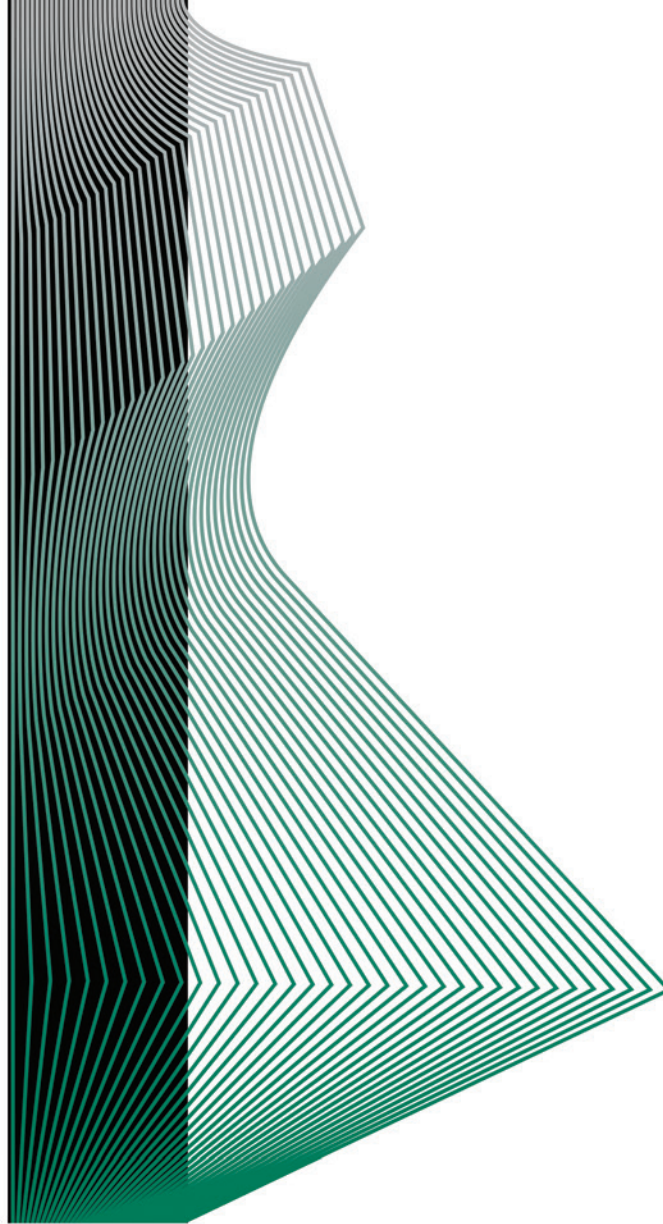


CFRR >>

Centre for Financial
Reporting Reform



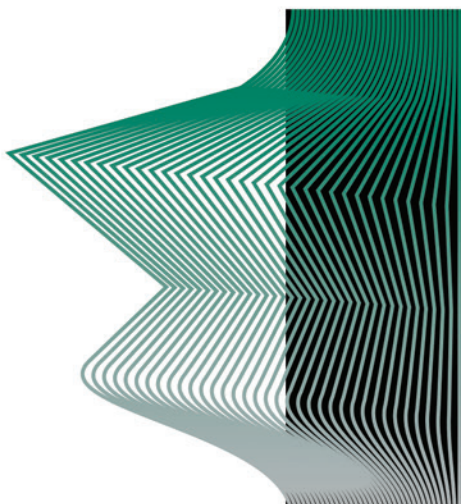
STAREP



2022 Ministerial Conference

**JOINT ACCOUNTING AND AUDITING
COMMUNITY OF PRACTICE:
ADVANCING FINANCIAL REPORTING,
AUDIT AND SUSTAINABILITY
STANDARDS IMPLEMENTATION**

December 1, 2022 • Vienna, Austria





2022 Ministerial Conference

JOINT ACCOUNTING AND AUDITING COMMUNITY OF PRACTICE: ADVANCING FINANCIAL REPORTING, AUDIT AND SUSTAINABILITY STANDARDS IMPLEMENTATION

December 1, 2022 • Vienna Marriott Hotel in Vienna, Austria

FOREWORD

This Accounting and Auditing Community of Practice (A&A CoP) workshop is delivered under two flagship programs of the World Bank Centre for Financial Reporting Reform (CFRR): Strengthening Auditing and Reporting in the Eastern Partnership (STAREP) and the Road to Europe Program of Accounting Reform and Strengthening Institutions for Small and Medium-sized Enterprises (REPARIS for SMEs).

STAREP is a regional program for Eastern Partnership countries that was launched in October 2013, and it is expected to run until end 2022 with the help of additional funding provided by the Austrian Development Agency. This program has helped launch and implement critical reforms to improve the financial reporting frameworks in beneficiary countries aimed at strengthening financial management practices in the private sector and among state-owned enterprises; enhancing the quality of business advice and auditing by the accounting and auditing profession; and supporting a more conducive business enabling environment and improved access to finance. The workshop will discuss the lessons learned and experience gained as part of the STAREP program, as well as remaining challenges and future plans.

REPARIS for SMEs is a holistic regional capacity development program for countries of the Western Balkan region. It aims to improve SMEs' access to professional accounting and financial management services and support the alignment of national corporate financial reporting frameworks with relevant European Union (EU) directives and regulations. The program is funded by the EU. The workshop will serve as a platform for a formal launch of project activities and will discuss and agree on next steps.

This A&A CoP is an opportunity for participants to interact directly with experts involved in drafting the European Sustainability Reporting Standards (ESRS) as part of the European Commission (EC) proposal for the Corporate Sustainability Reporting Directive, and in line with the EC Sustainable Finance Package, with objectives to reorient capital flows towards sustainable investment in order to achieve sustainable and inclusive growth; manage financial risks stemming from climate change, resource depletion, environmental degradation, and social issues; and foster transparency and long-termism in financial and economic activity. The event will also discuss the impact of environmental, social, and governance (ESG) issues on the performance of SMEs.

The workshop will update participants on the revised Core Principles adopted by members of the International Forum of Independent Audit Regulators (IFIAR). The Core Principles serve as a guide to good audit oversight and can be used by audit regulators and other stakeholders as an aspirational target. Other developments in the field of public oversight and quality assurance will also be discussed.

The International Federation of Accountants' (IFAC) will also offer its global perspective on sustainability reporting; the need for an integrated mindset and being proactive in understanding climate reporting requirements and best practices globally, including too the role and perspectives for small and medium sized practices (SMPs) serving SMEs.

Simultaneous interpretation will be available in Albanian, Bosnian/Croatian/Serbian, and Russian.

AGENDA

08:30 | Registration and welcome coffee

09:00 | Introduction to the day

Speaker

- **Iwona Warzecha**, Senior Financial Management Specialist, REPARIS for SMEs Team Leader, The World Bank

09:15 | Going deeper into sustainability aspects: New reporting and auditing requirements

Speaker

- **Gemma Sanchez-Danes**, Acting Head of Secretariat Sustainability Reporting, European Financial Reporting Advisory Group (EFRAG)

Moderator

- **Garik Sergeyan**, Senior Financial Management Specialist, STAREP Team Leader, CFRR, The World Bank

Focus themes

There is a proposal for an EU Directive¹ amending Directive 2013/34/EU, Directive 2004/109/EC, Directive 2006/43/EC, and Regulation (EU) No 537/2014 regarding corporate sustainability reporting. The EFRAG Sustainability Reporting Board and EFRAG Sustainability Reporting Technical Expert Group have developed a first set of the ESRS² to be adopted by the EC. The aim of this session is to provide information on the content of the new standards and their applicability and on the related audit requirements. The presentation will be followed by a Q&A session.

¹ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52021PC0189>

² <https://www.efrag.org/Activities/2105191406363055/Sustainability-reporting-standards-interim-draft>

10:15

The impact of environmental, social and governance issues on the performance of SMEs

Speaker

- **Erik Vermeulen**, Professor, Tilburg Law School, Department of Private, Business and Labour Law

Moderator

- **Iwona Warzecha**, Senior Financial Management Specialist, REPARIS for SMEs Team Leader, The World Bank

Focus themes

The aim of this session is to discuss how ESG strategies and ESG reporting (and ESG dialogue) can offer solutions to the many problems that SMEs face in today's world – particularly in attracting and retaining investors, employees, and customers. The impact of ESG on the performance of SMEs will also be discussed. The presentation will be followed by a Q&A session.

11:15

Coffee and networking break

11:45

Core audit principles for independent regulators

Speakers

- **Melissa Andrade Gomes**, Senior Policy Officer, International Forum of Independent Audit Regulators (IFIAR)
- **Michael Komarek**, Executive Director, Austrian Audit Oversight Authority (APAB)

Moderator

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

Focus themes

The IFIAR Core Principles seek to promote effective independent audit oversight globally, thereby contributing to an overriding objective of serving the public interest and enhancing investor protection by improving audit quality. The main precondition for an effective system of audit oversight and audit regulation is the existence of a well-developed legal and corporate governance framework that provides necessary support for high quality auditing. This session will inform participants about: (i) the revised set of IFIAR Core Principles,³ reflecting advancements in audit oversight since the IFIAR Core Principles were originally developed in 2011; (ii) IFIAR's restructured Associate Member category; and (iii) the results of the 2021 Inspection Findings Survey, arising from IFIAR member regulators' individual inspections of audit firms affiliated with the six largest global audit firm networks. The session will also offer a perspective from a practical point of view, considering the experience of Austria. The presentation will be followed by Q&As.

13:00

Lunch

³ <https://www.ifiar.org/?wpdmdl=14227>

14:00

Small and medium-sized practices as trusted advisors for small and medium-sized entities

Speakers [via video]

- **David Madon**, Director, Sustainability, Policy & Regulatory Affairs, IFAC
- **Christopher Arnold**, Director and the head of SME/SMP and Research, IFAC

Moderator

- **Iwona Warzecha**, Senior Financial Management Specialist, REPARIS for SMEs Team Leader, The World Bank

Focus themes

The accounting and auditing profession, especially SMPs, are facing new challenges and requirements going beyond pure financial reporting and financial management to cover also compliance with ESG targets and sustainability reporting. SMPs as trusted advisors for SMEs are expected to provide more value adding services for less in shorter time. This session will discuss: (i) how the profession, with support from professional accounting organizations (PAOs) and the IFAC, can prepare and build capacity to respond to new responsibilities and demand, in particular to serve SMEs; and (ii) the model role for SMPs in providing business support to SMEs including digital technology and ESG responsibilities. Information on the IFAC's SME/SMP resources on practice transformation, including sustainability reporting & digitalization, will also be disseminated.

14:45

STAREP: Lessons learned and beneficiary countries' experience

Speakers

- **Representatives of Beneficiary Countries**, Armenia, Azerbaijan, Georgia, Moldova, and Ukraine
- **Dan Boyce**, Practice Manager for Eastern Europe and Central Asia, Governance Global Practice, PULSAR Steering Committee Chair, The World Bank

Moderators

- **Garik Sergeyan**, Senior Financial Management Specialist, STAREP Team Leader, CFRR, The World Bank
- **Svetlana Platon**, Consultant, The World Bank

Focus themes

The STAREP program has helped beneficiary countries launch and implement critical reforms to improve their financial reporting frameworks: strengthening the financial management practices in the private sector and among state-owned enterprises; enhancing the quality of business advice and auditing by the accounting and auditing profession; and supporting a more conducive business enabling environment and improved access to finance. This session will provide a brief overview of lessons learned under STAREP and will inform on overall project results. Beneficiary countries will then be invited to share national achievements in the field of accounting and auditing that were supported by STAREP and also the remaining challenges and their plans regarding further enhancement of corporate financial reporting, including sustainability requirements.

15:30

Coffee and networking break

16:00

REPARIS for SMEs: Opportunities for further enhancement of corporate financial reporting

Speakers

- **Iwona Warzecha**, Senior Financial Management Specialist, REPARIS for SMEs Team Leader, The World Bank
- **Representatives of Beneficiary Countries**, Albania, Bosnia and Herzegovina, Kosovo, Montenegro, North Macedonia, and Serbia

Moderators

- **Andrei Busuioc**, Senior Financial Management Specialist, The World Bank
- **Svetlana Platon**, Consultant, The World Bank

Focus themes

This session will provide a brief overview of activities to be supported under the REPARIS for SMEs, in particular related to the transposition and alignment of national legal frameworks and practices in financial reporting and auditing with EU requirements. Beneficiary countries will be invited to outline the current status of accounting and auditing and their focus areas for reforms to be supported by the regional project that will have an overall impact on SMEs. There will be discussion to agree on next steps for the program, including dates and topics for the next regional event and knowledge products.

17:00

Key conclusions and takeaways

Speaker

- **Dan Boyce**, Practice Manager for Eastern Europe and Central Asia, Governance Global Practice, PULSAR Steering Committee Chair, The World Bank

17:15

End of the workshop

19:00

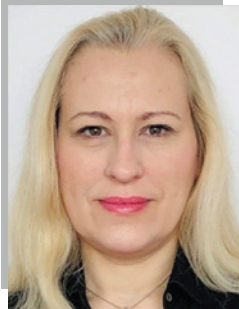
22:00

Group dinner at Kahlenberg

THE CFRR CELEBRATES
ITS 15TH ANNIVERSARY
AS PART OF 2022
MINISTERIAL
CONFERENCE



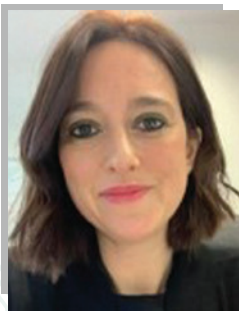
BIOS OF THE SPEAKERS



IWONA WARZECHA

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 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. She 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.



GEMMA SANCHEZ-DANES

Acting Head of Secretariat Sustainability Reporting, European Financial Reporting Advisory Group (EFRAG)

Gemma Sanchez-Danes joined the Sustainability Reporting pillar of EFRAG in October 2021 and became acting Head of Secretariat in May 2022. She is responsible for leading and coordinating the work of Secretariat in drafting the ESRS that cover Environmental, Social and Governance topics, which will be mandatory for European companies in scope. The first set of draft ESRS were issued by EFRAG on the 15 November 2022. Prior to joining EFRAG, she was an audit partner at PwC Spain with an expertise in financial services, in particular insurance. She trained as a UK Chartered Accountant and worked in the UK and Spain with PwC across a range of listed financial services companies.



GARIK SERGEYAN

Senior Financial Management Specialist, STAREP Team Leader, CFRR, The World Bank

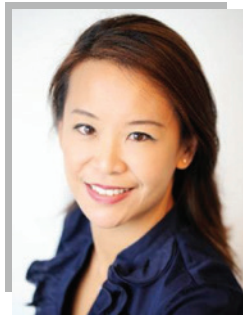
Garik Sergeyan is a Senior Financial Management Specialist at the World Bank CFRR and Team Leader for STAREP. He has over 20 years of work experience in financial management in different industries, including 16 years at the World Bank. Previously he worked in the role of a Financial Management Coordinator for Central Asia, covering the financial management aspects of World Bank projects in Kazakhstan, Kyrgyz Republic, Tajikistan, and Uzbekistan. He also worked as World Bank Country Financial Management Specialist for Armenia and Georgia. He has about six years of teaching experience of professional accounting courses (performance management and financial management) and work experience including with NGOs, SMEs, local government, and a large industrial company. He is an ACCA fellow and has an MBA degree.



ERIK P.M. VERMEULEN

Professor of Business and Financial Law, Director of the International Business Law program at Tilburg University, The Netherlands

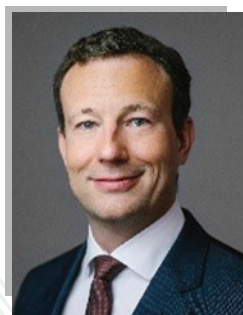
Erik Vermeulen is a Professor of Business and Financial Law and the Director of the International Business Law program at Tilburg University in The Netherlands. He teaches business organizations and governance, law and technology, and business innovation and finance at Tilburg Law School, TIAS School for Business and Society, and at other universities around the world. He has appeared at numerous conferences as a featured or keynote speaker. He is also a Senior Legal Counsel at Signify (formerly known as Philips Lighting), working on corporate matters, mergers & acquisitions, cybersecurity, ESG, and legal design and technology. In addition he has a blog where he shares insights in how emerging technologies are creating new opportunities across all areas of the economy and society and regularly acts as an expert advisor to international organizations and national and local governments around the world.



MELISSA ANDRADE GOMES

Senior Policy Officer, International Forum of Independent Audit Regulators

Melissa Andrade Gomes is Senior Policy Officer in the IFIAR Secretariat. She supports the Executive Director and is responsible for activities within the Secretariat pertaining to policy formulation, project and program management, strategic and operational planning and day-to-day execution, and member and other key stakeholder communication and engagement. She contributes to the development and implementation of administrative systems and processes, and operational and special reporting. She previously worked at the French audit oversight body (H3C) on international legal and policy matters and played a key role in the development of and negotiations for bilateral and multilateral agreements on information exchange with audit oversight counterparts. She represented H3C at various international and European meetings and was a rapporteur for assessments of third-country audit oversight systems for equivalence and adequacy decisions under the EU Audit Directive. She graduated with a Law Degree from the UK Manchester Metropolitan University and worked for several years in law firms in the field of corporate law and finance, specializing in due diligence matters for multi-jurisdictional clients.



MICHAEL KOMAREK

Executive Director, Austrian Audit Oversight Authority

Michael Komarek is Executive Director of APAB, the Austrian Audit Oversight Authority. Previously he served as Head of APAB's Inspections and Investigations Unit and as Senior Policy Officer for Corporate Reporting at the European Securities and Markets Authority. In this role he chaired the task force that developed the European Single Electronic Format, the single structured electronic format for EU issuer's annual financial reports. He began his career in the auditing profession and worked more than 10 years at a Big Four firm before joining the Austrian Financial Reporting Enforcement Panel as a Member.



ANDREI BUSUIOC

Senior Financial Management Specialist, The World Bank

Andrei Busuioc has been World Bank Central Asia Financial Management Coordinator 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. He has over 25 years of accounting and auditing experience in the private and public sectors, as well as university lecturing on accounting and auditing. He worked at the World Bank CFRR from 2008 to 2020 where he led activities supporting country-level financial reporting and state-owned enterprise governance reforms. He has contributed significantly to and led several Accounting and Auditing Reports on the Observance of Standards and Codes (A&A ROSCs) and has expertise in the thematic areas 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.



DAVID MADON

Director, Sustainability, Policy & Regulatory Affairs, International Federation of Accountants

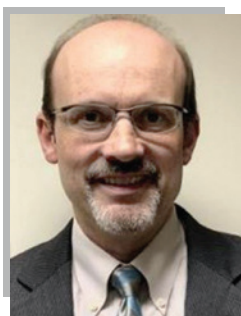
David Madon joined IFAC in 2019, where he is Director - Sustainability, Policy & Regulatory Affairs. He is responsible for developing and coordinating IFAC's sustainability policy and advocacy activities in addition to conducting research, policy development, and engagement with respect to a range of topics and stakeholders, including industry organizations, regulators, public authorities, and institutional investors. His areas of expertise include sustainability/ESG, corporate reporting, financial audit quality/reform, sustainability assurance, ethics, investor protection, financial market regulation, and credit markets. Most recently, he has focused on the development of a global reporting system (including assurance) for sustainability/ESG information. Prior to IFAC, he represented the IFRS Foundation in the U.S. for nearly a decade, during which he focused on building institutional investor relationships, funding-raising, and the adoption of IFRS Standards by U.S. publicly traded companies. Prior to his public policy work, he spent twenty-five years in financial services, most recently as a Managing Director at Dresdner Kleinwort Wasserstein. He holds a Master's in Public Administration-MC from the Harvard Kennedy School, an MBA in Finance from The University of Chicago Booth School of Business, and a BS in Management-Accounting from Purdue University Northwest.



CHRISTOPHER ARNOLD

Director and Head of SME/SMP and Research, International Federation of Accountants

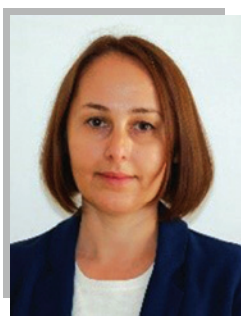
Christopher Arnold is Director and the Head of SME/SMP and Research at IFAC. He was previously an Audit Manager for Deloitte and qualified as an accountant in a mid-tier accountancy practice in London (now called PKF-Littlejohn). Christopher started his career as a Small Business Policy Adviser at the ACCA.



DAN BOYCE

Practice Manager for Eastern Europe and Central Asia, Governance Global Practice, PULSAR Steering Committee Chair, The World Bank

Dan Boyce is Practice Manager for Eastern Europe and Central Asia in the World Bank's Governance Global Practice. His unit covers 11 countries in Eastern Europe, South Caucasus, and Central Asia. In his current role he is responsible for overseeing quality in the World Bank's Governance work, including operational financial management work and capacity building activities in public sector management. Themes addressed by the Governance Practice include those related to justice reform, state owned enterprises, and public financial management, among others. He also has leadership of regional initiatives related to Public Expenditure Management and Public Sector Accounting. Previously he managed the World Bank's financial management unit for Latin America and the Caribbean. He is a Certified Public Accountant and holds a Bachelor's degree in Accounting from Florida A&M University and a Master's and Ph.D. in Political Science from the University of California, Los Angeles.



SVETLANA PLATON

Consultant, The World Bank

Svetlana Platon has over 23 years of experience in accounting and auditing in both the private and public sectors, including university lecturing on accounting. She has worked with the World Bank since June 2006 in a range of roles. She has contributed to A&A ROSCs in Slovenia and Albania and has expertise in the thematic areas of audit & accounting regulation, accounting education, and state-owned enterprise governance. She has been involved in various World Bank projects related to improving the institutional capacity and legal framework in the field of accounting, public oversight, and quality assurance in Moldova, Albania, Kazakhstan, the Kyrgyz Republic, Vietnam, and Indonesia. Currently she is also involved in fiduciary financial management for the World Bank portfolio in Tajikistan. She is a PhD in economics and an ACCA member.

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