

NATIONAL CONFERENCE

Strengthening Corporate Governance in Serbia: Sustainability Reporting and the Increasing Role of Audit Committees

11 May 2023, Belgrade, Serbia

CFRR»»

**Centre for Financial
Reporting Reform**



WORLD BANK GROUP

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May 11, 2023, Belgrade, Serbia

Chamber of Commerce and Industry of Serbia (Terazije 23, 2nd floor)

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 Balkans corporate financial reporting frameworks with relevant directives and regulations of the European Union (EU). Program 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. Program activities include training, learning events, and technical assistance provided to public officials, regulators, accountants, auditors, professional accounting organizations, business support organizations, and chambers of commerce. The main components of the program are:

- (A) Supporting the development and implementation of sustainable education and training programs.
- (B) Support the transposition and alignment of national legal frameworks and practices in financial reporting and auditing with the EU requirements.
- (C) Encouraging 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 (A&A ROSCs).
- (E) Communication plan implementation.

Under component (B), the program brings together Board members and external auditors to discuss and identify possible solutions to challenges in improving financial reporting. These

include, for example, the introduction of governance requirements from the EU acquis and the financial governance of public interest entities (PIEs).

This Conference focuses on further implementation of corporate sustainability reporting measures that encompass social and environmental reporting and enhancing the role of audit committees. It aims to encourage discussions and sharing of good practice on these topics by bringing together various groups of relevant stakeholders. The Conference will discuss challenges and potential responses related to: (i) new provisions of the EU Corporate Sustainability Reporting Directive, including new European Sustainability Reporting Standards; (ii) implementation of the EU sustainability reporting requirements, already transposed into Serbian legislation (the “non-financial statement”); and (iii) the increasing role of audit committees in strengthening confidence in statutory audit and in financial and non-financial information.

The Corporate Sustainability Reporting Directive (CSRD)¹ entered into force on January 05, 2023. This new directive modernizes and strengthens the rules concerning the social and environmental information that companies have to report. This important Directive will considerably impact the profession’s activities regarding sustainability reporting and assurance, and regarding professional qualification. Expanding the scope of sustainability matters, the CSRD requires all large and listed EU companies (with an opt-out for listed SMEs until 2028) to introduce mandatory sustainability reporting standards. Entities will need to report in line with the new European Sustainability Reporting Standards (ESRS)² developed by the European Financial Reporting and Advisory Group (EFRAG) at the request of the European Commission (EC). External assurance on the sustainability information provided is required. For non-European companies, the requirement to provide a sustainability report applies to all companies generating a net turnover of EUR 150 million in the EU for each of the last two consecutive financial years and which have at least one subsidiary or branch in the EU.

Given the substantial regulatory change triggered by the CSRD, it is important that the profession and companies begin preparing for it as soon as possible. The conference will raise awareness of the CSRD and ESRS and consider what actions are needed in Serbia.

The conference will also discuss the increasing role of audit committees in connection to both, financial and sustainability reporting. The audit committee is now instrumental in strengthening confidence in the statutory audit and in financial information. Overall, the audit committee is expected to become a key factor within the corporate governance framework, including both financial and sustainability reporting.

The language of the event is English with simultaneous interpretation into Serbian.

¹ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32022L2464>

² <https://www.efrag.org/lab6>

AGENDA | THURSDAY, MAY 11, 2023 | 08:30 - 18:00

08:30 Registration and Welcome Coffee

Welcome Remarks

09:00

Radman Šelmić | Advisor to the President of the Chamber of Commerce and Industry of Serbia for green and circular economy and digital transformation

Nicola Pontara | Country Manager for Serbia, The World Bank

Ognjen Popović | Assistant Minister, Ministry of Finance of the Republic of Serbia

Martin Klaucke | Head of the Operations II Section of the Delegation of the European Union to Serbia

New European Sustainability Reporting Requirements and Standards

09:30

The EFRAG Sustainability Reporting Board and EFRAG Sustainability Reporting Technical Expert Group developed the first set of the ESRS. The session will provide a general overview on the content of the standards and will outline key CSRD provisions. The presentation will be followed by a Q&A session.

Elisa Bevilacqua | Senior Technical Manager, the European Financial Reporting and Advisory Group

Moderator:

Andrei Busuioc | Senior Financial Management Specialist, The World Bank

Sustainability Reporting: Current State of Affairs in Serbia

10:30

The Republic of Serbia has already introduced environmental, social, and governance (ESG) non-financial reporting through its 2019 Law on Accounting which reflects main features of the Non-Financial Reporting Directive. Since 2019, companies with 500+ employees are required by law to report certain non-financial information. This presentation will help understand the readiness of companies to adopt non-financial reporting requirements and their current practices, possible drivers for non-financial reporting (with a view of the wider EU agenda), and the role of ESG capacity building of local intermediaries.

Vladimir Hrlje | Lawyer, ESG Consultant, Integrated ESG Advisory Team Lead for Serbia, International Finance Corporation, World Bank Group

Moderator:

Svetlana Platon | Financial Management Consultant, The World Bank

11:30 Coffee Break

Panel Discussion #1: Corporate Sustainability Reporting — Potential Impact and Related Challenges for Serbia

International investors with global investment portfolios are increasingly calling for high quality, transparent, reliable, and comparable reporting by companies on climate and other ESG matters. The panel will discuss and debate the potential impact and related challenges for Serbia in the context of adoption of the CSRD and the ESRS.

12:00

Panelists:

Aleksandar Janjušević | Head, Accounting and Audit Unit, Ministry of Finance of the Republic of Serbia

Biljana Bogovac | Partner, PwC Serbia

Sonja Konakov Svirčev | Corporate Social Responsibility, Diversity, and Inclusion Manager, Erste Bank Serbia

Moderator:

Iwona Warzecha | Senior Financial Management Specialist, The World Bank

13:00 Lunch

What Makes an Effective Audit Committee

The audit committee is an important link in the chain of parties ensuring proper reporting and the related assurance provided by auditors. Audit committee arrangements need to be proportionate to the task, and might vary according to the size, complexity, and risk profile of the entity. This session will discuss the audit committee's role and responsibilities in relation to financial and sustainability reporting and will provide insights towards meeting the challenges of implementing an effective audit committee following the provisions of the EU acquis and good international practice. It will also outline the role of a competent authority in reinforcing the role of audit committees. The presentation will be followed by a Q&A session.

14:00

Ramana McConnon | Project Associate, Audit and Assurance team, Financial Reporting Council, UK

Moderator:

Andrei Busuioc | Senior Financial Management Specialist, The World Bank

15:15 Coffee Break

**Panel Discussion #2: Improving Audit Committee Effectiveness in Serbia
Considering Actual Status and Good International Practice**

In this session, panel members will discuss the audit committee role and suggest areas with the greatest potential for audit committee members to improve their effectiveness in promoting high quality and transparent corporate and sustainability reporting and auditing.

Panelists:

15:45 **Lidija Barjaktarović** | Dean, Faculty of Business, Singidunum University, independent board member, Serbia

Danijela Mirković | Partner/Principal Audit, Ernst & Young, Serbia

Radivoje Petrović | Senior Adviser, Quality Assurance Review Department, Securities Commission, Serbia

Nebojša Jeremić, PhD | President of Regulatory Committee of the Association of Internal Auditors and Senior Internal Auditor, Serbia

Moderator:

Vladimir Hrlje | Lawyer, ESG Consultant, Integrated ESG Advisory Team Lead for Serbia, International Finance Corporation, World Bank Group

Closing Remarks

16:50 **Iwona Warzecha** | Senior Financial Management Specialist, The World Bank
Andrei Busuioc | Senior Financial Management Specialist, The World Bank

17:00 End of the Conference

17:00 Cocktail Reception

18:30 End of Cocktail Reception

BIOS OF THE SPEAKERS AND MODERATORS

(in order of appearance)



RADMAN ŠELMIĆ

Advisor to the President of the Chamber of Commerce and Industry of Serbia for green and circular economy and digital transformation

Radman Šelmić is Advisor to the President of the Chamber of Commerce and Industry of Serbia for green and circular economy and digital transformation. He designs and implements projects aimed at improving ecosystems, in the domain of green transformation in general and the circular economy in particular, in cooperation with international institutions and academics. He previously worked for several years as a Research Fellow at the Lloyds Banking Group Centre for Responsible Business at the Birmingham Business School, University of Birmingham, where he was in charge of the Responsible Finance section of the Centre. His work there mostly focused on the asymmetric effects of financial crises, state investment banks, and green finance. He remains an Associate of the School. Dr. Šelmić holds a PhD in Political Economy from Goldsmiths, University of London. Much of his academic work was focused on green topics, in particular green finance.



NICOLA PONTARA

Country Manager for Serbia, The World Bank

Nicola Pontara, an Italian national, joined the World Bank Group in 2000 as a Young Professional. Prior to his appointment as Country Manager for Serbia in 2021, he held the position of Country Manager for Lao PDR in the East Asia and Pacific Region. Before that, he was Country Manager for Bolivia in the Latin America and Caribbean Region. He also served as Head of Office and Program Leader based in Juba, South Sudan, in the Africa Region. Nicola holds a PhD in Economics from the School of Oriental and African Studies, University of London. Prior to joining the World Bank Group, he was an ODI Fellow at the Ministry of Planning and Finance in Maputo, Mozambique.



OGNJEN POPOVIĆ

Assistant Minister in charge of the Financial System Department,
Ministry of Finance of the Republic of Serbia

Ognjen Popović is the Assistant Minister in charge of the Financial System Department, at the Ministry of Finance of the Republic of Serbia. The Financial System Department is in charge of regulation, application, and effects of the system and policy of domestic and international payments and payment system, banking institutions, non-banking financial institutions, capital markets, insurance, digital assets, accounting, and auditing. He is also in charge of activities related to nonperforming (NPL) resolution, with particular focus on the resolution of NPLs of banks in bankruptcy and claims on behalf of and for the benefit of the state. Prior to joining the Ministry of Finance, Mr. Popović worked as an analyst in the banking & finance, legal, and management consulting industries in Serbia and across the Middle East. He holds a BSc in Business Administration from Carnegie Mellon University.



MARTIN KLAUCKE

Head of the Operations II Section of the Delegation of the European
Union to Serbia

Martin Klaucke has been working for the European Commission for the last 16 years and has served in EU Delegations in Chad, Georgia, North Macedonia, Ukraine, and Serbia. He is specialized in the management of EU assistance programs from programming, identification, and formulation up to the implementation. He gained experience in programs linked to economic development, good governance, and rule of law, as well as in areas linked to transport, environment, and social development. Prior to working with the European Commission, he worked with the German Corporation for International Cooperation and the United Nations Development Programme. His academic credentials include Master's Degrees in Economics and in Public Administration, acquired during his studies in Germany, France, and the UK.



ELISA BEVILACQUA

Senior Technical Manager Sustainability, the European Financial Reporting Advisory Group

Elisa Bevilacqua joined EFRAG in September 2022 as senior sustainability technical manager. She leads the work on small and medium enterprises and financial institutions. She has 23 years of experience in the financial sector. In the past 15 years she focused on corporate social responsibility, green finance, environmental, social, and governance risks, and sustainability reporting. Before joining EFRAG, Ms. Bevilacqua was head of sustainable finance at the European Association of Cooperative Banks where she held numerous positions since 2004. Previous to that she worked at the European Parliament in Brussels and in the investment fund industry in Luxembourg. She holds a university degree in Economics and Business with specialization in environmental economics from La Sapienza, Rome (1998) and a Master's in Business Administration from Vlerick Business School (2002). She is author of many articles and publications.



ANDREI BUSUIOC

Senior Financial Management Specialist, World Bank

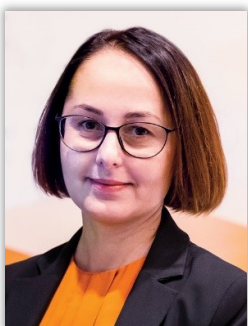
Andrei Busuioc has been World Bank Central Asia Financial Management Coordinator since July 2020. He is responsible for leading the financial management function in Central Asia, while continuing to lead and support corporate financial reporting and state-owned enterprise governance activities. Mr. Busuioc 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.



VLADIMIR HRLE

Lawyer, ESG Consultant, Integrated ESG Advisory Team Lead for Serbia, International Finance Corporation (IFC), World Bank Group

Vladimir Hrle works on various corporate governance, sustainability, and disclosure matters, and regularly participates in various 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.



SVETLANA PLATON

Financial Management Extended Term Consultant, The World Bank

Svetlana Platon 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 Vienna Centre for Financial Reporting Reform in the areas of corporate financial reporting and audit strengthening as part of the STAREP and REPARIS regional programs. She has also contributed to A&A ROSCs in Moldova and Slovenia and 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. 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 speaks Romanian, English, and Russian. She is based in Moldova but works across the Europe and Central Asia region on regional and country-level activities.



ALEKSANDAR JANJUŠEVIĆ

Head, Accounting and Audit Unit, Ministry of Finance of the Republic of Serbia

Aleksandar Janjušević has more than 15 years of experience in the fields of accounting and audit, business, and finance. He began work in 2007 and joined the Ministry of Finance in September 2009 in the Financial System Department. He has been Head of the Accounting and Audit Unit since September 2015. Between April 2017 and June 2018, Mr. Janjušević served as Assistant Minister in charge of coordination and management of the Financial System Department, with responsibility for the Department's functioning and results, including legislative, analytical, and supervisory activities and functions related to the banking and leasing; insurance and appraisals; accounting and audit; payments system; and capital markets and financial instruments sectors. He is a member of the National Accounting Committee since 2015. He has written several articles regarding accounting and audit published in specialized business periodicals.



BILJANA BOGOVAC

Partner, PwC Serbia

Biljana Bogovac is Partner in the Assurance Services Department of PwC Serbia and ESG Platform Leader for Southeast Europe. She has more than 21 years of professional experience gained through working with local and international clients in Serbia, and many years working in Australia, leading teams in providing audit and business advisory services to some of the largest companies in Serbia and the wider Southeast Europe region. As leading partner for PwC engagements covering ESG matters, her focus is on support in the preparation and assurance of sustainability reports. Ms. Bogovac has been a Project Quality Assurance Partner on numerous projects implemented under the British Government-funded Good Governance Fund program as well as on other donor funded projects of the European Commission, Ministry of Health of the Republic of Serbia, and Ministry of Finance of Montenegro, making sure that project teams deliver high-value services to the client and

beneficiaries. She also provided support to the Ministry of Finance in Serbia as part of a World Bank training program.



SONJA KONAKOV SVIRČEV

Corporate Social Responsibility (CSR), Diversity, and Inclusion
Manager, Erste Bank Serbia

For more than fifteen years, Sonja Konakov Svirčev has been an initiator and activist in CSR awareness raising, education, and implementation. As CSR Diversity and Inclusion Manager at Erste Bank Serbia, she is responsible for defining and implementing the strategies of CSR, diversity and inclusion, and non-financial reporting; dialogue with stakeholders on these topics and implementation of the UN Sustainable Development Goals; as well coordination of programmes and projects in this area. Ms. Konakov Svirčev works with international and local initiatives and associations, such as the UN Global Compact (UNGC), Responsible Business Forum Serbia, and the Serbian Philanthropic Forum. She is a member of the CSR Council at the Serbian Chamber of Commerce. She was a member of the UNGC Board of Directors during 2014 and was a member of the team that developed Serbia's first National CSR Strategy and contributed to defining the Law on Volunteering and Law on Accounting regarding non-financial reporting. Since 2006, she has been a member of the Serbian Public Relations Society and 2011–2012 she was a member of the Novi Sad Public Relations Center Executive Committee. Ms. Konakov Svirčev has shared her knowledge and experience at numerous conferences and has organized and participated in many volunteering activities aimed at environment protection.

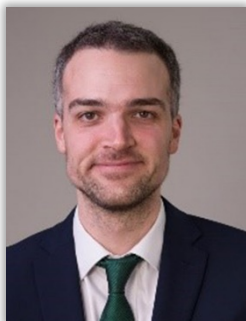


IWONA WARZECHA

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 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.



RAMANA MCCONNON

Project Director in the Audit & Assurance Policy Team, Financial Reporting Council (FRC), UK

Ramana McConnon is a Project Director in the Audit & Assurance Policy Team at the FRC, where he has led initiatives such as the establishment of the Audit & Assurance Sandbox and the publication of guidance on professional judgement. Prior to this, Mr. McConnon spent a number of years in audit at a Big 4 firm.



LIDIJA BARJAKTAROVIĆ

Dean of the Faculty of Business, Singidunum University, Belgrade

Lidija Barjaktarovic teaches Banking, Risk Management, and Corporate Finances (since 2008) at the Singidunum University in Belgrade and is Dean of the Faculty of Business (since 2021). Professor Barjaktarovic also lectures at different business schools in the Republic of Serbia. She is an academic partner of the Chief Financial Officers Association of Serbia (since 2011) and CFA Society Serbia (since 2019) and a member of the Scientific, Organizing and Program Committee of FINIZ – Finance and Financial Reporting in the Function of Corporate Governance (since 2014). She has been an independent board member of UniCredit bank Serbia a.d. Belgrade (since 2021) and was previously president of the shareholder assembly of Jumbes Bank a.d. Belgrade (2016-2019). She had banking career from 1998 to 2008, initially at Jugobanka a.d. Belgrade, after which she moved to Societe General Yugoslav Bank a.d. Belgrade, and then to Raiffeisen Bank a.d. Belgrade. In 2005, Professor Barjaktarovic joined Erste Bank a.d. Novi Sad as Director of Corporate Division, becoming a member of the Corporate Board and Corporate Working Group of the Erste

Holding Vienna at the end of 2007. She has a PhD in Economic Sciences in banking and finance and has published many articles, especially related to financing, project finance, cash management and competitiveness of CEE banking sector.



DANIJELA MIRKOVIĆ

Partner/Principal Audit, Ernst & Young, Serbia

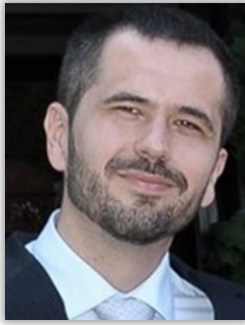
Danijela Mirkovic serves as an EY Partner and leads assurance services in Serbia, Bosnia and Herzegovina, and Montenegro. Her experience in performing audits of financial statements for companies in these countries is extensive. Danijela's client portfolio includes companies operating across multiple industries, such as: telecommunications and media, production, mining and metallurgy, financial and ITC sectors, and others. She provides advisory services related to financial reporting and improving a finance function and has been engaged on various sustainable development projects. Ms. Mirkovic hold a BSc in Economics from the University of Belgrade. She is a licensed certified auditor in Serbia and Montenegro, and a member of the Association of Chartered Certified Accountants (ACCA).



RADIVOJE PETROVIĆ

Senior Adviser, Quality Assurance Review Department, Securities Commission, Serbia

Radivoje Petrović began his professional journey in the finance industry from January 2004 to January 2008. He joined the Vinca Institute of Nuclear Sciences in May 2008, acquiring hands-on experience as an accountant. In January 2009, he became an auditor at "Stanišić Audit" and gradually progressed to attain the status of a Certified Licensed Auditor in May 2013. Mr. Petrović remained associated with "Stanišić Audit" until October 2022. In his current role as a Senior Adviser at the Quality Assurance Review Department of the Securities Commission, he focuses on ensuring the quality control of auditing companies. His extensive work experience sums up to over 19 years of expertise in auditing, accounting, finance, and economics.



NEBOJŠA JEREMIĆ

President of Regulatory Committee of the Association of Internal Auditors and Senior Internal Auditor, Telekom Srbija

Nebojša Jeremić PhD is a certified internal auditor and a certified accountant, President of the Regulatory Committee of the Association of Internal Auditors (part of global Institute of Internal Auditors-IIA), and a senior internal auditor in Telekom Srbija. He has almost 20 years of experience in the fields of corporate finance and internal auditing. He joined the treasury department of Telekom Srbija in 2004. As an internal auditor for finance and accounting since 2013, he leads audit teams in the area of corporate process. Mr. Jeremić is a member of the Editorial board of the magazine Revizor, and a moderator of many webinars and conferences on internal audit. He has written several articles on taxes and audit published in scientific journals.

