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Centre for Financial  
Reporting Reform



WORLD BANK GROUP  
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## Audit Training of Trainers

2-3 October 2017, Joint Vienna Institute, Vienna, Austria



EU-REPARIS is funded  
by the European Union  
and is a part of WB EDIF.



## Audit Training of Trainers

### Module F4: Audit Conclusion and Reporting

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#### Context

The new series of Audit Training of Trainers (Audit ToT) workshops continues within the EU-REPARIS program (please visit the program homepage on our website for more details: <http://go.worldbank.org/D6CT7QUHM0>). These workshops aim to develop the capacity of the audit profession to deliver high-quality training and provide continuing professional development (CPD) programs based on the Standards of the International Auditing and Assurance Standards Board® (IAASB®). The workshops focus, in particular, on the needs and challenges of small- and medium-sized practices (SMPs) to implement International Standards on Auditing (ISAs), and help them to guide practitioners in the development of quality assurance procedures at firm and engagement levels.

The series is conducted with the support of the International Federation of Accountants® (IFAC)®.

#### Objective

The two-day workshop will convene trainers from Professional Accountancy Organizations (PAOs) and other organizations responsible for the design and delivery of CPD training programs for statutory auditors and audit firms. As always, the workshop provides a forum for participants to reconnect, discuss current CPD challenges and available resources, and identify common solutions.

#### Approach and format

The approach and format of the Audit ToT workshops is highly interactive and includes:

- A series of training sessions focused on developing the capacity of audit trainers to deliver high-quality training and CPD based on the Standards of the IAASB and, in particular, assisting the community of auditors of small- and medium-sized practices. Each workshop features a module of the training program. The topics covered are logically sequenced in the context of the audit cycle, as shown in the graph below;
- Development of audit tools and solutions which can be used in actual practice. The integrated Audit Case Study and the Simulated “Client File” Templates are the core teaching resources;
- Facilitation of shared learning and peer exchange among countries in the region and members of the Community of Practice regarding the design, content, implementation arrangements, teaching and authorization environment for CPD, and linkages with the initial professional development program.





## Module F4: Audit Conclusion and Reporting

This workshop will cover Module F4 of the Fundamental Stream and will focus on Audit Conclusion and Reporting. The workshop will cover the requirements of several ISAs regarding accounting estimates, auditing related party disclosures, requirements when using the work of others, professional judgements and going concern. Based on the facts of the simulated audit client case “PejaSko”, participants will undertake group work and perform finalization and review procedures. Participants will engage in a group exercise aiming to enhance their analytical and intellectual skills while working on a practical case study involving making going concern judgements. Auditors reporting will be discussed and participants will explore many practical examples regarding the new and revised auditors’ reporting standards.

Participants will benefit from a key note address on the role of the Pan African Federation of Accountants (PAFA) while supporting the accountancy profession in Africa. Further experiences from Africa relating to regional integration of PAOs and the role of PAOs in supporting auditors will be shared and topics such as implementation of Integrated Reporting and outcome-based CPD schemes will be discussed.

## Agenda

### Monday, 2 October 2017 – Day 1

08:30	Registration of Participants and Morning Coffee
09:00	Welcome and Opening Remarks
Speaker	<b>Jarett Decker</b> Head, CFRR, The World Bank
09:15	Presentation by Key Note Speaker
Speaker	<b>Vickson Ncube</b> Chief Executive Officer, Pan African Federation of Accountants (PAFA)
Description	<p>This Key Note Address will:</p> <ul style="list-style-type: none"> <li>• Provide an overview of PAFA and its strategic goals and visions for the future of the accountancy profession in Africa,</li> <li>• Discuss key opportunities and challenges in Africa and how the accountancy profession is supporting these opportunities and private sector growth; and</li> <li>• Audit quality status in Africa.</li> </ul> <p>Q&amp;A will follow the Key Note Presentation.</p>
10:00	Commitment to Lifelong Learning: Implementing Output Based CPD
Speaker	<b>Kalina Sukarova</b> Senior Financial Management Specialist, CFRR, The World Bank
Description	<p>More recently, outcome based CPD schemes are attracting the attention of policy makers, regulators, standard setters, and professional bodies. These approaches seek to measure outputs, gains, and achieve genuine learning and professional improvement. This session will highlight a few tips for PAOs and other stakeholders aiming to implement output based CPD approaches and discuss the importance of the learner centered training courses, such as the Audit Training of Trainers program, as a more effective learning experience.</p>
10:30	Coffee Break [15 min]

10:45 Communicating Value with Integrated Thinking	
Speaker	<b>Patrick Kabuya</b> Senior Financial Management Specialist, The World Bank
Description	In the last decade, ideas and concepts originally emerging in South Africa, such as corporate reporting on financial and non-financial information in a single document, sustainability and integrated reporting, have grown worldwide. These integrated thinking concepts aim to communicate in a single report a holistic picture about an entity and where value is created. Large corporate entities from the private sector have lead the agenda, however more recently these concepts are explored by public companies and even SMEs. This session will discuss the “why” of Integrated Reporting, history, main players, concepts, and present practical examples of how integrated reporting is being implemented in South Africa.

11:45 Session F4-A: Recap of Module F3 Audit Execution & the “PejaSko” Quiz	
Speaker	<b>Piotr Pyziak</b> Consultant, CFRR, The World Bank
Description	Participants will be re-introduced to the integrated audit client case “PejaSko” which is being used throughout the workshop series. There will also be a brief overview of the key conclusions reached by participants during module F3 (15-16 March 2017) that focused on Audit Execution.  By answering a series of questions based on the case study “PejaSko”, participants will be invited to join an interactive quiz and compete for the title “The Champion of PejaSko Cheese Ltd. Case Study”

12:30	Lunch [90 min]
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14:00 Session F4-B: Accounting Estimates (part 1)	
Speaker	<b>Simone Luschnik</b> Audit Quality Specialist, Österreichischer Raiffeisenverband (ÖRV)
Description	This session will discuss the requirements of ISA 540 <i>Auditing Accounting Estimates, Including Fair Value Accounting Estimates, and Related Disclosures</i> . Relevant concepts will be covered, such as complexity, the need for auditor’s skepticism, management use of judgements and estimation uncertainty. The speaker will also cover the considerations for smaller entities when auditing estimates.

14:45 Session F4-B: Accounting Estimates (part 2) - Group Exercise	
Speaker	<b>Kalina Sukarova</b> Senior Financial Management Specialist, CFRR, The World Bank
Description	Participants will have an opportunity to engage in the client case “PejaSko” and identify the accounting estimates the auditor should consider based on the case scenario. Further, a set of audit procedures will be developed by the participants for the identified accounting estimates.

15:15	Coffee Break [15 min]
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15:30 Session F4-C: Related Parties	
Speaker	<b>Patrick Kabuya</b> Senior Financial Management Specialist, The World Bank
Description	Related party transactions can be a significant audit area for SMEs. This session will cover the requirements of ISA 550 <i>Related Parties</i> ; topics such as significant related party transactions outside of normal business or undisclosed related parties will be discussed in the context of an SME client. Participants will be invited to join an interactive discussion and many examples will be shared.

16:15 Session F4-D: Professional Judgment	
Speaker	<b>Bernard Paris</b> French Statutory Auditor; Audit Practice Consultant
Description	Professional judgment is a key skill that auditors are required to develop with experience, practice, and training. This session will explore professional judgment in the audit context, and focus on the elements of effective judgment process. The speaker will also discuss potential judgment tendencies, traps, and biases.

17:00	End of Day One
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18:30	Group Dinner
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## Tuesday, 3 October 2017 – Day 2

08:30	Morning Coffee
09:00	Session F4-E: Going Concern
Speaker	<b>Kalina Sukarova</b> Senior Financial Management Specialist, CFRR, The World Bank
Description	This session will aim to enhance the intellectual and analytical skills necessary for SMP practitioners to make sound going concern judgments in a fast-developing business environment. Emphasis will be placed on identifying the sources of information relevant for the particular client case and learning how to “read the signs”. The discussion will be supplemented with a case study that will require participants to reflect on and document the auditor’s work regarding the going concern basis of accounting.
10:30	Coffee Break [15 min]
10:45	Session F4-F: Finalization and Review Procedures
Speaker	<b>Piotr Pyziak</b> Consultant, CFRR, The World Bank
Description	The requirements of ISA regarding finalization and review of audit procedures will be covered, including: ISA 450, <i>Evaluation of Misstatements Identified during the Audit</i> , and final analytical review procedures required by ISA 520, <i>Analytical Procedures</i> , ISA 560, <i>Subsequent Events</i> and ISA 580, <i>Written Representations</i> . Participants will be invited to engage in a group exercise based on the simulated audit client case “PejaSko”.
11:45	Regional Integration of Professional Accountancy Bodies
Speakers	<b>Vickson Ncube</b> Chief Executive Officer, Pan African Federation of Accountants (PAFA) <b>Patrick Kabuya</b> Senior Financial Management Specialist, The World Bank
Description	The session will explore the advantages of regional integration among the profession using Africa and the Pan-African Federation of Accountants (PAFA) as the case study. PAFA was established in May 2011 and brings together professional accountancy organizations in the Africa Region (46 PAOs as of July 2017) with a mission to accelerate the development of the accountancy profession in Africa and strengthen the profession’s voice within the continent and globally. The session will also address the status of the accountancy profession in Africa and what PAFA and the World Bank are doing to strengthen the profession.



12:45 Lunch [75 min]

## 14:00 New and Revised Auditor Reporting Standards followed by Q&amp;A

**Speaker** **Gerhard Prachner**

PwC Österreich GmbH, Partner

**Description** The revised standards on auditor reporting including the requirements of the new standard, *ISA 701 Communicating Key Audit Matters in the Independent Auditor's Report*, will be discussed. The benefits of the new standard will be covered and participants will have an opportunity to engage in a discussion with many practical examples. Further, the requirements of *ISA 705, Modifications to the Opinion in the Independent Auditor's Report* will be discussed, including examples when it would be appropriate to issue a qualified opinion, adverse opinion, or disclaimer of opinion. The session will also provide examples of additional paragraphs not affecting the opinion, and the requirements of *ISA 706, Emphasis of Matter Paragraphs and Other Matter Paragraphs in the Independent Auditor's Report* will be explained.

15:15 Coffee Break [30 min]

## 15:45 PAOs Role in Supporting Auditors

**Speaker** **Patrick Kabuya**

Senior Financial Management Specialist, The World Bank

**Description** Participants will share practical experiences from their respective PAOs on how they support members who are auditors and contribute to good public auditing in their country and globally. Some of the issues will include: establishment and operation of a PAO auditing standards committee that can play an influential role in the country (comment and guidance on audit related issues including legislation) and globally (input on draft auditing documents/standards issued by IAASB); thought leadership initiatives on auditing; CPD sessions facilitated by PAOs – type, number, charges; tools developed by PAOs to support auditors; services provided directly to members; engagement with the audit regulator (where relevant); and ISQC 1 compliance support. The speaker will also share experiences of some African PAOs.

16:45 Module F4: Debrief Session, Closing Remarks and Next Steps	
Moderators	<p><b>Kalina Sukarova</b> Senior Financial Management Specialist, CFRR, The World Bank</p> <p><b>Piotr Pyziak</b> Consultant, CFRR, The World Bank</p>
Description	<p>Participants will be asked to share examples how the materials developed during the fundamentals course have been disseminated locally within continuing professional development and other training programs and what lessons have been learned. Participants' feedback will be collected regarding the topics, content covered and materials shared – including the integrated case study approach. Finally, next steps will be discussed including sharing ideas and topics of interest for next workshops.</p>

17:00	Closing of Module F4
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## Speaker Bios (in order of appearance)



**Jarett Decker**

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

Jarett Decker, a United States 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.



**Mr. Vickson Ncube**

*Chief Executive Officer, Pan African Federation of Accountants (PAFA)*

Mr. Vickson Ncube is the current Chief Executive Officer of the Pan African Federation of Accountants (PAFA). Mr. Ncube is fellow of the Zambia Institute of Chartered Accountants (ZICA), Fellow of the Association of Chartered Certified Accountants (ACCA), and an Associate of Chartered Institute of Arbitrators. He has been actively involved in IFAC's Professional Accountancy Organization (PAO) Development Committee and the MOSAIC Steering Committee, and observes the IFAC Board meeting. He has wide range of experience in general management, internal audit, finance management, fund management, pensions, and life and general insurance. Prior to his current position, he was the Chief executive officer of the Eastern Central and Southern African Federation of Accountants – ECSAFA. He has also been the Chief executive officer of ZICA, Regional manager for African Life Financial Services Limited. Director, Life and Pensions, Director of Finance, Director of Internal Audit, and other

positions at the Zambia State Insurance Corporation Limited and also Finance manager of the Zambia State Financing Company.



**Kalina Sukarova**

*Senior Financial Management Specialist, CFRR, The World Bank*

Kalina Sukarova supports activities at the CFRR involving accounting education and capacity building, providing policy advice on corporate financial reporting reform and the development of the accounting and auditing profession, with a primary focus on auditing standards. She has authored and contributed to Accounting and Auditing Reports on the Observance of Standards and Codes and accountancy publications and studies as well as Financial Sector Assessment Program assessments. Mrs. Sukarova is a fellow member of the Association of Chartered Certified Accountants (ACCA). Prior to the CFRR, she was an Executive Director with Ernst and Young specializing in assurance, bringing with her over 15 years of practical accounting, financial reporting and auditing experience.



**Patrick Kabuya**

*Senior Financial Management Specialist, The World Bank*

*M.Com(IFRS), B.Com(Accounting), FCPA(K), ACA(ICAEW), FCCA*

Patrick Kabuya, a Chartered Accountant, is involved in supporting African countries to strengthen accountancy profession, corporate governance and Public Financial Management. He has conducted a number of Reports of the Observance of Standards and Codes – Accounting and Auditing (ROSC A&A); lead a number of accountancy profession capacity building initiatives, and was instrumental in establishing [and strengthening] Pan African Federation of Accountants (PAFA). He has extensive wealth of knowledge and experience on strengthening accountancy profession, International Public Sector Accounting Standards, International Financial Reporting Standards, and International Standards of Auditing.

Before joining the World Bank Group in 2009, he served at E&Y (Kenya and South Africa) in both Audit and Technical Departments – advising and training clients and staff on standards; and at the South African Institute of Chartered Accountants – as a Project Director responsible of Africa and Public Sector. Patrick is a Fellow of African Leadership Initiative (a member of Aspen Global Leadership Network) and a Board member of Institute of Directors Southern Africa.



### **Piotr Pyziak**

*Consultant, CFRR, The World Bank*

Piotr Pyziak joined the World Bank in 2012, where he has been supporting public oversight of audit profession, financial reporting reform activities and public accounting projects in Poland and Western Balkans countries. Prior to joining the World Bank, he worked as an auditor in “Big 4” companies and managed financial reporting and internal control functions in private sector companies in Poland and Russia. Mr. Pyziak is a graduate of Cracow University of Economics and Stockholm International Banking Institute at Stockholm University.



### **Simone Luschnik**

*Audit Quality Specialist, Österreichischer Raiffeisenverband (ÖRV)*

Simone Luschnik is a certified public accountant in Austria and an audit quality specialist who develops audit tools and methodologies for the auditors of the Raiffeisen banking group. She's been working in the auditing branch for 14 years and completed her auditor's exams in 2009. As a specialist in auditing methodology, she focuses on the International Standards on Auditing and on regulatory law. She teaches at the Austrian Academy of Public Accountants and is a member of the Austrian Auditing Professional Board where the country's auditing standards are developed.

Before joining Raiffeisen, she gained experience in the financial services sector of a German automotive company and a 'Big 4' audit company. Her projects led her to professional stays in Germany, Russia, the U.S. and Singapore.



### **Bernard Paris**

*French Statutory Auditor; Audit Practice Consultant*

Bernard Paris is a consultant specializing in the development of professional audit, strengthening the audit profession in transitional economies, focusing on implementation of quality assurance systems, code of ethics and discipline and training programs. Bernard has supported many World Bank financed projects in his capacity of ISAs specialist focusing on accounting and auditing reforms. These projects led him to missions in several countries mainly in Russia, Central Europe, Central Asia, South East and Far East Asia. His core activities relate to assessment of Quality Assurance systems and training of members of CPA institutes.

Bernard Paris is a certified public accountant in France and member of the Compagnie Régionale des Commissaires aux Comptes d'Aix en Provence (France). Mr. Paris holds university degree in accounting and he graduated from Institut d'Etudes Politiques de Paris.



**Gerhard Prachner**

*Partner at PwC Austria*

Gerhard Prachner is a Partner at PwC Austria, a position which he has held for 25 years. He has a total of 34 years experience as a certified public accountant and tax advisor. Mr. Prachner is also a Certified Public Accountant (CPA) in the United States. His main areas of focus are IFRS, Austrian GAAP, and International Standards on Auditing.

Mr. Prachner is a member of a number of professional bodies, including the Austria Financial Reporting and Auditing Committee, and the Fédération des Experts-comptables Européens (FEE), where he participates in the FEE's Accounting Working Party, Corporate Reporting Policy Group, SMP Forum, and its IAASB ED Subgroup. He is also a member of the EU Commission experts group on SME accounting, DG Enterprise and Industry, and Austria's representative in the International Forum of Accounting Standard Setters and the Consultative Forum of Standard Setters. In addition, Mr. Prachner participated in the IASB IFRS for SME Working Group, and in the IFAC PAIB from 1998 to 2003.





