

TRAIN-THE-TRAINERS WORKSHOP

Sustainability Reporting and IFRS for SMEs

6-8 December 2023, Vienna, Austria

CFRR»
**Centre for Financial
Reporting Reform**



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Sustainability Reporting and IFRS for SMEs

6-8 December 2023, Flemings Selection Hotel Wien-City, Josefstädter
Straße 10-12, 1080, Vienna, Austria

FOREWORD

The objectives of the workshop are to: (i) inform and build capacity of trainers and professional accountancy organizations on sustainability reporting and related auditing standards that will be applicable in the coming years in the countries of the Western Balkans as part of their pledge to EU accession; and, (ii) to provide trainers with skills and materials to deliver training on the IFRS for SMEs Accounting Standard and local accounting standards that are derived from it.

No country today is immune from the impact of climate change. According to the research of the World Bank, climate change alone could drive 216 million people to migrate within their own countries by 2050, with hotspots of internal migrations emerging as soon as 2030, spreading and intensifying thereafter. To support policy decisions and actions, the EU has decided to implement rapidly for all listed and big companies (above 250 employees) sustainability reporting obligations. On 31 July 2023 the European Commission adopted the European Sustainability Reporting Standards (ESRS) for use by entities subject to the Corporate Sustainability Reporting Directive.¹ The first day of this workshop is dedicated mainly to sustainability reporting.

Even when a jurisdiction does not specify use of the IFRS for SMEs Accounting Standard that standard underpins many country-level accounting frameworks for small and medium-sized entities (SMEs). The two-day IFRS for SME technical session, will provide trainers with knowledge and case studies to replicated training in their own jurisdiction, and enhance the capacity of accounting professional to provide accounting and advisory services to SMEs.

This seminar is delivered under REPARIS for SMEs, a program managed by the World Bank, and funded by the EU.

¹ https://finance.ec.europa.eu/news/commission-adopts-european-sustainability-reporting-standards-2023-07-31_en

AGENDA | DAY 1 | WEDNESDAY, DECEMBER 6, 2023

08:30 Registration and Welcome Coffee

09:00 Welcome Remarks and Introduction to the workshop

Jose Rezk | Senior Financial Management Specialist, The World Bank

Pascal Frerejacque | Consultant, CFRR, The World Bank

09:15 Accountancy Europe: opportunity and challenges for the accounting profession of sustainability reporting

This session aims at providing information on current and future technical resources provided by Accountancy Europe to its members on Sustainability Reporting.

Hilde Blomme | Deputy CEO, Accountancy Europe

09:45 European Commission: Sustainability Reporting EU and international aspects

This session aims at providing information on the legislative and regulatory framework for sustainability reporting as well as the policy discussions and objectives around sustainability reporting at European and International level.

Erik Van der Plaats | Senior Expert, European Commission

10:45 Coffee Break

11:00 IAASB: Audit of Environmental Social and Governance reporting

This session aims at providing information on the discussions at the International Auditing and Assurance Standards Board (IAASB) to prepare standards on assurance for sustainability reporting. It will include the insights about the discussions of the IAASB.

Isabelle Tracq-Sengeissen | Board Member, International Auditing and Assurance Standards Board (IAASB)

11:45 IAASB: Audit of less complex entities

This session aims at providing information on the new standards on Audit of Less Complex Entities and what it will bring as simplifications for those audits.

Isabelle Tracq-Sengeissen | Board Member, International Auditing and Assurance Standards Board (IAASB)

12:30 Lunch

13:30 EFRAG: The European Sustainability Reporting Standards

This session aims at providing information on the new five European Standards of Sustainability Reporting and the needed infrastructure to have them implemented by 2024 in EU member states.

Monika Brom | EFRAG Member

15:00 Coffee Break

15:30 Introduction to the IFRS for SMEs training

This session aims at; (i) describing the project for providing advanced training on IFRS for SMEs as continuous professional development for accountants and Small and Medium Practices, (i) the using of the case studies and other materials for training purposes, as well as (iii) the reporting to the CFRR on the in-country seminars delivered with the help of local trainers.

Pascal Frerejacque | Consultant, The World Bank

16:30 End of Day 1

17:00 Social Event

19:00 End of Social Event

AGENDA | DAY 2 | THURSDAY, DECEMBER 7, 2023

09:00 Consolidated Financial Statements (including business combinations)

This session aims to:

- develop a cohesive understanding of the accounting and reporting of business combinations and other transactions in consolidated financial statements in accordance with the IFRS for SMEs Accounting Standard; and
- develop capacity to make the judgements necessary to prepare such financial information.

Mike Wells | Consultant, The World Bank

10:30 Coffee Break

10:45 Separate Financial Statements (investments in associates, joint ventures, and subsidiaries)

This session aims to:

- develop a cohesive understanding of the accounting and reporting of investments in associates, joint ventures and subsidiaries in separate financial statements in accordance with the IFRS for SMEs Accounting Standard; and
- develop capacity to make the judgements necessary to prepare such financial information.

Mike Wells | Consultant, The World Bank

12:15 Lunch

13:15 Determining Accounting Policies (estimates and errors)

This session aims to:

- develop a cohesive understanding of how to develop accounting policies and accounting estimates in accordance with the IFRS for SMEs Accounting Standard; and
- develop capacity to make the judgements necessary to differentiate between: (i) changes in accounting policies; (ii) changes in accounting estimates; (iii) the correction of prior period errors; (iv) transfers due to a change in the use to which an asset is put; and (iv) transfers due to changes in circumstances.

Mike Wells | Consultant, The World Bank

Pascal Frerejacque | Consultant, CFRR, The World Bank

14:45 Coffee Break

15:00 Disclosing accounting policies, key sources or estimation uncertainty, significant judgements

This session aims to:

- develop a cohesive understanding of the disclosures about accounting policies, key sources of estimation uncertainty and other judgements made in applying accounting policies; and
- develop capacity to make the judgements necessary to prepare such financial information.

Mike Wells | Consultant, The World Bank

16:30 End of the Day 2

AGENDA | DAY 3 | FRIDAY, DECEMBER 8, 2023

09:00 Financial Instruments (classification and measurement) and leases

This session aims to:

- develop a cohesive understanding of the accounting and reporting of financial instruments and leases in accordance with the IFRS for SMEs Accounting Standard; and
- develop capacity to make the judgements necessary to prepare such financial information.

Mike Wells | Consultant, The World Bank

10:30 Coffee Break

10:45 Non-financial liabilities: provisions, contingencies, and income taxes

This session aims to:

- develop a cohesive understanding of the accounting and reporting of provisions, contingent liabilities and income taxes in accordance with the IFRS for SMEs Accounting Standard; and
- develop capacity to make the judgements necessary to prepare such financial information.

Mike Wells | Consultant, The World Bank

12:15 Lunch

13:15 Fixed assets (PPE, intangibles, investment property and agriculture)

This session aims to:

- develop a cohesive understanding of the accounting and reporting of unimpaired fixed assets in accordance with the IFRS for SMEs Accounting Standard; and
- develop capacity to make the judgements necessary to prepare such financial information.

Mike Wells | Consultant, The World Bank

14:45 Coffee Break

15:00 Impairment of Fixed Assets

This session aims to:

- develop a cohesive understanding of the accounting and reporting of the impairment of fixed assets in accordance with the IFRS for SMEs Accounting Standard; and
- develop capacity to make the judgements necessary to prepare such financial information.

Mike Wells | Consultant, The World Bank

16:30 Conclusion and Evaluations

Pascal Frerejacque | Consultant, CFRR, The World Bank

Jose Rezk | Senior Financial Management Specialist, The World Bank

17:00 End of the workshop

BIOS OF THE SPEAKERS AND MODERATORS

(in order of appearance)



JOSE REZK

Senior Financial Management Specialist, PULSAR EduCoP Task Team Leader, The World Bank

José Rezk has over 20 years of work experience in Financial Management (FM) and Auditing, including over 15 years at the World Bank. He is the FM Coordinator for Eastern Europe and South Caucasus, overseeing fiduciary aspects of the project portfolios for Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine. Prior to this position, he was based in Vienna working at the CFRR, where he led projects to support reforms in Corporate Financial Reporting and Public Sector Accounting Education. During his prior experience in Latin America, he was FM Coordinator for Central America and he served as FM Specialist for several countries, based both in Argentina and Honduras Country Offices. He has led several PFM studies including national and sub-national PEFAs, and led the organization of regional knowledge and learning conferences as CReCER and Cuentas Claras. His pre-Bank experience includes working for the private sector (IT industry) as well as for the public sector in Argentina. He holds a master's degree in Strategic Management and Technology and university degrees in Business Administration and Accounting. More recently, he earned an Executive Certificate in Public Policy from the Kennedy School of Government at Harvard University. He also holds several international certifications in accounting and auditing including Certified Internal Auditor (IIA), Certified Information Systems Auditor (ISACA) and Certified Fraud Examiner (ACFE). José is TTL for the PULSAR Education Community of Practice (EduCop).



PASCAL FREREJACQUE

Consultant, Centre for Financial Reporting Reform (CFRR), The World Bank

Pascal Frerejacque advises countries on enhancing their financial reporting, corporate governance, and auditing practices, and supports activities across the CFRR programs. He has led the delivery of country programs on accounting and auditing reform and SOE monitoring in Croatia, the Czech Republic, and Serbia. At the CFRR, Pascal led the publication of several accounting and auditing assessments under the Reports on the Observance of Standards and Codes program (ROSC A&A), and other knowledge products: Corporate Sector Accounting and

Auditing in the European Union (2015), Banking Supervisors and Auditors: Building a Constructive Relationship (2016), Croatia's European Union Accession: case studies on accounting and auditing reform (2017); Guide to reviewing financial statements for supervisors (2021).



HILDE BLOMME

Deputy CEO, Accountancy Europe

Hilde Blomme joined Accountancy Europe in 2003 and has been Deputy CEO since 2011. Hilde provides regulatory and technical expertise and contributes to developing the Accountancy Europe strategy. She is deeply knowledgeable on reporting and assurance practices in the areas of financial and non-financial information (NFI), sustainability and, ESG. Hilde spent nine years as an external auditor for both multinational and small and medium-sized enterprises (SMEs) clients with PricewaterhouseCoopers in London, New York and Brussels. She started her professional career in the financial sector and with small practices serving SMEs clients.



ERIK VAN DER PLAATS

Senior Expert, European Commission

Erik van der Plaats is a senior policy expert at DG Financial Stability, Financial Services and Capital Markets Union of the European Commission. Erik is the IFRS team leader and is also member of the CSRD team that worked on the adoption of European Sustainability Reporting Standards (ESRS) by the Commission. From 2011 to 2013 Erik was the policy coordinator for the CRD IV package, which implemented the Basel III framework in the EU. He is the European Commission observer on the Basel Committee Accounting and Audit Expert Group. Erik was seconded to the Financial Stability Board to work on risk disclosures. He has also worked as a Senior Financial Management Specialist with the World Bank on private sector financial reporting in Europe and the Central Asia Region. From 1995 to 2006 Erik worked at the European Commission mainly on financial reporting and audit policy making at DG Internal Market. Prior to joining the European Commission, Erik worked for six years as an independent consultant on financial management and three years as an external auditor. Erik has a degree in business economics from the Free University of Amsterdam and qualified as a registered auditor (RA) with Royal NIVRA of the Netherlands.



ISABELLE TRACQ-SENGEISSEN

Board Member, International Auditing and Assurance Standards Board (IAASB)

Isabelle Tracq-Sengeissen has been a member of the IAASB since January 2018; she was nominated by CNCC and CSOEC (France). Mrs. Tracq-Sengeissen was previously technical advisor to the IAASB from 2009 to 2014. Mrs. Tracq-Sengeissen is an audit partner at EY in France, with 32 years of experience in auditing. She works for a variety of clients. Mrs. Tracq-Sengeissen is also passionately involved in the development of auditing and accounting profession in foreign countries, especially in French speaking African countries. Since 2022, she has been the EY Global Professional Practice Sustainability Leader. Mrs. Tracq-Sengeissen is the chair of the auditing standard board of CNCC and has been a member of that board since 2000. She is a member of DIPAC executive committee (CNCC-CSOEC international affairs joint department). Mrs. Tracq-Sengeissen is also a board member of the Neoma Business School Alumni Association



MONIKA BROM

EFRAG Member

Monika Brom, MSc in landscape planning and landscape conservation, graduated in 1999 at the University of Natural Resources and Applied Life Sciences, Vienna. After her graduation, she worked as consultant for environmental management systems and waste management. Since 2002 she has been working in the Environment Agency Austria (Umweltbundesamt) as an expert for environmental management. In 2008 she became deputy head of unit Sustainable Development. Ms. Brom is a key expert for the EMAS Regulation in Europe and has been involved in several EU projects in Romania, Montenegro, Serbia and Israel. In 2011 she became chair of the Forum of Competent Bodies related to the EMAS Regulation. Monika is author or co-author of several publications dealing with non financial reporting and environmental indicators.



MIKE WELLS

Consultant, The World Bank

Michael Wells CA(SA) is Professor of Practice at Imperial College Business School, Board Member at UK Endorsement Board, and a World Bank Group consultant—working to deepen understanding of international financial reporting requirements and fostering capacity to make/audit/regulate the judgments necessary to apply them. He also performs compliance reviews of corporate financial statements for World Bank assessments of country compliance with financial reporting standards. Before that, for nearly a decade, he led the International Accounting Standards Board (IASB) International Financial Reporting Standards (IFRS) Education Initiative. While leading the IFRS Education Initiative he served as a member of the International Federation of Accountants (IFAC) International Accounting Education Standards Board (IAESB) Consultative Advisory Group (CAG) and the International Association for Accounting Education & Research (IAAER) Board of Advisors. He subsequently served on the American Accounting Association (AAA) Membership Advisory Committee. Before that he served as a member of the AAA Education Committee.

