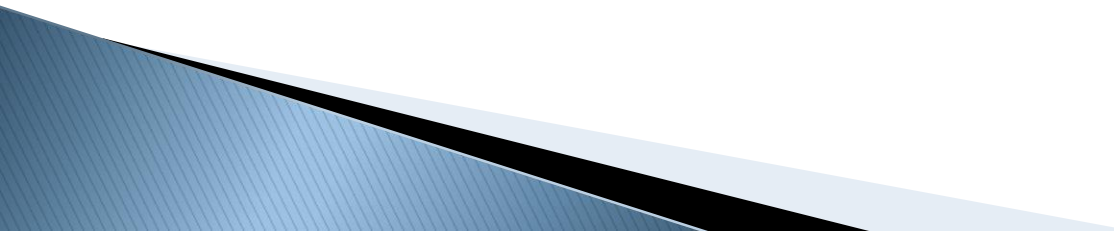


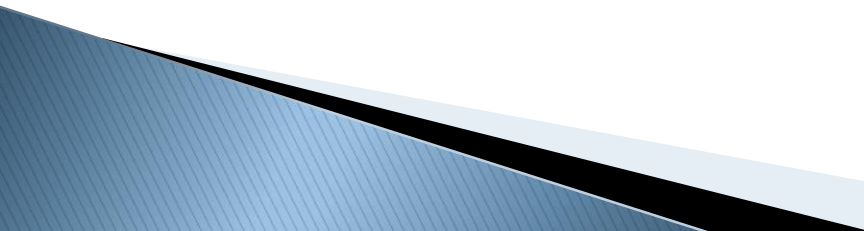
# Consolidation of financial statements

**Albania, Azerbaijan, Bulgaria, Bosnia and Herzegovina, Georgia, Croatia, Montenegro, Russia, Moldova, Ukraine, Tajikistan**

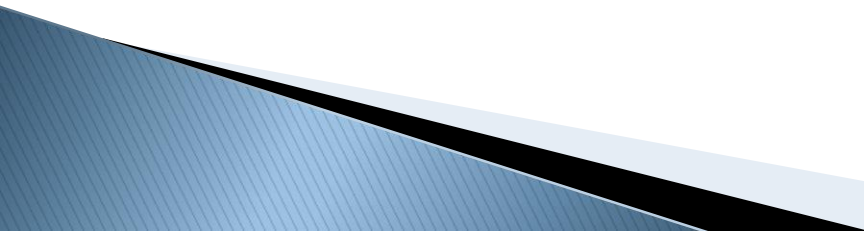
# New participants

- ▶ Albania (Mimosa)
  - ▶ Georgia (Davit)
  - ▶ Moldova (Nadezhda)
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## *Summary of the work of the group*

- ▶ 1. The preliminary Plan was agreed upon in Skopje.
  - ▶ 2. A video conference on the scope of consolidation of reporting based on the experience of Bulgaria – December 2013.
  - ▶ 3. Survey on consolidation of financial statements.
  - ▶ 4. In Tbilisi the structure of the Guidance Notes on Consolidation was developed and agreed upon.
- 

# The Structure of the Practical Guidance

- ▶ 1. Key concepts
  - ▶ 2. The purpose of consolidation and guidance
    - Purpose of consolidation
    - Purpose of guidance
    - Practical guidance
    - Compliance
    - Governance
- 

# The structure of the practical guidance

- ▶ 3. Standards
  - GFS
  - ESA
  - IPSAS
  - National standards

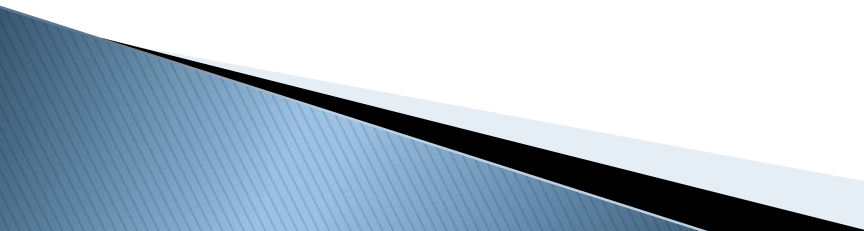
# The structure of the practical guidance

- ▶ 4. Consolidation entity options
  - ▶ GGS
  - ▶ Control
- ▶ 5. Consolidation structure and sub-entities

# The structure of the practical guidance

- ▶ 6. Exceptions to consolidation requirements
  - Investment entities
  - Temporary control
  - Partial ownership
  - Valuation of entities controlled not consolidated

# The structure of the practical guidance

- ▶ 7 . Methodology of consolidation
  - ▶ Flows and stocks
  - ▶ Eliminating intra entity flows, assets and liabilities
  - ▶ Chart of accounts
  - ▶ Accounting policies
  - ▶ FMIS
  - ▶ Audit of financial statements
- 



# The structure of the practical guidance

- ▶ 8. Publication of statements
  - Information requirements
- ▶ 9. Practical issues
  - Differences and special situations

# Action Plan of the Group

- ▶ The main goal is to elaborate the Practical Guidance Notes on consolidation of financial statements
  - ▶ Formats of events – video conferences and meetings
  - ▶ Terms – by the end of 2014.
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