality and sequencing

There is no precondition set for this twinning project as the new law on Accounting, Reporting and Auditing was adopted in 2016 giving the solid basis to the project to be implemented.

It is foreseen that a series of activities / measures would have been undertaken by the SARAS in order for the project to start in satisfactory conditions.

SARAS commits itself to provide the contributions stated in the Fiche. They include such as:

- Strong commitment and support of SARAS management throughout the Project implementation period;
- Strong involvement and commitment of SARAS staff at all levels;
- Assigning dedicated staff according to the project components;
- Joint reflection of MS and SARAS staff related to the project activities;
- Ensuring coordination between departments and institutions connected with the Project;
- Ensuring access to indispensable information and documents;
- Adequate conditions for the STEs to perform their work while on mission to the BI;
- Providing suitable venues and equipment for the training sessions and meetings that will be held under the Project;

Twinning project will enable SARAS to face implementation challenges in operationalizing all responsibilities given to SARAS under the Law will be considerable. Leveraging similar experience and progress made in EU Member States would assist SARAS in its tasks to a very great degree.

10. Indicators for performance measurement

- Relevant staff from SARAS (higher management and filed specialists) will be involved in the project implementation and nominated for the overall coordination and project management.
- Providing the information/documents in regards with the national regulatory basis and arranging the relevant informative meetings.
- Appropriate area and facilities prepared and provided during the project implementation process.
- Training facilities provided.
- Coordination and meetings with other stakeholder organizations, donors or interested parties related to the SARAS field of operation.
- Action Plan reports provided and updated.

11. Facilities available

The BC commits itself to deliver the following facilities:

- Adequately equipped office space for the RTA and the RTA assistant(s) for the entire duration of their secondment.
- Supply of office room including access to computer, telephone, internet, printer, photocopier.

- Adequate conditions for the STEs to perform their work while on mission to the BC.
- Provide suitable venues for the training sessions and meetings that will be held under the Project.
- Security related issues will be assured according to the standards and practices applicable for all Georgian public institutions.

ANNEXES TO PROJECT FICHE

1. Logical framework matrix in standard format
2. SARAS Organizational Chart
3. SARAS Organizational Set Up and Responsibilities
4. List of Abbreviations

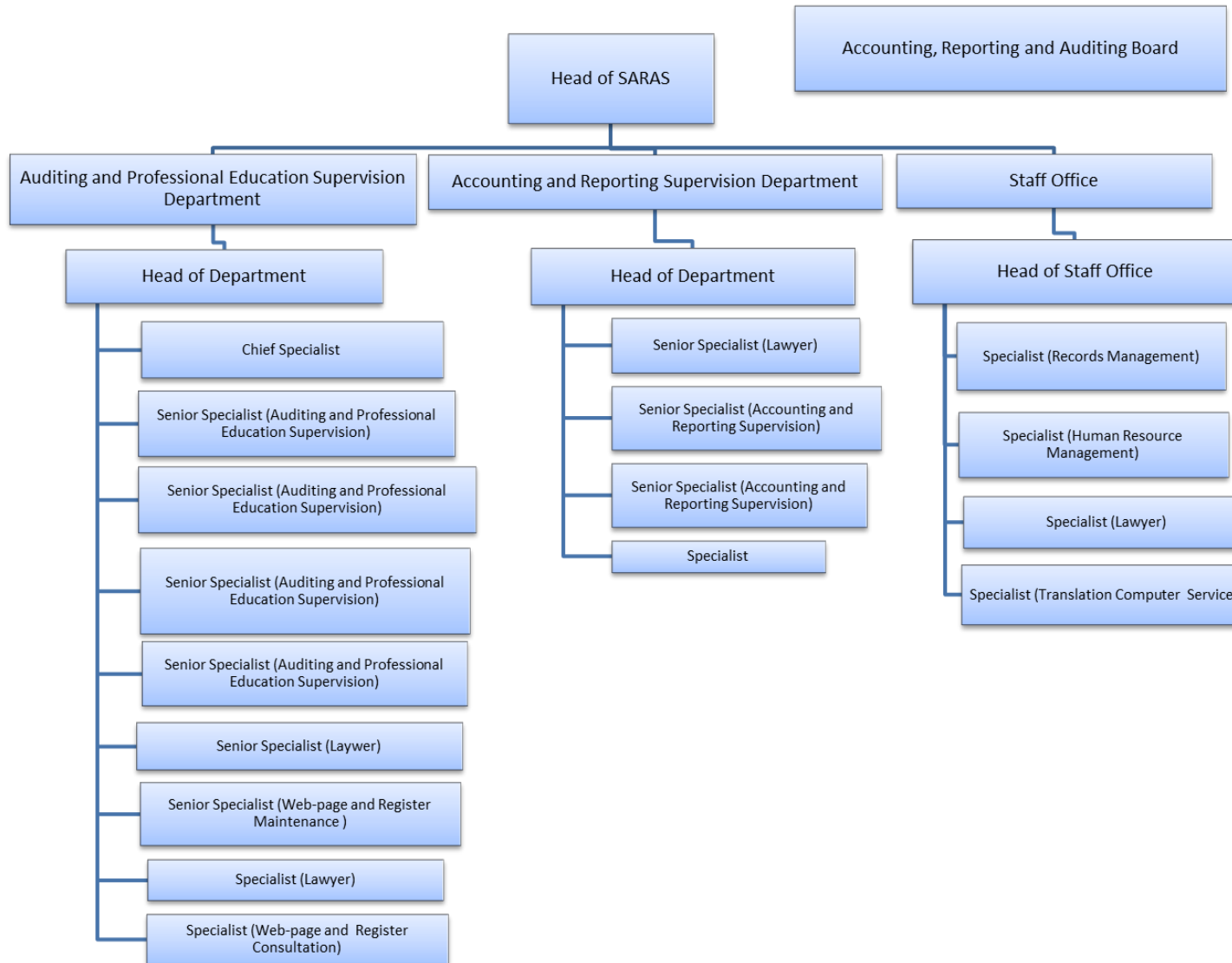
Annex 1. Logical framework matrix

Strengthening capacities of the Service for Accounting, Reporting and Auditing Supervision in Georgia		Programme name and number	Technical Cooperation Facility II ENI/2016/039-337/
Service for Accounting, Reporting and Auditing Supervision, Ministry of Finance of Georgia		Total budget: 1.250,000. EUR	Financing: 100% 1,250,000. EUR
Overall objective (impact)	Objectively Verifiable Indicators	Source of Verification	Assumptions
The overall objective of the project is to support fulfillment of the commitments of Georgia in the context of the EU-Georgia Association Agreement AA which will lead to further support and enhancement of effective economic decision making through transparent and reliable reporting systems.	<ul style="list-style-type: none"> • The relevant legislation amended in accordance with the EU provisions; • The necessary operational/procedural documentation for quality control, inspection and investigation in place by 2019; • Number of quality audits, inspections and investigations increased by 20% by 2020; • Number of recognized disciplines per certification programmes increased by 50% by 2020; 	<ul style="list-style-type: none"> • SARAS/MoF Reports; • Monitoring/assessment reports by international organizations; • Statistics; • AA implementation report; 	
Specific Objective(s) (outcome)	Objectively Verifiable Indicators	Source of Verification	Assumptions
The specific objective of the project is to support SARAS to establish solid system of audit quality control and inspection, to enforce corporate reporting requirements and application of accounting standards, as well as to implement proper recognition process for professional certification programs and examination processes and to increase human resource management capacity.	<ul style="list-style-type: none"> • Corporate reporting requirements in place by 2020; • A long term strategy document for quality control, inspection and inspection of corporate reporting in place till the end of the project; • Institutional and human capacity of the SARAS enhanced in line to the responsibilities and requirements of the Law till the end of the project; 	<ul style="list-style-type: none"> • Operational Manual, Guidelines; • Lists of participants from various meetings (workshops, trainings, discussions) • Project documentation (analysis reports, training programmes, materials, recommendations and etc.). • Project interim and final reports; 	<ul style="list-style-type: none"> • Strong support and commitment from the senior management of SARAS • Strong support and commitment from twinning partner(s) • Relevant staff of SARAS available and involved in the process

Mandatory Results (outcomes)	Objectively Verifiable Indicators	Source of Verification	Assumption
<p>Component 1 – Advanced Approximation of Georgian Legal Framework on Accounting Reporting and Auditing with the EU acquis in the relevant area</p> <p>Result 1.1 – Georgian Legal Framework on Accounting Reporting and Auditing and related secondary legislation revised in accordance with the provisions of the Association Agreement</p>	<ul style="list-style-type: none"> • Amendments to the primary and secondary Georgian legislation on Accounting, Reporting and Auditing drafted in an inclusive process, accompanied by a sound RIA if required and using unified LA methodology and initiated by SARAS in 12 months from the start of the Project; • Public consultations held on a newly drafted Strategy Document in 12 months from the start of the project. 	<ul style="list-style-type: none"> • Project documentation, interim and final reports; • Project activity reports (consultations, discussion); • STE mission reports; • Assessment reports; • Long- term strategy; • Legislative amendments and explanatory note; 	<ul style="list-style-type: none"> • Government commitment on fulfillment of AA requirements continued; • Strong support and commitment from the senior management of SARAS/MoF; • Twinning MS partner commitment; • Availability of local staff; • All relevant documentation/information available;
<p>Component 2.- Enhanced Capacity Building of SARAS in accordance with its mandate and tasks entrusted</p> <p>Result 2.1 – SARAS' ability in fulfilling its functions to conduct audit quality inspection and investigation strengthened</p>	<ul style="list-style-type: none"> • SARAS conducted inspections of approximately 40 audit firms on a risk-based till the end of the project; • Dispute resolutions performed without any delay in accordance with the existing procedures (average timing for dispute resolution at SARAS Board level comprise 2 months); 	<ul style="list-style-type: none"> • Report on gap/needs analysis; • Operational Manual for inspections; • Project documentation (working procedures, activity reports and etc.); • Reports of inspection findings; • Project activity reports; 	<ul style="list-style-type: none"> • Strong support and commitment from the senior management of SARAS/MoF; • Availability of local staff; • Good communication between the Beneficiary and other stakeholders; • All relevant documentation/information available.

<p>Result 2.2 – SARAS' financial/non-financial statements review capacity and corporate reporting requirements enforced</p>	<ul style="list-style-type: none"> • 40% of PIEs, 20% percent of large and medium sized financial/non-financial statements reviewed at high level until the end of the Project (approximately 150-200 in total); 	<ul style="list-style-type: none"> • Financial/non-financial Statements Review Operational Manual; • Project documentation (relevant training materials, training reports, training evaluation and checklists , list of participants); • STE mission reports; 	<ul style="list-style-type: none"> • Strong support and commitment from the senior management of SARAS/MoF; • Availability of local staff; • Good communication between the Beneficiary and other stakeholders; • All relevant documentation/information available.
<p>Result 2.3 – SARAS' capacity to assess and recognize certification programs and examination processes of Professional Accounting Organizations (PAOs) enforced</p>	<ul style="list-style-type: none"> • At least 3 certification programmes together with examination processes recognized and monitored till the end of the project; 	<ul style="list-style-type: none"> • Assessment /Analysis reports; • Project documentation (relevant training materials, training reports, training evaluation and checklists , list of participants); • Monitoring reports • STE mission reports; • Recognised certification programmes; 	<ul style="list-style-type: none"> • Strong support and commitment from the senior management of SARAS/MoF; • Availability of local staff; • Good communication between the Beneficiary and other stakeholders; • All relevant documentation/information available.
<p>Result 2.4 – Administrative and human resources capacity of SARAS enhanced</p>	<ul style="list-style-type: none"> • SARAS staff performance goals set and appraisals made according to new systems till the end of project; • SARAS new structure designed and agreed with relevant authorities till the end of the project; 	<ul style="list-style-type: none"> • Assessment /Analysis reports; • Project documentation (relevant training materials, training reports, evaluation and checklists , activity reports, list of participants); • Work process map; • Guidelines; • Code of Conduct; • STE mission reports; 	<ul style="list-style-type: none"> • and requirements; • Strong support and commitment from the senior management of SARAS/MoF; • Availability of local staff; • Good communication between the Beneficiary and other stakeholders; • All relevant documentation/information available.

Annex 2 – SARAS Organizational Chart



Annex 3: SARAS Organizational Set Up and Responsibilities

SARAS Head

Upon Board's recommendation, the Minister of Finance recommends a candidate for the position of Head of SARAS (the Head) to the Prime Minister.

Head of SARAS must be a non-practitioner, have a higher education degree specializing in accounting, audit, economics, finance, or banking and possess at least 5 years of managerial experience in audit;

The Head's main responsibilities include:

- Governing SARAS; being responsible for fulfilling duties assigned under the Georgian legislation;
- Making decisions, within respective competence;
- Submitting draft regulations of the Service to the Minister of Finance of Georgia for approval;
- Issuing normative act - Decree within the competence of the Service;
- Appointing and dismissing of public servants of the Service to/ from positions, approving internal regulations of the Service and setting the qualification requirements for the Service staff;
- Submitting reports on the activities of the Service to the Minister of Finance, publishing reports on Service activities and information on its plans on the Service webpage;

Three main structural units in SARAS:

(1) Staff Office: the unit is in charge of Organizing records within SARAS, registering and controlling the SARAS letterheads and seals; Ensuring human resources management, providing administrative support, ensuring professional development of public servants and interns/ trainees; Conducting financial – economic, logistical and accounting activities; Controlling SARAS logistics; Ensuring operation of the SARAS hotline. Responding to incoming calls and applications, checking compliance of the personnel behavior with goals of the institution and planning respective measures for detecting non-compliance, providing information to the respective department on detected weaknesses and investigating their reasons; Organizing Board meetings, reviewing incoming letters and applications, drafting opinions/ proposals in response, processing correspondence addressed to the Head of SARAS, describing documents subject to signing and controlling their timely and adequate preparation; Conducting procedures related to fulfillment of functions to be performed by the structural units of the SARAS; Making public information available;

(2) Auditing and Professional Education Supervision Department: functions of the unit are as follows:

- Management of the registry of auditors/ audit firms;
- Monitoring quality control system within the timeframe defined under the Law, planning/ defining procedures related to quality control system monitoring, inter alia, with consideration of additional requirements for auditing PIE financial statements and auditing services provided for in Article 14 (7) of the Law;
- Management and detection of potential risks related to activities of an auditor/ audit firm, professional organization and specialized examination bodies;
- Preparation of the report on quality control system monitoring, submission of the draft report on preliminary and final monitoring findings to the Head and participation in review of the preliminary results, development of proposals on elimination of revealed deficiencies for the Head;
- Formation of the investigation system, development of rules and methodology for conducting investigation, initiation of investigation with respect to an auditor/ audit firm based on SARAS initiative or/ and submitted application or/ and claim;
- Defining procedures related to granting the authority to pursue auditing;
- Ensuring processes (inter alia through the third parties) related to introduction of International Auditing Standards (ISA), international standards on review, related services and the other assurance engagements adopted by the International Auditing and Assurance Standards Board (IAASB), or its successor;

- Ensuring processes (inter alia through the third parties) related to introduction of IESBA Code set by the International Federation of Accountants (IFAC);
- Development of proposals on rules for detecting offences committed by auditors and imposing disciplinary responsibility, prepared by professional organizations and submitted to SARAS;
- Ensuring processes (inter alia through the third parties) related to introduction of International Standards on Quality Control (ISQC) adopted by the International Auditing and Assurance Standards Board (IAASB) or its successor;
- Definition of requirements for professional certified education, examination process and continuous education and development of respective standards and rules in accordance with International Education Standards (IES) set by International Federation of Accountants (IFAC) and EU Directives;
- Drafting respective documents for ensuring professional certification (including for passing qualification test in Georgian law by individuals, members of IFAC from OECD and EU member states);
- Monitoring over compliance of professional organizations, specialized examination body and the other entities, engaged in professional education, defined under the Law, with the legislation and regulations and standards set by the SARAS;
- Provision of information to the Head of the Service on fulfillment of requirements by professional organizations, specialized examination body and the other entities engaged in professional education defined under the Law, and offences identified in professional certification and continuous education, to planning measures for their prevention or elimination;
- Implementing respective procedures for defining the recognition procedure for certification programs, examination process and continuous education;
- Management of registries for recognized education programs and continuous education programs and specialized examination bodies and ensuring collection of related data (including relations with the third parties);
- Drafting, within its competence, normative and individual administrative – legal acts of the SARAS Head, ensuring procedures required for adoption of draft normative acts on introduction of amendments to the respective legal acts;
- Preparation of legal opinions on draft legal acts prepared by the other structural units of SARAS and the Board;
- Coordination of relations with professional organizations, auditors/ audit firms, regulatory/ supervisory bodies and the other government agencies;
- Ensuring representation of the SARAS in the court within its competence in accordance with the procedure set under the Law;

(3) Accounting and Reporting Supervision Department: main functions of the unit are:

- Preparation of business processes and rules related to webpage for financial statements, management report and statement on payments to the government, their management and ensuring publicity;
- Provision of information to the Head of the Service on offences identified during preparation, filing and publishing statements by entities for planning measures for their prevention or elimination;
- drafting procedure for requesting the financial statements submitted to SARAS by the fourth category enterprises by interested persons;
- Cooperation with respective agencies/ bodies to create a single reporting system;
- Development of risk – based methodology for monitoring compliance of filed statements with requirements of the Law and cooperation with entities and the other regulatory/ supervisory bodies for eliminating the identified weaknesses;
- Ensuring processes (inter alia through the third parties) related to introduction of full standards adopted and published by the International Accounting Standards Board (IASB) or its successor body, including International Financial reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations (adopted by International Financial Reporting Interpretations Committee (IFRIC) or the

Standing Interpretations Committee (SIC)) and International Financial Reporting Standards for Small and Medium-sized Businesses (IFRS for SMEs) ;

- Development of simplified reporting rules for the third category enterprises (based on requirements of IFRS for SMEs and EU directives) and submission to the Head of SARAS;
- Development of financial reporting standards for the enterprises of the fourth category;
- Development of a financial reporting standard for the non – entrepreneurial (non-profit) legal entities;
- Development of a draft regulation for preparation and filing management report;
- Development of a draft regulation for preparation, filing and publishing the statement on payments to government;
- Providing explanations on use of reporting standards and rules developed by SARAS;
- Drafting, within its competence, normative and individual administrative – legal acts of the SARAS Head, ensuring procedures required for adoption of draft normative acts on introduction of amendments to the respective legal acts;
- Preparation of legal opinions on draft legal acts prepared by the other structural units of SARAS and the Board;
- Coordination of relations with professional organizations, auditors/ audit firms, regulatory/ supervisory bodies and the other government agencies;
- Ensuring representation of the SARAS in the court within its competence in accordance with the procedure set under the Law;
- Responding to claims related to fulfillment of the department functions and cooperation with the Board, inter alia, for presenting respective information to the Board session;

(4) Board of SARAS:

Main responsibilities include:

- Reviewing drafts of normative acts, making sectorial and professional assessments, submitting respective recommendations;
- Submitting proposals on changes to be introduced to the normative acts to the Head of the SARAS;
- Rendering consultations to the Ministry of Finance of Georgia with respect to the Candidacy of the Head and formulating the Board’s position as a recommendation;
- Reviewing claims related to decisions made by the Service with respect to the accounting, reporting and auditing areas.

The Board member shall be a non-practitioner who is a qualified professional, experienced and competent in the areas of accounting and reporting, audit, economics, finance, business administration or law, with at least 7 years of experience in the field.

The Board represents following governmental bodies and sectors:

Nominating body	Nominees
Ministry of Finance (Chair)	1
Council of National Bank	1
Ministry of Economy and Sustainable Development	1
Insurance State Supervision Service	1
Professional Accountancy Organizations	1
Business Associations	1
Academia	1

Total

7

Annex 4 – List of Abbreviations

A&A	Accounting and Auditing
AA	Association Agreement
CPD	Continuing Professional Development
CSB	Civil Service Bureau
EC	European Community
EU	European Union
EUD	European Union Delegation
GFPAA	Georgian Federation of Professional Accountants and Auditors
GRS	Georgian Revenue Service
IAASB	International Auditing and Assurance Standards Board
IAS	International Accounting Standards
IES	International Education Standards
IESBA	International Ethics Standards Board for Accountants
IESs	International Education Standards for Accountancy
IFAC	The International Federation of Accountants
IFIAR	International Forum of Independent Audit Regulators
IFRIC	Interpretations adopted by International Financial Reporting Interpretations Committee
IFRS	International Financial Reporting Standards
IFRS for SMEs	International Financial Reporting Standards for Small and Medium Sized Entities
IPSAS	International Public Sector Accounting Standards
IMF	International Monetary Fund
ISAs	International Standards on Auditing
ISQC	International Standards on Quality Control
KSAOs	Knowledge, Skills, Abilities and Other characteristics
LAW	The law on Accounting, Reporting and Auditing of Georgia
MoF	Ministry of Finance of Georgia
OECD	Organization for Economic Co-operation and Development
PIE	Public Interest Entities
PL	Project Leader
PAO	Programme Administration Office
PAOs	Professional Accounting Organizations
RIA	Regulatory Impact Assessment
ROSC	The Report on the Observance of Standards and Codes
SARAS	Service for Accounting, Reporting And Auditing Supervision
SIC	Standing Interpretations Committee
SME	Small and Medium sized Entities
STAREP	Strengthening Auditing and Reporting in the Countries of the Eastern Partnership
STE	Short Term Expert
TNA	Training Needs Analysis

