

REPARIS  
FOR SMEs

## REPARIS for SMEs Newsletter July 2024

Welcome to the REPARIS for SMEs July 2024 Newsletter, which highlights key activities of the Road to Europe Program of Accounting Reform and Institutional Strengthening for Small and Medium Enterprises (REPARIS for SMEs), implemented by the World Bank's Centre for Financial Reporting Reform – CFRR. This issue summarizes recent achievements, activities, and publications since last edition in December 2023.

### Events

#### [Strengthening Corporate Governance in Montenegro: Sustainability Reporting and the Increasing Role of Audit Committees, May 24, 2024, Ulcinj, Montenegro](#)



The fourth national conference under the Road to Europe Program of Accounting Reform and Institutional Strengthening for Small and Medium Enterprises (REPARIS for SMEs) regional project was held on May 24, 2024, in Ulcinj, Montenegro. The conference was organized in cooperation with the Institute of Certified Accountants of Montenegro (ICAM) as part of ICAM's 9th International Symposium of Accountants and Auditors of Montenegro.

The conference saw an impressive turnout, with over 300 participants including certified auditors, professional accountants, audit committee members of public interest entities and large state-owned enterprises (SOEs), representatives from various regulators, internal auditors, and academia.

The overall aim of the conference was to raise awareness of the pressing issue of sustainability, particularly in relation to environmental, social, and governance concerns, as well as on increasing the role of audit committees in respect to financial and sustainability reporting.

Discussions of the roles and responsibilities of audit committees generated particular interest. A panel of local experts discussed and provided their views on how the functionality of Audit Committees, especially in SOEs, can be strengthened. A separate article on this topic has been published on [CFRR's Website](#).

Participants found the conference topics to be relevant and timely. They recognized efforts were now needed to amend current national legislation to introduce sustainability reporting requirements in line with EU provisions, to clarify and strengthen the role of the accounting profession with respect to both financial and non-financial reporting, as well as the functions and responsibilities of Audit Committees. REPARIS for SMEs would continue to be a valuable source of information and support in achieving these aims.

You can learn more about this event and download available presentations on the [event page on CFRR website](#).

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### [Responding to New Requirements and Challenges in Corporate Financial and Sustainability Reporting, May 28, 2024 - May 29, 2024, Vienna, Austria](#)



A two-day Knowledge Sharing Event “Responding to New Requirements and Challenges in Corporate Financial and Sustainability Reporting” was organized on May 28-29, 2024 in Vienna, Austria.

The aim of the event was to bring together representatives from 11 beneficiary countries (Albania, Armenia, Azerbaijan, Bosnia and Herzegovina, Georgia, Kosovo, Moldova, Montenegro, North Macedonia, Serbia, and Ukraine) to discuss how to better respond to new requirements and challenges in corporate financial and sustainability reporting, and to agree on next steps to be taken at both regional and national levels.

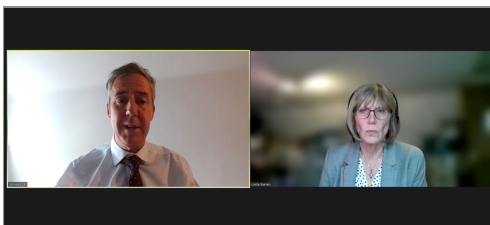
The sessions included: (i) The European Commission's Directorate General for Financial Stability, Financial Services, and Capital Markets Union DG FISMA overview on the results and impacts of the 2014 EU audit reform's on transparency, auditor independence, supervision, audit fees, and competition, informed by a 2022 study, (ii) Updates on EU sustainability reporting assurance regulations, (iii) sharing HAASOB's experience in Greece, covering their oversight and quality assurance framework, including tax certificate issuance and anti-money laundering efforts, (iv) The International Forum of Independent Audit Regulators (IFIAR) insights on their inspection findings, technology in audits, sustainability reporting assurance, and membership criteria, with contributions from member countries and discussions on the benefits of IFIAR membership, (v) New application of AI in financial reporting and auditing, considering the [EU Artificial Intelligence Act](#), (vi) Finally, the value of the Report on the Observance of Standards and Codes Accounting and Auditing (ROSC A&A), highlighting its role in evaluating financial reporting and auditing frameworks, contributing to national reforms, and generating reform momentum, as evidenced by experiences from Georgia and Albania.

The event was delivered under two flagship programs: the Road to Europe Program of Accounting Reform and Strengthening Institutions for Small and Medium-sized Enterprises ([REPARIS for SMEs](#)) and the recently launched Enhancing Accounting, Auditing, and Sustainability Reporting Program ([EAASURE](#)).

You can learn more about this event and download available presentations on the [event page on CFRR website](#).

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### [Series of Webinars on Corporate Sector Audit and Quality Assurance Inspection, May – June, 2024](#)



As part of the REPARIS for SMEs, experts from the Institute of Chartered Accountants of England and Wales (ICAEW) delivered a series of interactive webinars aiming to improve the audit quality through continuing professional development and learning. A world-leading inspection methodology was demonstrated in detail as part of these webinars with frequent pauses for participants to join in with case studies and discussions. Over 40 participants joined the course and actively took part in the learning and lively discussions.

Feedback was overwhelmingly positive and appreciative.

You can learn more about this event and download available presentations on the [event page on CFRR website](#).

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### [Executive IFRS Workshop for Supervisors: Implementation Challenges of IFRS 17 – Insurance Contracts, June 26, 2024, Online](#)

IFRS 17 was effective for annual reporting periods beginning on or after 1 January 2023, and insurance undertakings have already published first financial statements with application of this standard.

This online session provided with a summary of key issues about first implementation of IFRS 17 based on experience from several countries, and related questions and comments received by the IFRS Foundation. The session was a follow-up to the training sessions on IFRS 17 that were delivered in November and December 2023.

You can learn more about this event and download available presentations on the [event page on CFRR website](#).

## Upcoming Events

- **Two National Conferences on Sustainability Reporting and Audit Committees in Bosnia and Herzegovina, Sarajevo and in Banja Luka are planned in September/October.** The conferences will be accompanied with additional roundtable meeting in Sarajevo on strengthening the public oversight. The conferences will be organized in cooperation with local partners who will manage invitations and registration of the target audience including certified auditors, professional accountants, audit committee members of public interest entities and large SOEs, representatives from various regulators, internal auditors, and academia.
- **The Third Forum of Public Oversight Bodies (POB Forum) organized jointly under REPARIS for SMEs and EAASURE is planned for October, 2024 location is to be determined.** The [POB Forum](#) was established in May 2023 under REPARIS for SMEs program, aiming to improve the audit quality in Western Balkan (WeBa) countries through regional cooperation by sharing international and regional knowledge and experience in the field of public oversight and quality assurance. This platform for learning, exchange of experience, and improvement of regional cooperation will be further supported under EAASURE regional program. The event is by invitation and target audience include representatives in charge with audit and public oversight legislation from Ministry of Finance, representatives of POB or competent authorities in charge with audit oversight and quality assurance (Board members, executive staff, and quality assurance inspectors), representative of professional accounting associations (PAOs) with a delegated role in the field of quality assurance (either Board member, or executive staff or quality assurance inspector).
- **The next Ministerial Conference is planned for the spring 2025 in Vienna.** The objective of the conference is to raise awareness of and mobilize political support for financial and sustainability reporting reforms align with international and regional standards. The event targets Minister of Finance, public officials, policy makers, other stakeholders from 12 countries participating in CFRR programs. The Ministerial Conference will be accompanied by two days of technical workshops and training for both corporate and public accounting and auditing streams. The participation in the event is by invitation.

## Upcoming Publications

### **Corporate Sector Accounting and Auditing in the EU *Acquis Communautaire* , 4th Edition**

The fourth edition of a guide *Corporate Sector Accounting and Auditing in the EU Acquis Communautaire* will provide an overview of European Union (EU) policy in this area for policymakers, regulators, and other stakeholders in Member States, enlargement countries, countries within the “European Neighborhood”, and other countries interested in understanding the EU regulatory model. New countries were granted country candidate status and began formal negotiations for accession to the Union. This requires greater focus on the process of transposing (or integrating) EU legislation into national laws. The CFRR will continue to offer support to these countries in the area of corporate financial and sustainability reporting as they progress towards full EU membership.

This edition of the guide will also include recent requirements of the Corporate Sustainability Reporting Directive, which stems from the EU’s Green Deal and ensures that sustainability reporting and financial reporting become of equal importance. A broad set of large companies, as well as listed small and medium enterprises, will be required to report on sustainability in accordance with 12 mandatory European Sustainability Reporting Standards issued in 2023.

This Guide will offer CFRR client countries, especially those working towards closer alignment with the EU, useful background on the history and current expectations of the EU regarding corporate financial reporting. It also reviews the European Commission’s most recent reflections on the framework and suggests the likely direction of travel in terms of further development of accounting, auditing, and sustainability reporting.

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## Public Oversight Systems for Statutory Audit in the EU

New publication under preparation is related to Public Oversight Systems for Statutory Audit in the EU considering the recent developments, regulatory framework, existing practice, comparison of the main elements of public oversight systems in selected EU countries, and a separate chapter describing public oversight system in Western Balkans countries.

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## Let us know what you think

We hope you find this issue of the newsletter interesting and useful. Please let us ([cfr@worldbank.org](mailto:cfr@worldbank.org)) know if you have any comments or suggestions for topics that could be featured in future editions. Please visit the [REPARIS for SMEs webpage](#) for more information, publications, presentations, learning materials, and videos from past events organized under the program.

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