SECOND REGIONAL AUDIT QUALITY ASSURANCE FORUM

Practical Examples of Public Oversight and Quality Control of Audit

November 7-8, 2023, Skopje, North Macedonia
FOREWORD

The Road to Europe Program of Accounting Reform and Institutional Strengthening for Small and Medium Enterprises (REPARIS for SMEs) aims to support: (i) further improving access of SMEs in the Western Balkans to professional accounting and financial management services, and (ii) alignment of Western Balkan countries’ corporate financial reporting frameworks with relevant directives and regulations of the European Union (EU). Project beneficiaries are: Albania, Bosnia and Herzegovina, Kosovo, Montenegro, North Macedonia, and Serbia.

REPARIS for SMEs builds on progress made under the completed EU-REPARIS Program (2015-2019). It is delivered by the World Bank Centre for Financial Reporting Reform (CFRR) based in Vienna, Austria in close cooperation with World Bank Country Offices in the beneficiary countries. Project activities include training, learning events, technical assistance provided to public officials, regulators, accountants, auditors, professional accounting organizations, business support organizations, and chambers of commerce. The main components of the project are:

(A) Supporting the development and implementation of sustainable education and training programs.

(B) Support for the transposition and alignment of national legal frameworks and practices in financial reporting and auditing with the EU requirements.

(C) Supporting a regional approach to the implementation of completed accounting and audit reforms.

(D) Landscape assessments of accounting advisory services and the Accounting and Auditing Reports on the Observance of Standards and Codes.

The inaugural meeting of the Regional Audit Quality Assurance Forum was held in Vienna on May 16-17, 2023 and convened representatives of competent authorities responsible for public oversight and quality assurance in the Western Balkans countries.

The second Audit Quality Assurance Forum aims to provide tailored training for board members, key executive staff of competent authorities, and audit quality inspectors on the governance, principles, and practical implementation of public oversight and quality
assurance systems. The Institute of Chartered Accountants in England and Wales (ICAEW) has been hired to support the implementation of activities under components B and C of the REPARIS for SMEs and will provide training sessions and learning materials.

Additionally, participants will learn about the role and responsibilities of audit committees in relation to financial and sustainability reporting in line with EU provisions. This will help them better understand the work of audit committees and develop an appropriate assessment methodology.

The language of the event will be English with simultaneous interpretation into Albanian and Bosnian/Croatian/Serbian.
### AGENDA | DAY 1 | TUESDAY, NOVEMBER 7, 2023

<table>
<thead>
<tr>
<th>Time</th>
<th>Session</th>
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<tbody>
<tr>
<td>08:30</td>
<td>Registration and Welcome Coffee</td>
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<tr>
<td>09:00</td>
<td>Welcome Remarks</td>
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<td><strong>Iwona Warzecha</strong></td>
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<td>09:10</td>
<td>Icebreaking Session</td>
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<td>During this session, each participant will be invited to introduce themselves and state their role in the public oversight and/or quality assurance systems.</td>
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<td><strong>Moderator: Jon Hooper</strong></td>
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<td>09:30</td>
<td>Training Session 1: Legislation and Regulations for Public Oversight and Quality Assurance Systems</td>
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<td>This session will explore real examples of the legislative underpinning of public oversight and quality assurance and how Public Oversight Boards (POB) gain and use the authority, powers, sanctions, and competencies for effective quality assurance for audit.</td>
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<td><strong>Jon Hooper</strong></td>
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<td><strong>Moderator:</strong> Iwona Warzecha</td>
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<td>10:30</td>
<td>Coffee Break</td>
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<td>11:00</td>
<td>Training Session 2: Governance and Principles of Public Oversight and Quality Assurance Systems</td>
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<td>This session covers the common best practice and peer governance arrangements that facilitate effective oversight and quality assurance. This includes the committee structure and responsibilities, independence, reporting, and implementing sanctions. Participants will be invited to share their current arrangements and discuss the strengths and weaknesses of these.</td>
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<td><strong>Jon Hooper</strong></td>
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**12:30 Lunch**

**13:30 Training Session 3: Alternatives for Audit Inspection Methodology**

This session will demonstrate a number of inspection philosophies, approaches, and methodologies and the choices that POBs and inspectors can make. Speakers will highlight the strengths and challenges of each system, with participation from delegates on which they would choose and how they might have to adapt the approaches.

*Sally Davies* | Quality Assurance Inspector, Quality Assurance Department, The Institute of Chartered Accountants in England and Wales

*Katerina Rafalska* | Senior Expert, The Institute of Chartered Accountants in England and Wales

**Moderator:**

*Jon Hooper* | Senior Manager, International Capacity Building, The Institute of Chartered Accountants in England and Wales

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**15:00 Coffee Break**

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**15:30 Training Session 4: Practical Case-Study 1. “Averting Disaster in the Closing Meeting with the Auditor”**

Group participation in a participative case study exploring the challenges of presenting and discussing weaknesses and significant findings to the auditor or audit firm.

*Jon Hooper* | Senior Manager, International Capacity Building, The Institute of Chartered Accountants in England and Wales

*Katerina Rafalska* | Senior Expert, The Institute of Chartered Accountants in England and Wales

**Moderator:**

*Andrei Busuioc* | Senior Financial Management Specialist, The World Bank

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**17:00 End of Day 1**
AGENDA  |  DAY 2  |  WEDNESDAY, NOVEMBER 8, 2023

09:00  |  Training Session 5: Real Life Examples of Inspection Outcomes

This section considers in-depth factual case studies of recent examples of publicized outcomes of quality inspections, from fines in the $ millions to removals of small and medium-sized practice and sole practitioner licenses.

**Sally Davies**  |  Quality Assurance Inspector, Quality Assurance Department, The Institute of Chartered Accountants in England and Wales

**Katerina Rafalska**  |  Senior Expert, The Institute of Chartered Accountants in England and Wales

Moderator:

**Jon Hooper**  |  Senior Manager, International Capacity Building, The Institute of Chartered Accountants in England and Wales

10:30  |  Coffee Break

11:00  |  Training Session 6: Practical Case Study 2. Role Play “Trouble at the Audit Registration Committee”

Group participation in a case study exploring the challenges of effective consideration of inspections reports highlighting poor-quality auditing, considering options and actions available to the registration committee or board.

**Jon Hooper**  |  Senior Manager, International Capacity Building, The Institute of Chartered Accountants in England and Wales

**Katerina Rafalska**  |  Senior Expert, The Institute of Chartered Accountants in England and Wales

Moderator:

**Andrei Busuioc**  |  Senior Financial Management Specialist, The World Bank

12:30  |  Lunch
Improving Audit Quality in Western Balkan Countries through Regional Cooperation

This session is an opportunity for participants to express their views and receive immediate feedback. They will be asked to outline their expectations regarding the content, format, and audience for further training in the field of quality assurance. Additionally, participants will agree on topics to be discussed as part of the next regional event.

Moderators:
Svetlana Platon | Financial Management Consultant, The World Bank
Jon Hooper | Senior Manager, International Capacity Building, ICAEW

Coffee Break

Assessing the Performance of Audit Committees

In accordance with EU Regulation No 537/2014, competent authorities are required to regularly monitor the market for providing statutory audit services to public-interest entities and assess the performance of audit committees. The objective of this session is to help representatives of public oversight bodies better understand the work of audit committees and develop an appropriate assessment methodology.

During the session, the role and responsibilities of audit committees in relation to financial and sustainability reporting in line with EU provisions will be outlined. The audience will also be provided with examples of good practices based on the activities of audit committees in Poland, highlighting relevant issues for the banking sector and large listed companies. The presentation will be followed by a Q&A session.

Danuta Dąbrowska | Independent Member of Supervisory Boards, Founding Partner at Oryx Group

Moderator:
Andrei Busuioc | Senior Financial Management Specialist, The World Bank

Closing Remarks

Andrei Busuioc | Senior Financial Management Specialist, The World Bank

End of the Event
BIOS OF THE SPEAKERS AND MODERATORS

(in order of appearance)

IWONA WARZECZA
Senior Financial Management Specialist, REPARIS for SMEs Team Leader, The World Bank

Iwona Warzecha is a Senior Financial Management Specialist at the World Bank’s Governance Global Practice and Team Leader of REPARIS for SMEs. She has vast experience in the implementation of country level diagnostic & advisory services in the area of public and private sector accounting and auditing in European countries; promoting International Financial Reporting Standards (IFRS), International Public Sector Accounting Standards, and International Standards on Auditing to strengthen financial accountability, governance, and transparency. She provides advice and technical assistance to complex World Bank lending projects to enhance institutional capacity in financial management and corporate governance, including for state-owned enterprises. Prior to joining the World Bank, she worked for PricewaterhouseCoopers performing audits and due diligence of banks and other financial institutions. Ms. Warzecha has led and contributed to several technical assistance projects and papers related to corporate financial reporting and auditing, public financial management, including tax administration, public sector accounting, and public financial accountability assessments. She holds a Master’s in Finance and Banking from the Academy of Economics in Katowice and obtained Association of Chartered Certified Accountants (ACCA) professional qualifications.

JON HOOPER
Senior Manager, International Capacity Building, the Institute of Chartered Accountants in England and Wales

Jon Hooper is a senior financial management consultant specializing in assisting governments, public oversight bodies, professional accounting organizations, and other stakeholders to drive real sustained improvements in corporate and public sector financial reporting and audit regulation and practice in both the public and private sectors. For the last four years, he has been a Senior Manager in the ICAEW International Capacity Building team. In addition, he is Team Leader for the Implementation of EU Practices for Accounting, Financial Reporting and Audit in Ukraine (EU-FAAR) project, assisting the Ministry of Finance in Ukraine and other stakeholders for over five years on accounting and audit reform.
initiatives. He has recently worked on reform projects in Georgia, Armenia, the Kyrgyz Republic, Saudi Arabia, Abu Dhabi, Afghanistan, Nepal, Cambodia, Samoa, and across Central and East Asia. He was formerly Head of International Relations for the United Kingdom’s (UK) Financial Reporting Council, the audit oversight and accounting regulator. He worked for the Financial Reporting Council for 10 years, including for three years on the establishment and operations of the UK Professional Oversight Board for Audit. He worked on secondment to the World Bank in Washington for two years. He served on the International Accounting Education Standards Board Consultative Advisory Group for six years. After graduating from Cambridge University, he joined KPMG in London and worked in audit and transaction services before working in corporate finance and then audit and accounting regulation. He is a prize-winning graduate of the ICAEW accountancy qualification and a fellow member of both ICAEW and ACCA.

SALLY DAVIES
Quality Assurance Inspector, Quality Assurance Department, the Institute of Chartered Accountants in England and Wales

Sally Davies is a Quality Assurance Inspector in the ICAEW Quality Assurance Department. She joined the Department in mid-2020 and undertakes audit monitoring engagements for a range of firms from sole practitioners to the ‘Big 4’ firms. Ms. Davies is a graduate of the University of Bristol and undertook her chartered accountancy training with a four-partner general practice firm in the South East of England, where her role involved bookkeeping, accountancy, audit and tax compliance for small owner-managed businesses reporting under UK GAAP. Shortly after achieving first-time passes in her ICAEW associate chartered accountant (ACA) exams and completing her training contract, she moved to a role as audit executive in a regional office of PwC, where she focused on audit and assurance engagements on UK subsidiaries of United States (US) and European listed clients and large UK private and public interest entities reporting in UK GAAP, US GAAP, and IFRS. After gaining promotion to manager and spending some time in that role, she reflected on her preference to focus on owner-managed businesses and found a role in a regional firm in the East of England with a diverse range of clients where her audit portfolio contained a significant proportion of SMEs, but also enabled her to utilize the experience gained at PwC on clients reporting in IFRS and group reporting engagements to overseas listed parent group auditors. Following promotion to senior manager, Ms. Davies obtained Responsible Individual status and took responsibility for signing audit reports on behalf of the firm. She has audit experience in a range of sectors including haulage and distribution, engineering, manufacturing, construction, renewable energy, biotech, and pharmaceuticals as well as not-for-profit and education.
KATERINA RAFALSKA
Senior Audit Quality Inspection Expert, the Institute of Chartered Accountants in England and Wales

Katerina Rafalska is a leading international technical expert in audit, audit inspections, and audit quality control. She has deep experience of performing audits for leading international audit networks (PwC, BDO), and has performed many internal audit quality control engagements for these companies. Furthermore, she led the external audit quality assurance team in the Audit Chamber of Ukraine for a number of years. Recently, Ms. Rafalska led inspections of two international network companies (PwC, GT) in Armenia on an ADB-funded ICAEW project. Ms. Rafalska is an expert in financial and securities regulation; financial and regulatory reporting; the application of IFRS; corporate and sustainability reporting in electronic formats (iXBRL); analysis and compilation of financial statements, and corporate audit. She has 4 years of experience as lead accounting and audit expert within the Ukraine Securities Commission and over 20 years in senior roles in PwC and BDO in London and Kyiv.

ANDREI BUSUIOC
Senior Financial Management Specialist, World Bank

Andrei Busuioc has been Central Asia Financial Management Coordinator for the World Bank since July 2020. He is responsible for leading the financial management function in Central Asia, while continuing to lead and support corporate financial reporting and state-owned enterprise governance activities. Mr. Busuioc has extensive experience in accounting and auditing in the private and public sectors, as well as university lecturing on accounting and auditing. He worked at the CFRR from 2008 to 2020 where he led activities supporting country-level financial reporting and state-owned enterprise governance reforms. He has led several Accounting and Auditing Reports on the Observance of Standards and Codes and contributed significantly to many more, especially in his thematic areas of expertise of audit regulation and state-owned enterprise governance. He is a PhD in economics, is an ACCA fellow member, and holds a postgraduate diploma in public financial management from SOAS, University of London.
SVETLANA PLATON  
Financial Management Consultant, The World Bank

Svetlana Platon is a Financial Management Consultant at The World Bank. She joined the World Bank in 2009 to support the corporate financial reporting reform agenda in Moldova. She has since been involved in regional activities of the CFRR in the areas of corporate financial reporting and audit strengthening as part of the Strengthening Auditing and Reporting in Countries of the Eastern Partnership (STAREP) and REPARIS regional programs. She has expertise in the thematic areas of accounting and audit regulation, public oversight, accounting education, and state-owned enterprise governance in countries of Europe and Central Asia and has contributed to the Accounting and Auditing Reports on the Observance of Standards and Codes in Moldova and Slovenia. Since 2021, Ms. Platon has also been involved in operational financial management for the World Bank portfolio in Tajikistan. Prior to joining the World Bank, she was the Chief Accountant at the Consolidated Agricultural Projects Management Unit of World Bank-financed projects in Moldova and was a lecturer at the Academy of Economic Studies of Moldova. She holds a PhD in economics and is an ACCA member. She is based in Moldova but works across the Europe and Central Asia region on regional and country-level activities.

VLADIMIR HRLE  
Lawyer, ESG Consultant, Integrated ESG Advisory Team Lead,  
International Finance Corporation, World Bank Group

Vladimir Hrle works on various corporate governance, sustainability, and disclosure matters, and regularly participates in a range of World Bank Group initiatives and tools, such as the Joint Capital Markets Program (J-CAP); the Integrated State-Owned Enterprises Framework (Corporate Governance and Accountability Module); International Development Agency Fragile and Conflict-Affected Situations Tools-Doing Upstream Corporate Governance in Fragile and Conflict-Affected Situations; small and medium sized enterprise governance; REPARIS; disclosure and transparency including International Sustainability Standards Board and EU standards benchmarking; and ESG and climate risk. He also serves as a country coordinator with the Sustainable Banking and Finance Network, an IFC coordinated voluntary community of financial sector regulators, central banks, ministries of finance, ministries of environment, and industry associations from emerging markets. Mr. Hrle is a qualified lawyer with over 15 years of experience working for international and regional law firms and advising on regulatory compliance, corporate dispute resolution and international law, and matters concerning international judicial and arbitral bodies. During his practice, he has acted as an
external compliance ombudsman for multinational companies and led a corporate liability project component of a landmark EU-backed effort to tackle corruption. He is a certified tutor of the Council of Europe’s Human Rights Education for Legal Professionals Program and holds a postgraduate degree from the University of Amsterdam in International and EU law.

DANUTA DĄBROWSKA
Independent Member of Supervisory Boards | Founding Partner at Oryx Group

Danuta Dąbrowska is a Member of the Supervisory Board of Budimex and Chair of the Audit Committee. She is also a Member of the Supervisory Board of Santander Bank Polska since 2014, and Member of its Audit and Remuneration Committees. She was Supervisory Board Member of Herkules S.A from 2012 to 2017 and Member of the Audit Committee and Chairwoman of Remuneration Committee from 2014. Ms. Dąbrowska joined Arthur Andersen & Co in 1991 as a Financial Assistant in the Audit Department and then joined Coopers & Lybrand in 1993 as Senior Specialist in the Business Assurance Department at Coopers & Lybrand, followed by promotions to Supervisor, Senior Supervisor and Manager in the Business Assurance Department and Corporate Finance Department. From 1997 to 2003, she held the position of Head of Financial and Business control at Ericsson, working from Warsaw and Stockholm, with responsibility for Poland and Asian markets. From 2004 she was Chief Financial Officer with responsibility for Eastern Europe and the Middle East at ECCO Sko A/S. Between 2009 and 2019 she held the position of Vice-President Finance, Eastern Europe & the Middle East at Pandora A/S. In 2022 she co-founded Oryx Group, a company providing outsourced chief financial officer services. Ms. Dąbrowska is a graduate of the Food Technology Faculty of the University of Horticulture and Food Industry in Budapest. She became a member of ACCA in 1999. She has completed various programs including Advanced Strategic Management, Strategic Finance and High Performance Leadership at IMD, Switzerland and ‘Best-In-Retail’ Program at Harvard Business School.