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A&ACoP

 STAREP

**Enhancing audit quality
for more accountable
and transparent economies**

10-11 October 2016
Minsk, Republic of Belarus

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The **Strengthening Auditing and Reporting in the countries of the Eastern Partnership (STAREP) program** has been working with Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine since October 2013. STAREP supports a regional Accounting and Auditing Standards Community of Practice (A&ACoP) to address shared challenges in corporate financial reporting and audit reform. The program also provides relevant knowledge and technical advice for the transposition of the accounting and auditing elements of the *acquis communautaire*, especially the 2013 Accounting Directive and the recently revised Statutory Audit Directive.

The A&ACoP workshop will focus on the practical application of specific provisions of the Auditing Directive (2006/43/EC), and their effects on the accountability of economies and governments. The aim will be to enhance participants' understanding of the role of good audits in raising transparency among state-owned and private sector enterprises, as well as facilitating discussions on the first steps in establishing a sound quality assurance system. This event will also cover governance arrangements, including the importance and functions of Audit Committees, their influence on companies' financial transparency, reporting and audits of state-owned enterprises (SOEs), as well as the role of external auditors in helping governments to identify and manage risks stemming from SOEs' operating and financial activities.

On October 11, the A&ACoP will join forces with academia and Professional Accountancy Organizations (PAOs) from the same STAREP countries to explore ways to improve professional development in the accounting and audit profession and to meet the demand for competent human resources among SOEs and private entities.

Taking advantage of this joint session between regulators, the accounting and auditing profession and academia, participants will be encouraged to discuss the needs and opportunities to strengthen accounting and audit education among a broad range of stakeholders within each country's delegation. Participants will work in country groups to develop joint detailed action plans, which will be updated and implemented throughout the remainder of the STAREP Accounting and Auditing Education Community of Practice (EduCoP) Program.

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Agenda

Monday, 10 October – Day 1

08:30 Registration and Welcome Coffee

09:00 Welcome remarks

Jarett Decker, Head, Centre for Financial Reporting Reform (CFRR), World Bank

Dmitriy Kiyko, Deputy Minister of Finance of the Republic of Belarus

09:30 Objectives of Day 1 of the A&ACoP meeting

Andrei Busuioc, Senior Financial Management Specialist, CFRR, World Bank

09:40 STAREP countries – the most recent reforms in the field of accounting and auditing

A representative from each of the six participating countries: Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine

Moderators: Andrei Busuioc, Senior Financial Management Specialist, CFRR, World Bank

Natalie Manuilova, Senior Financial Management Specialist, CFRR, World Bank

Each country representative will update the audience on the status of recent reforms in the field of accounting and auditing in their respective countries and outline the plans for the near future. The speakers will also briefly introduce newcomers to the CoP, outlining their role in A&A regulation.

10:30 Coffee Break

11:00 The role and functions of an audit committee

Dmitriy Larionov, Consultant, CFRR, World Bank

Moderator: Andrei Busuioc, Senior Financial Management Specialist, CFRR, World Bank

The aim of this session is to provide the audience with a general overview of an audit committee's main role and its key functions and responsibilities. According to the provisions of the Auditing Directive (2006/43/EC), establishing an audit committee is mandatory within all public interest entities. The speaker will address issues related to the independence of audit committee members, their interaction with statutory auditors, as well as performance assessment as required by Regulation (EU) no. 537/2014 on the specific requirements regarding audits of public interest entities.

12:30 Lunch

13:30 Corporate governance of state-owned enterprises (SOEs)

Natalie Manuilova, Senior Financial Management Specialist, CFRR, World Bank

Moderator: Andrei Busuioc, Senior Financial Management Specialist, CFRR, World Bank

State-owned enterprises remain significant players in many countries around the world, delivering essential services in vital sectors such as utilities, health, transportation, finance and natural resources. SOEs are often among the largest employers and top tax payers in many countries.

The objective of this session is to discuss the role of good corporate governance and demonstrate the effect of transparent financial reporting by SOEs on market perceptions, investors' confidence, state budget revenues and services delivery to the general public. The session will outline the principles of good corporate governance of SOEs, including financial reporting, and auditing and transparency requirements, referring to good international practices implemented by various countries in respect of SOE governance.

15:00 Coffee Break**15:30** Establishing a public oversight institution and a sound quality assurance system: first steps

Jonathan Hooper, Consultant, CFRR, World Bank

Yuri Dolidze, Chairman, Service for Accounting, Reporting and Audit Supervision of Georgia

Moderator: Andrei Busuioc, Senior Financial Management Specialist, CFRR, World Bank

Following the recent enactment of the new Law on Reporting, Accounting and Auditing in Georgia, the new public oversight board (POB) has just been established. The speakers, together with members of the Georgian delegation, will outline the key first steps that have been taken in establishing the POB. The practical aspects of the set up process will be covered (funding and staff, terms of reference for the board and institution etc.).

The speakers will then address one of the most important tasks for the POB: preparing the audit quality assurance (QA) program and methodology. Examples from the peer countries of Croatia and Macedonia will be outlined in brief, followed by a presentation on the practical steps which Georgia is taking to develop the QA program and methodology.

17:00 End of Day 1

Tuesday, 11 October – Day 2, joint sessions with EduCoP

08:30 Morning Coffee

09:00 The objectives and purpose of the joint A&ACoP/EduCoP sessions

Jarett Decker, Head, Centre for Financial Reporting Reform (CFRR), World Bank

Alfred Borgonovo, Senior Financial Management Specialist, CFRR, World Bank

Andrei Busuioc, Senior Financial Management Specialist, CFRR, World Bank

09:30 The case for change in accounting education

Alfred Borgonovo, Senior Financial Management Specialist, CFRR, World Bank

The accounting education change debate is not new. The purpose of this session is twofold:

1. To examine the case for change by reviewing the common criticisms of accounting education put forward over the past 30 years; and
2. To explore the factors which are driving the change agenda and which are likely to shape accounting education in the future.

10:30 Coffee Break

10:45 Different national approaches to compliance with international standards and regulations

Alfred Borgonovo, Senior Financial Management Specialist, CFRR, World Bank

Brian Friedrich, Consultant, CFRR, World Bank

Laura Friedrich, Principal, F&F Corporation

Lejla Begtasevic-Rudalija, Consultant, CFRR, World Bank

The drivers underlying the need for changes in accounting education are codified in the International Education Standards (IES). Using these standards as a framework can help organizations move forward systematically in pursuing best practices and meeting EU regulations. This session includes a review of the IES and provides examples of a range of practices used to meet the various standards.

11:45 Introduction to the afternoon workshop

Brian Friedrich, Consultant, CFRR, World Bank

12:00 Lunch

13:00 Workshop and table presentations

Facilitators: *Alfred Borgonovo, Senior Financial Management Specialist, CFRR, World Bank*

Andrei Busuioc, Senior Financial Management Specialist, CFRR, World Bank

Natalie Manuilova, Senior Financial Management Specialist, CFRR, World Bank

Lejla Begtasevic-Rudalija, Consultant, CFRR, World Bank

Brian Friedrich, Consultant, CFRR, World Bank

Laura Friedrich, Principal, F&F Corporation

A&ACoP and EduCoP members break into national groups to discuss and document the current model of accounting and auditing education in their respective countries. Discussions will focus on:

- An overview of the model;
- Strengths, weaknesses, opportunities, and threats.

Throughout the workshop, tables will be called upon to present their progress and ideas.

15:30 Coffee Break**15:45** Workshop and table presentations

A&ACoP and EduCoP members continue to discuss and document a long-term vision for improvement and stronger alignment of accounting education with international best practices.

17:00 Reflections and conclusion of discussions

Alfred Borgonovo, Senior Financial Management Specialist, CFRR, World Bank

Brian Friedrich, Consultant, CFRR, World Bank

17:00 End of the Workshop

Bios of the Speakers

Dmitriy Kiyko

Deputy Minister of Finance of the Republic of Belarus

Dmitriy Kiyko was appointed as Deputy Minister of Finance of the Republic of Belarus in March 2014. He is in charge of fiscal revenue generation, tax and accounting legislation reform, implementation of the International Financial Reporting Standards (IFRS), and audit regulation issues. He is also the Chairman of the Audit Methodological Council at the Ministry of Finance of the Republic of Belarus and Deputy Chairman of the Steering Council for Approximation of the Legislation of the Republic of Belarus with the IFRS.



From 2000 to 2010, while holding various positions at the Ministry of Economy of the Republic of Belarus, he was engaged in drafting the Tax Code of the Republic of Belarus. From 2010 he served at the Ministry of Finance of the Republic of Belarus as Head of the Main Fiscal Policies and Fiscal Revenue Department.

He graduated from the Belarus State University of Economics and the Academy of Public Administration under the President of the Republic of Belarus.

Jarett Decker

Head, Centre for Financial Reporting Reform

Jarett Decker, a U.S. CPA and lawyer, is Head of the World Bank's Centre for Financial Reporting Reform (CFRR) in Vienna, Austria. At the CFRR, Mr. Decker leads a team of experts providing advice and technical assistance to reform financial reporting in transitional, middle-income, and emerging market economies. Clients include finance ministries, central banks, securities regulators, public oversight boards, supreme audit institutions, professional accountancy organizations, and universities.



Before joining the Bank, Mr. Decker served as Deputy Director and Chief Trial Counsel for the Public Company Accounting Oversight Board (PCAOB), which regulates auditors of companies listed on U.S. markets. As the first person to serve in this role, he was responsible for establishing the PCAOB's program of disciplinary litigation and led the PCAOB's first successful proceedings against "Big 4" and other international network firms. He also helped organize the Enforcement Working Group of the International Forum of Independent Audit Regulators (IFIAR).

Mr. Decker has also served as Senior Trial Counsel for the U.S. Securities and Exchange Commission (SEC) in Chicago, where he prosecuted cases involving accounting and auditing misconduct, financial fraud, and insider trading.

Andrei Busuioc

Senior Financial Management Specialist, CFRR, World Bank

Andrei Busuioc has over 19 years of experience in accounting and auditing in both the private and public sectors, including university lecturing. He joined the World Bank's CFRR in Vienna, Austria, in 2008 where he is responsible for financial reporting reform in a number of central and eastern European countries, and for audit regulation in Western Balkan countries, as well as in Central Asia. He has been part of the Accounting and Auditing Reports on the Observance of Standards and Codes (ROSC) teams and has led some of them. He has also managed a number of technical assistance and policy advice activities in corporate financial reporting and governance of SOEs.



Prior to joining the CFRR, Mr. Busuioc worked in the World Bank Country Office in Moldova as a Financial Management Specialist, covering fiduciary activities, public finance management development, and corporate financial reporting development. He is an accountant by training, and a member of the UK Association of Chartered Certified Accountants (ACCA).

Mr. Busuioc holds a university degree in economics from the Moldova State Agricultural University, and a Ph.D. in economics from the Academy of Economic Studies of Moldova. He also holds a postgraduate diploma in public financial management from the Centre for Financial and Management Studies, University of London. He speaks Romanian, Russian, English, as well as basic Bulgarian and German.

Natalie Manuilova

Senior Financial Management Specialist, CFRR, World Bank

Natalie Manuilova is a Senior Financial Management Specialist with the World Bank's CFRR. She joined the CFRR team in May 2013, and is responsible for collaborating on the corporate financial reporting agenda with client countries, including Ukraine, Belarus, Georgia, Tajikistan and the Kyrgyz Republic. Ms. Manuilova has 15 years of experience working in financial markets across the Europe and Central Asia (ECA) region and the United States. Prior to joining the CFRR team, Ms. Manuilova spent six years with the Global Financial Markets Department at the International Finance Corporation (IFC) in Kyiv, Ukraine, identifying and processing investments with private sector financial institutions across the ECA region, and supervising the IFC's portfolio investments in Ukraine. Before this, she worked as an Audit Manager for Deloitte & Touche in Kyiv, Ukraine and in New York, USA, serving clients in the financial services sector (banks, insurance companies and other financial institutions). Ms. Manuilova graduated from Kyiv National University of Economics in 2000, majoring in Accounting and Audit. She is a CPA and has been a member of the American Institute of Certified Public Accountants (AICPA) since 2001.



Dmitriy Larionov

Consultant, CFRR, World Bank

Dmitriy Larionov has served as a board member and as Chair of the audit committees of major state-owned companies in Kazakhstan for almost 20 years in total. Mr. Larionov is currently an independent director of the joint-stock company (JSC) Air Astana (from 2008), the JSC national company Astana EXPO-2017 (from 2013) and the JSC national company Kazakhstan Engineering (from 2015). He also served as an independent director of the JSC Kazakhtelecom (2008-2015). Over the last 15 years, Mr. Larionov has served as a consultant on several projects on accountancy and corporate governance in Central Asia for the World Bank, the Asian Development Bank and USAID. As the international liaison partner, Mr. Larionov was also in charge of the international auditing and consultancy engagements at BDO Kazakhstanaudit LLP (2005-2015).



Mr. Larionov contributed to the development of the local and international professional community while serving as Deputy Chair of the Chamber of Professional Accountants of Kazakhstan (2003-2010) and as a member of the Developing Nations Committee of International Federation of Accountants (2008-2010). He has also contributed to the official Russian language publications of International Financial Reporting Standards as a member of the Review Committee, and of International Standards on Auditing as the principal translator. Mr. Larionov is currently a member of the Consultative Board on Accounting and Auditing under the Ministry of Finance of Kazakhstan.

Mr. Larionov holds an MBA in Finance and Accounting and is currently a Doctor of Business Administration student at the Kazakhstan Institute of Management Economics and Strategic Research University. Mr. Larionov holds the Certificate in Company Direction (Cert IoD) from the UK Institute of Directors. He has also successfully completed the Executive Education corporate governance program at Harvard Business School.

Jonathan Hooper

MEng, FCA, FCCA, Consultant, CFRR, World Bank

Jonathan Hooper is a senior financial management consultant specializing in assisting governments, public oversight bodies (POBs), professional accounting organizations, Supreme Audit Institutions and other stakeholders to drive real sustained improvements in corporate and public sector financial reporting regulation and practice in both the public and private sectors.



Mr. Hooper is a former Head of International Relations for the UK's Financial Reporting Council (FRC), which is the UK's Audit Oversight regulator. He worked on the establishment of the Professional Oversight Board for Audit within the FRC. During the eight years of the

FRC's chairmanship, Mr. Hooper was Secretary of the International Forum of Independent Audit Regulators (IFIAR), where he was instrumental in establishing the IFIAR Core Principles for audit oversight and assisting many of the 50 IFIAR members to establish their audit oversight systems.

During 10 years at the FRC, he spent two years on secondment to the World Bank, co-leading its accounting and audit reform programs in Eastern Europe and Central Asia. He led teams in producing A&A ROSC assessments in nine countries, including Georgia, Armenia, Ukraine and Azerbaijan and scoped follow-up Country Action Plans in each country, including Georgia.

Mr. Hooper is currently assisting the governments of Ukraine and Georgia as a Technical Expert in drafting new legislation on audit and accounting to approximate it to the EU legislation in accordance with the countries' EU Association Agreements. He recently completed World Bank financial reporting reform projects finalizing legislative reform and a Country Strategy and Action Plan in Armenia and an A&A ROSC in Bangladesh, as well as developing a virtual regional knowledge management and e-learning Centre for the South Asia region. He also recently worked to help the Public Audit Oversight organization in Turkey to improve its audit inspection and standard setting activities as well as improving its international contributions.

In addition to his unparalleled contacts at the highest levels of audit regulators worldwide, he has first-hand knowledge of worldwide best practice in audit oversight and quality control. Mr. Hooper has also supported both the UK's audit and ethical standards Board and the International Accounting Education Standards Board (IAESB), serving on the IAESB Consultative Advisory Group for six years. Mr. Hooper completed a Master's degree in engineering at Cambridge University before joining KPMG in London, working in both audit and transaction services and qualifying as a Chartered Accountant and prize-winning member of the Institute of Chartered Accountants in England and Wales in 2000. Jon has also worked in corporate finance and for BASF in Germany.

Alfred Jean-Marie Borgonovo

Senior Financial Management Specialist, CFRR, World Bank

Alfred Borgonovo joined the World Bank's Centre for Financial Reporting Reform as a Senior Financial Management Specialist in 2015. He is a member of both CPA Australia and CPA Canada. After working in the private sector as Financial Controller for both private and publicly listed corporations, he joined the Certified General Accountants' Association of Canada (CGA-Canada), where he worked in the Education Department before being promoted to Manager, International Development. In this newly created position, he played a central role in building international partnerships with universities and Professional Accountancy



Organizations. During the last ten years, Alfred has led or participated in several World Bank funded capacity-building projects in the area of Accounting Education Reform in Latin America and the Caribbean, Europe and Central Asia, and South East Asia.

Brian Friedrich

Consultant, CFRR, World Bank

Brian Friedrich is a Principal of Friedrich & Friedrich Corporation – a professional research, standards, and education consultancy firm. He has over 15 years of Canadian and international experience in a number of areas, including developing strategic, policy, program, governance and ethics guidance for several established and emerging professional and regulatory organizations. Mr. Friedrich currently serves on the boards of the Chartered Professional Accountants of British Columbia (BC), the BC Council of Administrative Tribunals, and the Real Estate Board of Greater Vancouver. In addition, he represents BC on CPA Canada's Public Trust Committee and chairs its Exposure Draft Working Group.



Laura Friedrich

Principal, Friedrich & Friedrich Corporation

Laura Friedrich is a Principal of Friedrich & Friedrich Corporation, which provides consultancy services for professional education in the financial services sector, as well as governance and ethics training. She has led more than 150 professional development and corporate training sessions in diverse topic areas including governance, leadership, ethics, critical thinking, project management, curriculum and exam development, and IFRS and ISAs. She has also instructed at the University of British Columbia and Simon Fraser University. She has served on several committees for the accounting profession, and currently serves on the Audit Advisory Committee of the Public Guardian & Trustee of BC.




Lejla Begtasevic-Rudalija

Consultant, CFRR, World Bank

Lejla Begtasevic-Rudalija is a consultant in accounting and auditing development and contributes towards the CFRR's work on the REPARIS and STAREP programs. A qualified ACCA accountant, Ms. Begtasevic-Rudalija previously worked on capacity development projects and operations within her native Bosnia & Herzegovina supporting the development of the accounting and audit profession, the transition to IFRS based financial reporting, as well as broader economic themes such as the development of intellectual property rights protection mechanisms.




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