



SCOPE OF AUDIT OF BANKS ACROSS EUROPE

SEPTEMBER 2015

The Federation of European Accountants (FEE) took the initiative to perform a short survey among its members on the current status of the audit profession's involvement on assuring regulatory reporting for Banks, in addition to financial reporting.

The request for information relates to certain aspects of the scope of the audit of banks in different countries. Please see the tables that follow for the detailed responses from our Members. The table includes information for six aspects that an assurance provider can be involved in for banks. We include below some guidance for the different columns:

- **Assurance: Financial statements** (including management report and going concern)
 - This refers to the audit of financial statements including the auditor's responsibility for the going concern assessment and review of the management report.

- **Compliance with law and regulations** (covered by International Standards on Auditing (ISAs))
 - This refers to the auditor's responsibility in the context of an audit of financial statements re Laws and Regulations under ISA requirements
- **Compliance: Organisational Regulatory Rules**
 - This refers to whether the auditor has any responsibility to report on specific legal requirements re the organisation and governance of a bank (e.g. requirements for risk management).
- **Compliance: Regulatory Requirements** (e.g. Risk Weighted Assets (RWA), loans, money laundering)
 - This refers to additional regulatory requirements (e.g. money laundering reporting, reports on big loans). This might be a specific requirement in the law of each country. For instance, the EU directives require that banks should submit reports on money laundering to authorities, however, any requirements for assurance is left to the member states to decide.
- **Compliance: On-going Financial Reports to Supervisors** (e.g. Capital, Liquidity)
 - This relates to whether the supervisor asks for assurance on on-going financial information.
- **Special Reports to Supervisors** (e.g. Benchmarks)
 - This relates to whether the supervisor requires assurance on other reports (for instance information that is used for benchmarks).

Finally, during the course of the AQR (assets quality review), which took place in 2014, the National Competent Authorities (NCA) asked the audit profession to perform agreed upon procedures engagements. The scope of those engagements varied across Europe and we are interested in portraying the different requests for each country (for instance: system control audits, data validation, and other assurance engagements).

Summary of the results

We received information from 27 countries across Europe including 17 member countries of Eurozone. The results of the survey reveal that apart from the statutory audit (including financial statements, management reporting and compliance with laws and regulations), which falls within the scope of the audit in all 27 countries, there is a divergence in practice regarding the scope of the audit of banks.

In summary in only 15 countries the auditor is involved with regulatory organisation reporting, in 12 countries the scope of audit includes other regulatory requirements, in 10 countries the scope of the audit includes ongoing financial reports that are addressed to the regulators and finally in only 12 countries the scope of the audit includes special reports that are addressed to the supervisors.

A **summary** of the results can be found on the table on the following page. For a more detailed view of the responses, consult the tables in the **appendix** starting on page 5.

	Statutory Audit		Additional Supervisory Requirements			
Country Eurozone	Assurance: Financial Statements including Management Report, Going Concern (ISA)	Compliance: Laws and Regulations (Covered by ISA)	Compliance: Regulatory Organisation	Compliance: Further Regulatory Requirements	Compliance: Ongoing Financial Reports to Supervisors	Special Reports to Supervisors
Austria	✓	✓	✓	✓	✓	
Belgium	✓	✓	✓		✓	✓
Bulgaria	✓	✓	✓			
Cyprus	✓	✓			✓	
Czech Republic	✓	✓	✓			✓
Denmark	✓	✓	✓	✓		✓
Estonia	✓	✓			✓	
Finland	✓	✓			✓	
France	✓	✓				
Germany	✓	✓	✓	✓	✓	✓
Greece	✓	✓		✓		✓
Hungary	✓	✓	✓			
Ireland	✓	✓	✓	✓		✓
Italy	✓	✓	✓	✓	✓	
Luxembourg	✓	✓	✓	✓	✓	✓
Malta	✓	✓				
Netherlands	✓	✓	✓	✓		✓
Norway	✓	✓				
Poland	✓	✓				
Portugal	✓	✓	✓	✓		
Romania	✓	✓				
Slovak Republic	✓	✓	✓	✓	✓	
Slovenia	✓	✓	✓			✓
Spain	✓	✓		✓		✓
Sweden	✓	✓				
Switzerland	✓	✓	✓	✓	✓	✓
UK	✓	✓				✓

Appendix

	Statutory Audit		Additional Supervisory Requirements			
Country	Assurance: Financial Statements including Management Report, Going Concern (<i>ISA</i>)	Compliance: Laws and Regulations (<i>Covered by ISA</i>)	Compliance: Regulatory Organisation (e.g. Risk Management, Control Framework)	Compliance: Further Regulatory Requirements (e.g. RWA, Loans, Money Laundering etc.)	Compliance: Ongoing Financial Reports to Supervisors (e.g. Capital, Liquidity)	Special Reports to Supervisors (e.g. Bench-marks)
Austria	✓	✓	✓ Since 2014 the Austrian Banking Act requires Bank auditors to audit D&I of the Internal Control System of banks in 19 areas that are important for regulators (e.g. solvency calculation, anti-money laundering) and requests specific reporting on those in a predefined format.	✓ Since 2014 the Austrian Banking Act requires Bank auditors to audit D&I of the Internal Control System of banks in 19 areas that are important for regulators (e.g. solvency calculation, anti-money laundering) and requests specific reporting on those in a predefined format.	✓ Since 2014 the Austrian Banking Act requires Bank auditors to audit D&I of the Internal Control System of banks in 19 areas that are important for regulators (e.g. solvency calculation, anti-money laundering) and requests specific reporting on those in a predefined format.	No There are other special reports e.g. on basic figures in relation to the deposit protection system.
Belgium	✓	✓	✓ Reporting of findings.	No	✓ Assurance on FINREP and COREP.	✓

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Bulgaria	✓ All banks are subject to statutory audit of their general purpose financial statements. Applicable financial reporting framework is "IFRS as adopted for use in the EU" and the auditing framework is ISA.	✓	✓ There is a requirement in the law which stipulates that the statutory auditor of a bank should issue a report on the internal control environment in the bank. The profession has agreed with Bulgarian Central Bank (BNB) that this is an agreed upon procedures engagement.	No	No Until 2014 there was a requirement that auditors perform agreed upon procedures on certain regulatory reports, e.g. on capital adequacy, large exposures, liquidity, investments in fixed assets. This is now abandoned by BNB.	No
Cyprus	✓	✓	No	No	✓	No
Czech Republic	✓	✓	✓ Compliance with Markets in Financial Instruments Directive (MiFID).	No	No	✓ Based on the specifics request from the regulator the auditor might be required to issue a report on the Risk Management (Credit, Market. Liquidity, Corporate Governance and IT risk).
Denmark	✓	✓	✓	✓	No	✓
Estonia	✓ ISA on IFRS (EU) financial statements.	✓ Report on custody (MifiD).	No	No	✓ Assurance under Act on Financial Institutions.	No

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Finland	✓ The Finnish Financial Supervision Authority requires auditor procedures in relation to including interim profits to capital adequacy. In 2014 the requirement included evaluation of deductions made from interim profits.	✓ Finnish Financial Supervision Authority regulation requires external assessment of the ICAAP: - Audit of Internal Capital; - Adequacy Assessment; - Process - audit procedures relating to the process documentation gathered by entities.	No	No	✓ Bank of Finland: ECB/2014/34 on TLTROs in Article 8(8) specifies that "Participants in TLTROs shall be required to have an annual examination of accuracy in respect of data reported". TLTRO- examination procedures. Committee of Euribor Banks: Evaluation of Euribor principles applied by banks.	No
France	✓	✓ But nothing more than ISA 250.	No	No	No	No

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Germany	<p>✓</p> <ul style="list-style-type: none"> - Statutory audit (consideration of bank industry specific laws, e.g. KWG/RechKredV, PrüfbV). - Economic Situation (e.g. course of business, financial/income situation). 	<p>✓</p> <ul style="list-style-type: none"> - Legal compliance with view to accounting (incl. articles of association). 	<p>✓</p> <ul style="list-style-type: none"> - Appropriate/ effective risk management and proper business organisation (§ 25a KWG; e.g. remuneration, IT-systems, derivative transactions). - Implementation of/ compliance with minimum regulatory requirements in risk management (so called “MaRisk”, e.g. Internal Capital Adequacy Process/ICAAP, robust governance arrangements). - Organisation of credit transaction business. 	<p>✓</p> <ul style="list-style-type: none"> - Compliance with capital requirements (e.g. assessment of credit, market and operational risks). - Compliance with quantitative/qualitative liquidity requirements (e.g. LCR/NSFR, see MaRisk). - Compliance with money laundering act. - Compliance with code of behaviour (concerning client business). 	<p>✓</p> <ul style="list-style-type: none"> - Compliance with (ongoing) regulatory reporting and promulgating (e.g. COREP/FINREP, proof of appropriate liquidity, details of major credits/credits to supervisory body, insider dealing, short selling etc.). 	<p>✓</p> <ul style="list-style-type: none"> - Special purpose audit on request of the institute (e.g. Internal Ratings Based Approach/IRBA, Advanced Measurement Approach/AMA). - Special purpose audit on occasion of the NCA (e.g. compliance with MaRisk, LIBOR). - Repeated special purpose audit (e.g. coverage mortgage bonds).
Greece	<p>✓</p>	<p>✓</p>	<p>No</p>	<p>✓</p> <p>Such requirements exist, but do not make part of the statutory auditor obligations.</p>	<p>No</p>	<p>✓</p> <p>Only for the AQR (see table 2).</p> <p>Other special reports are being prepared on an ad hoc basis.</p>

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Hungary	✓	✓	✓	No	No	No
Ireland	✓ Normal scope financial statement audit in accordance with ISAs to enable expression of “true & fair” opinion.	✓ As required by ISAs and also legal requirements imposing on auditor an obligation to report to bank supervisor in certain circumstances and also recent legislative provisions granting a “right to report” to supervisors’. Auditors also bound by a company law requirement to report suspected serious company law offences encountered in the course of the statutory audit to the Office of the Director of Corporate Enforcement.	✓ Central Bank may request statutory auditor (as a separate engagement) to conduct “an examination” under section 27BA of the Central Bank Act, 1997. The criteria for such engagements are based on the EBA Document GL 44.	✓ Central Bank may request auditors to report on any issue they consider appropriate but as separate engagements. Not as part of the statutory audit.	No	✓ The Central Bank (Supervision & Enforcement) Act, 2013 establishes a “skilled persons” regime in Ireland empowering the CBI to request reports on such matters.

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Italy	<p>✓</p> <p>This is performed by an external audit firm, enrolled in the Auditors' Register (and complying with special requirements to audit PIEs).</p>	<p>✓</p> <p>This function is performed by:</p> <ul style="list-style-type: none"> - Compliance department (internal department); - Statutory Supervisory board (collegio sindacale), <p>whose members are listed in a professional register i.e. (CPA's or lawyer).</p> <ul style="list-style-type: none"> - Supervisory body according to D. Lgs. 231/2001. 	<p>✓</p> <p>This function is performed by:</p> <ul style="list-style-type: none"> - Compliance department (internal); - Risk management department (internal); - Internal audit department (internal); - Statutory Supervisory board (collegio sindacale). <p>All the above listed bodies have the commitment to verify compliance with NCA regulation. Under supervision of the bodies above, banks periodically have to file several reports as:</p> <ul style="list-style-type: none"> - RAF (Risk appetite framework) policy report, - ICAAP (Internal Capital Adequacy Assessment Process) Report. - NCA (Banca d'Italia). 	<p>✓</p> <p>This function is performed by:</p> <ul style="list-style-type: none"> - Compliance department (internal); - Risk management department (internal); - Money Laundering department (under supervision of Financial Investigation Unit at Banca d'Italia); - Credit department (internal); - Internal audit department (internal) - Internal Control Committee composed also by member of board of directors; - Statutory Supervisory board (collegio sindacale). <p>All these bodies are required to verify compliance with NCA regulation.</p> <ul style="list-style-type: none"> - NCA (Banca d'Italia). 	<p>✓</p> <p>According to the Italian law such a function is performed by:</p> <ul style="list-style-type: none"> - Risk management department (internal); - Credit department (internal); - Internal audit department (internal); - 4Statutory Supervisory board (collegio sindacale). <p>All these bodies are required to verify compliance with NCA regulation.</p> <ul style="list-style-type: none"> - NCA (Banca d'Italia). 	<p>No</p>

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Luxembourg	<p>✓</p> <p>The mandate of the “Réviseur d’entreprises agréé” (qualified statutory auditor) of a bank established in Luxembourg includes:</p> <ul style="list-style-type: none"> - Audit opinion on the annual accounts; - Annual long form audit report (i.e. “Long Form Report” or LFR), including the description and the analysis of the observations concerning financial and organisation aspects performed during the audit. 	<p>✓</p> <p>Compliance with Luxembourg banking accounting law.</p>	<p>✓</p> <p>In the LFR (report to the Board of Directors of the bank and to the Luxembourg regulator), the auditors have to assess the:</p> <ul style="list-style-type: none"> - Organisation and administration of the bank (administrative organisation, accounting and IT systems); - Internal control procedures, internal audit, risk management, compliance functions); - Analysis of the activities of the credit institution; - Analysis of the different banking risks (assessment of the monitoring of the various risks); - Description of the credit risk policy and risk provisioning policy. 	<p>✓</p> <p>In the LFR, the auditors have to assess the compliance with professional obligations as regards the:</p> <ul style="list-style-type: none"> (i) prevention of money laundering and terrorist financing; (ii) the conduct of business rules and provisions in Titles III and IV of the law on payment services. <p>Auditors also need to assess the large exposures of the bank.</p>	<p>✓</p> <p>In the LFR, the auditors have to:</p> <ul style="list-style-type: none"> - Assess the procedures relating to the production of the regulatory reporting (FINREP and COREP). - Review the calculation of the various prudential ratios (solvency, liquidity, LCR, NSFR) as of year-end. 	<p>✓</p> <p>As per our law on the financial sector, the CSSF is allowed to appoint an external auditor to perform special investigation within a bank, on any topic.</p>
Malta	✓	✓	No	No	No	No

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Netherlands	✓	✓	✓ As long as not covered by observations in management letter as part of the audit of the financial statements.	✓ As long as not covered by normal audit procedures as part of ISA 240/250.	No	✓ On special request of the supervisor.
Norway	✓	✓	No	No	No	No There are no general additional Supervisory requirements. For the banks that's does not have an internal audit function, the auditor will normally do additional review and reporting on: - ICAAP; - Internal Control (specific Norwegian regulations); - Liquidity risk; - Remuneration (specific Norwegian regulations).

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Poland	✓ Refers to the audit of financial statements (including also going concern assessment and review of the management report).	✓ Performed in the context of an audit of financial statements under ISAs requirements.	No Covered only as part of audit of financial statements under ISA.	No Covered only as part of audit of financial statements under ISA and Pillar 3 reporting reviewed on banks' request.	No	No
Portugal	✓	✓	✓ A yearly report giving an opinion on the internal control system of banks is issued by law.	✓ A yearly report giving an opinion on the internal control regarding money laundering is issued by law.	No Only specific reports related to the commercial code or the financial institutions law (e.g. Mergers, contributions in kind).	No

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Romania	✓	✓ In the case of non-compliance with laws or regulations (significant breach) by the credit institutions the National Bank should be immediately informed. The same in case where any decision or act taken by the audited institution would affect the capacity of the bank institution to operate in the future (going concern) or that might drive the auditor to express a disclaimer or qualified opinion on the FS.	No	No	No	No

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Slovak Republic	✓	✓	✓	✓	✓	
Slovenia	✓	✓	✓ Agreed upon procedure report for Bank of Slovenia on the risk management systems (covering all risks).	No	No	✓ ¹ Special negative assurance report regarding TLTRO operations (not mandatory).
Spain	✓	✓	No	✓ Independent expert report (auditor or other expert) only for money laundering.	No	✓
Sweden	✓ Yes, in addition FAR has issued a guideline on Audit in financial Institutions (including banks, insurance and asset management, funds). The guideline is to clarify ISA and has no other requirements.	✓ Yes in accordance with ISA.	No	No	No	No

¹ Slovenia: Differences exist in practice

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Switzerland	<p>√</p> <p>The Management Report is not subject to the statutory audit requirement.</p>	<p>√</p>	<p>√</p> <p>Banks have to appoint an audit firm that is authorized by the Federal Audit Oversight Authority (FAOA) to perform regulatory audits as an “extended arm” of the Swiss Financial Market Supervisory Authority (FINMA) (the auditor leading the audit requires a specific authorization from the FAOA too). Based on a risk analysis / audit strategy approved by FINMA the regulatory audit firm reports with respect to the audit areas subject to the risk based audit whether the Bank has adhered to the provisions of the Bank Law, respective Ordinances and further regulatory provisions, which comprise all of the compliance points mentioned in this section of the questionnaire, or not. The risk assessment determines the extent of the intervention (audit, critical assessment or no intervention) and the timing (yearly procedures or multiyear procedures).</p>	<p>√</p> <p>Comments made under “Regulatory Organisation” apply in analogy.</p>	<p>√</p> <p>Comments made under “Regulatory Organisation” apply in analogy.</p>	<p>√</p> <p>Banks have to submit on a regular basis statistical data to the FINMA and the Swiss National Bank (SNB), which use the data amongst others for benchmark purposes. Specific year end data submitted are subject to verification by the regulatory audit firm. Furthermore FINMA and SNB may ask the regulatory audit firm to verify data submitted on a case by case basis.</p>

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			FINMA also performs itself on-site reviews at the supervised institutions.			
United Kingdom	<p>✓ Regular meetings between auditors & supervisors.</p> <p>PRA is consulting on a new written report from auditors on a list of questions set by supervisor, intended to cover the audit work done by auditors as part of their normal audit work rather than additional work set by supervisor.</p>	<p>✓ No special requirements beyond ISA requirements and statutory duty to report matters to the supervisory (as per EU directive).</p>	<p>No No regular reporting but see special reports section.</p>	<p>Some Audits required on compliance with Client Money Rules by FCA.</p> <p>Assurance required on submissions to key benchmarks such as LIBOR, based on ICAEW guidance.</p> <p>ICAEW was asked by PRA to explore providing assurance on bank RWAS and is developing a model for this for consultation.</p>	<p>No</p>	<p>✓ FCA and PRA both have powers under s166 of Financial Services & Markets Act to commission reports from skilled persons, who may be auditors. This is a broad tool and can cover a wide range of subject areas. ICAEW provides technical guidance on undertaking s166 reports (whether by auditors or other professions such as lawyers or actuaries).</p>

Country	Response to question Has the accounting profession been asked to perform any tasks during the AQR exercise by the NCA? If yes, what services were requested by the NCA? Do you believe that the profession will be requested to provide those services in the future?
Austria	The accounting profession has been asked to perform “Agreed Upon Procedures” during the AQR exercise by the NCA. Services covered all areas of the AQR (not the stress testing). Currently, no information is available whether those services will be requested again and if yes to what extent.
Belgium	The accounting profession has been heavily involved in the AQR exercise. The services consisted of the performance of agreed audit procedures comprising extensive reviews of credit files and valuations of financial instruments. Whether the profession will be requested to perform such services in the future will to a very large extent depend on the ECB.
Bulgaria	<p>Bulgaria is not a Eurozone country and hence no Bulgarian banks are subject to the Single Supervisory Mechanism. During the ECB AQR exercise only three Bulgarian banks, subsidiaries of Eurozone banking groups, were scoped in for certain review procedures. The arrangements with representatives of the profession were made at the level of the respective Eurozone country with the respective NCA (i.e. Austria, Italy and Greece). Certain procedures were performed by the Bulgarian member firms of the respective accounting networks, commissioned at group level. Representatives of the Bulgarian Central Bank (BNB) participated in the procedures but the work was performed entirely under the instructions of the respective NCA.</p> <p>BNB announced its plans to perform a similar exercise on all Bulgarian banks. It is expected that it will take place towards the end of 2015 or the beginning of 2016. We believe the profession will be requested to participate.</p>
Cyprus	Yes, the accounting profession was asked by the National Central Bank to perform the AQR exercise. It is expected that the profession will be asked to provide such services again in the future when similar AQR exercises are performed.
Czech Republic	Since Czech Republic is not member of the Eurozone, the NCA has not requested any work from auditors on the AQR. One firm was involved in 2 AQRs based on ECB requests related to their work on the foreign holding bank review. We are not aware about any intention of the regulator to repeat this exercise.
Denmark	No, the FSA performed the Danish AQR (similar to ECB’s, although not included in ECB’s exercise).
Estonia	Yes, the profession was involved in the AQR exercise in 2014 and it is expected that the profession will be involved in the future as well.
Finland	No, the big 4 audit firms have not been asked to perform any tasks during AQR by Finnish Financial Supervision Authority.

Country	<p style="text-align: center;">Response to question</p> <p>Has the accounting profession been asked to perform any tasks during the AQR exercise by the NCA? If yes, what services were requested by the NCA? Do you believe that the profession will be requested to provide those services in the future?</p>
France	<p>The French supervisor (ACPR) has asked certain services to be performed during the AQR exercise. These services have not been performed by the statutory auditors in charge of the external audit of the selected banks themselves, but mostly by the main audit firms auditing the French Banking sector, for the AQR of Banks for which they were not the statutory auditor.</p> <p>The scope of services for the AQR covered: data integrity validation, sampling of credit files, credit files reviews, collateral et real estate valuation, review of level 3 fair value exposures).</p> <p>We do not know if such types of services will be requested in the future. However, this was the first time that such services were provided for the French Supervisor by audit firms and we believed it has proved very satisfactory on both sides.</p>
Germany	<p>3rd party support of the respective NCA review regarding selected portfolios and work blocks based on a contract with the NCA and the AQR-Manual of the ECB, especially:</p> <ul style="list-style-type: none"> • process, policies and accounting review (PP&A-review) • data integrity validation (DIV) • sampling (loan tape) • credit file review incl. collateral and real estate valuation • projection of findings of the credit file review • collective provisioning analysis • level 3 fair value exposure review • AQR adjusted CET1%-impact <p>We are expecting a similar assessment for non-SSM-institutes in Europe (probably, on a smaller/ongoing level).</p> <p>The specific banking knowledge and assurance expertise of our profession would be helpful to support the ECB and/or respective NCA in executing future bank assessments.</p>

Country	Response to question Has the accounting profession been asked to perform any tasks during the AQR exercise by the NCA? If yes, what services were requested by the NCA? Do you believe that the profession will be requested to provide those services in the future?
Greece	<p>For the purpose of the AQR the accounting profession has been requested to perform certain agreed-upon procedures that related to:</p> <p style="padding-left: 40px;">Process Policies and Accounting Review</p> <p style="padding-left: 40px;">Loan file review and impairment verification on selected sample comprising of:</p> <ul style="list-style-type: none"> • Identification of forbearance and restructured operations • Estimation of impairment shortfalls in the exposures reviewed • Collateral valuation • Verification of adequacy of provisioning levels • Data integrity validation on selected portfolios • Sample selection on selected portfolios • Verification and adjustment of collective provisioning models • Extrapolation and estimating impact on CET1 Capital ratio • Determination of basic, portfolio level risk parameters <p>In addition to the above and following the completion of the AQR exercise and for the systemic banks only, the NCA has requested to perform certain agreed-upon procedures related to the interest income verification.</p> <p>With regards to the provision of those services in the future, we are not aware if such or similar services will be requested by the profession.</p>
Hungary	<p>The Hungarian accounting profession participated in reviews at the major banks which were originated at parent banks. Services provided were parallel reported to head office auditors and the local NCA.</p>
Italy	<p>Italian NCA (Banca d'Italia) did not require any task to accounting profession during AQR in 2014. It is advisable the involvement of accounting profession in the AQR exercise.</p>
Malta	<p>For the AQR the profession was asked to do audits of the bank book and real estate appraisals.</p>
Netherlands	<p>The accounting profession has not been asked to perform any tasks during the AQR exercise than taken knowledge of the results and review that these results were correct processed in the annual accountants.</p> <p>Of course various accounting organisations in The Netherlands were asked to assist in doing work for clients and the regulator (DNB).</p>
Norway	<p>No</p>

Country	Response to question Has the accounting profession been asked to perform any tasks during the AQR exercise by the NCA? If yes, what services were requested by the NCA? Do you believe that the profession will be requested to provide those services in the future?
Poland	<p>No request from Polish NCA (Polish Financial Supervision Authority, PFSA) to perform any tasks during the AQR local exercise. However in this respect it is difficult to state whether such requests from PFSA in relation to AQR may come.</p> <p>In respect to AQR being performed by ECB the big 4 firms were involved in AQR testing procedures performed on local banks - material subsidiaries of foreign banks.</p>
Portugal	<p>An AQR exercise took place in Portugal (as per Troika's request) and focused on the possible impairment of banks assets.</p> <p>Agreed upon procedures engagements were performed by the big 4 auditors related to the valuation of those assets.</p>
Romania	<p>No the profession was not involved in the AQR exercise. The profession might be involved in the future, although we do not have any indication at this time.</p>
Slovak Republic	<p>No, profession was not asked to perform any tasks.</p>
Slovenia	<p>The Accounting Profession has been asked for full support by the NCA – under ECB manual. NCA used auditors and related professionals (IT auditors, Valuation Experts).</p> <p>We believe there is rather high level of probability, that the profession will be requested to provide those services in the future.</p>
Spain	<p>The Spanish accounting profession has been asked to perform some services during the AQR exercise.</p> <p>In Spain the services provided consisted in performing the procedures established in the methodology designed by the ECB within the framework of the Comprehensive Assessment. Particularly, the Bank of Spain decided that all the work blocks included in the methodology (in summary: processes, policies and accounting review; Data integrity validation; Sampling; Credit file review; and Level 3 fair value exposures review), where applicable, had to be reviewed by external third party auditors, with the objective of determining for each entity an AQR-adjusted CET1 (%) for use in ECB stress test together with the definition of remediation activities for that bank.</p> <p>In our view, it is unlikely that the profession will be requested to provide those services in the future or at least not with such a broad scope as in the AQR exercise. However, as long as EBA decides to perform new stress test exercises in the future and in the context of the ECB supervision of a high number of entities across Europe, some pieces of work may be again requested to auditors in relation to the assistance to the ECB for the performance of on-site supervisory activities or other specific procedures.</p>
Sweden	<p>Not part of the Eurozone.</p>

Country	Response to question Has the accounting profession been asked to perform any tasks during the AQR exercise by the NCA? If yes, what services were requested by the NCA? Do you believe that the profession will be requested to provide those services in the future?
Switzerland	As Switzerland is not part of the EU, no work had to be undertaken during the AQR.
United Kingdom	No, as the AQR covered banks caught by the ECB SSM and the UK is outside the scope of that. However, the Bank of England may ask for reviews on individual banks as part of its s166 skilled persons' reporting powers.

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