



**ACCOUNTANCY
EUROPE.**

ORGANISATION OF THE PUBLIC OVERSIGHT OF THE AUDIT PROFESSION IN 30 EUROPEAN COUNTRIES

State of affairs after the implementation of
the 2014 EU Audit Reform

Survey results

FACTS.

**AUDIT & ASSURANCE
JULY 2020**

HIGHLIGHTS

Enhancing companies' credibility through audit ensures that stakeholders make informed decisions based on these companies' financial statements. In parallel, public oversight ensures audit quality.

The revised European Union (EU) statutory audit rules significantly impact how the public oversight of statutory auditors and audit firms is organised. Designated national public oversight bodies have the ultimate responsibility for the oversight of the audit profession. They can delegate certain tasks to other authorities and professional bodies.

This survey presents the impact of the 2014 EU audit legislation. Our findings show that the national public oversight bodies now carry out many activities previously in the competence of the professional bodies.

This survey also provides an overview of how the public oversight is organised in each of the 27 EU Member States, Iceland, Norway and the United Kingdom, i.e. composition, funding, transparency and key activities of the national public oversight bodies and delegation of tasks to other bodies.

This publication is based on the input of our members and it is part of a series of work done by Accountancy Europe on the 2014 rules on [statutory audit](#). It is an updated version of our previous work:

- 2015 publication [*Organisation of the Public Oversight of the Audit Profession in 23 European Countries*](#) which presents the status before Audit Reform, and
- 2018 publication [*Organisation of the Public Oversight of the Audit Profession in Europe*](#) which presents the status after the Audit Reform

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GLOSSARY AND LIST OF ABBREVIATIONS

2014 EU Audit Directive - *Directive 2014/56/EU of the European Parliament and of the Council of 16 April 2014 amending Directive 2006/43/EC on statutory audits of annual accounts and consolidated accounts*¹

2014 EU Audit Regulation - Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities²

Audit Reform - umbrella term used for the above 2014 EU Audit Directive and Regulation

CPA – Certified Public Accountant

CPD – Continuing Professional Development

CEAOB - Committee of European Auditing Oversight Bodies

EC – European Commission

EEA – European Economic Area, i.e. the European Union, Iceland, Liechtenstein and Norway

EU - European Union

IESBA - International Ethics Standards Board for Accountants

ISAs – International Standards on Auditing

PIE - Public Interest Entity

¹ Available at <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32014L0056>

² Available at <http://eur-lex.europa.eu/legal-content/EN/ALL/?uri=celex%3A32014R0537>

BACKGROUND

OBJECTIVE

Since 17 June 2016, new rules on statutory audit have been applicable across the EU³. They have a significant impact on the organisation of the public oversight of statutory auditors and audit firms.

This survey has been carried out by Accountancy Europe to understand the impact of these new rules on the organisation of the public oversight of the audit profession as compared to the situation before the Audit Reform. It follows up on our 2015 and 2018 surveys *Organisation of the Public Oversight of the Audit Profession*.⁴

Based on the input of Accountancy Europe's members, the survey provides an overview of how the public oversight is now organised in each of the 27 EU Member States, Iceland, Norway and the United Kingdom (UK). Iceland and Norway, European Economic Area (EEA) countries, transposing the Audit Reform with a time lag, the information on these countries was updated in 2020. This was after Iceland finalised the transposition while the information on Norway presented in this publication is the expected situation after new legislation will be in place (expected by the end of 2020).

INFORMATION PRESENTED IN THE SURVEY⁵

The survey provides, per country, the following information:

- Name of the national public oversight body and other relevant bodies
- Composition of the national public oversight body, its funding and transparency of its work
- Key activities of the public oversight body and delegated tasks

KEY ACTIVITIES OF PUBLIC OVERSIGHT BODIES AND DELEGATION

Designated public oversight bodies have the ultimate responsibility for these activities:

- The approval and registration of auditors and audit firms
- The adoption of standards (professional ethics, internal quality control of audit firms and auditing), except for the adoption of standards, where those standards are adopted or approved by other national authorities
- The continuing education of auditors
- The quality assurance
- The investigative and administrative disciplinary systems

Countries may delegate, or allow the public oversight bodies to delegate, certain tasks to other bodies and authorities.

According to the legislative text, specific criteria need to be met for this purpose:

- Conditions for delegation and tasks to be delegated should be specified

³ The new rules are included in the Audit Directive and Regulation; available at <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32014L0056>
<http://eur-lex.europa.eu/legal-content/EN/ALL/?uri=celex%3A32014R0537>

⁴ *Organisation of the public oversight of the audit profession in 23 European countries* (July 2015); available at <https://www.accountancyeurope.eu/publications/fee-provides-unique-overview-of-national-public-oversight-in-22-european-countries/>

Organisation of the public oversight of the audit profession in Europe (March 2018, updated in February 2019); available at <https://www.accountancyeurope.eu/publications/organisation-public-oversight-audit-profession-europe/>

⁵ Please note that we update information in this publication when we become aware of any relevant changes in national laws. The latest update of the publication was in July 2020 following Iceland's full transposition of the EU Audit Reform effective from 1 January 2020 and also to reflect legislative changes in several other countries.

- The issue of conflict of interest is to be addressed prior to the delegation
- When the public oversight body itself has effectively delegated, it shall be able to reclaim the delegated competences on a case by case basis when necessary

The legislation provides for the delegation of certain oversight tasks from the public oversight bodies to the professional bodies. However, there are restrictions with regards to PIE audits. Reference is made to the table below:

Key activities* of public oversight body	for PIE audits/auditors	for non-PIE audits/auditors
Approval and registration of statutory auditors and audit firms	may be delegated	may be delegated
Adoption of relevant standards	may be delegated	may be delegated
Continuing education	may be delegated	may be delegated
Quality assurance system	may NOT be delegated	may be delegated
Investigative and administrative disciplinary system	countries are provided with an option to delegate the tasks related to sanctions and measures, but only to a body independent from the profession	may be delegated

* National public oversight body has ultimate responsibility for the oversight of delegated activities

COMMITTEE OF EUROPEAN AUDITING OVERSIGHT BODIES (CEAOB)

The CEAOB is a committee set up for cooperation amongst national public oversight bodies at EU level.⁶ Established by the Audit Regulation, it replaces the European Group of Auditors' Oversight Bodies (EGAOB). The CEAOB's role is to strengthen and harmonise EU-wide audit oversight, which is a key objective of the Audit Reform.

COMPOSITION

The CEAOB is composed of high-level representatives of the national public oversight bodies. The European Securities and Markets Authority (ESMA) is also a member of the CEAOB (without voting rights) while the European Banking Authority (EBA) and the European Insurance and Occupational Pensions Authority (EIOPA) are merely observers.

OBJECTIVES

The strategic objectives of the CEAOB are to improve audit quality and confidence in audits through the following activities:

- Develop cooperation and consistency among the public oversight bodies
- Contribution to technical assessments and provision of advice to the EC and to public oversight bodies
- Effective communications and outreach to external parties, i.e. audit firms, professional bodies, standard-setters, investors and other stakeholders

⁶ More information available at https://ec.europa.eu/info/business-economy-euro/banking-and-finance/financial-reforms-and-their-progress/regulatory-process-financial-services/expert-groups-comitology-and-other-committees/committee-european-auditing-oversight-bodies_en

- Market monitoring, i.e. risks to audit quality, market concentration and performance of audit committees

MAIN TASKS

The main tasks of the CEAOB are:

- Facilitating exchange of information, expertise and best practices amongst public oversight bodies
- Providing expert advice to the European Commission (EC) on implementation of the Audit Reform
- Contributing to equivalence and adequacy assessment
- Contributing to the technical examination of the ISAs
- Improving cooperation mechanisms for the oversight of audits of PIEs

This survey could help the CEAOB achieve its objectives and perform its tasks.

FINDINGS

SUMMARY

The organisation of the public oversight across Europe is still very diverse. This survey demonstrates that there are differences amongst countries mainly in:

- The public oversight bodies having/ not having set up an advisory committee
- The source of funding of the public oversight bodies
- The level of transparency of the public oversight bodies' work
- The activities carried out by the public oversight bodies versus the activities delegated to the professional bodies

Overall, in many countries, activities previously (before the 2014 Audit Reform) in the competence of the professional bodies are now carried out by the public oversight bodies. Therefore, part of the funding of the professional bodies coming from the audit firms is now transferred to the public oversight bodies.

MAIN FINDINGS

The main findings of this survey compare the situation before the 2014 EU Audit Reform with the current situation when the 2014 audit legislation applies. They are as follows:

NEWLY ESTABLISHED PUBLIC OVERSIGHT BODIES IN SIX COUNTRIES

In Austria, Belgium, Cyprus, Finland, Germany and Romania, a new public oversight body has been established following the 2014 EU Audit Reform.

ADVISORY COMMITTEES SET UP IN 11 COUNTRIES

In Austria, Belgium, Cyprus, the Czech Republic, Denmark, Germany, Italy, Latvia, Lithuania, Luxembourg and Spain, an advisory committee has been set up to support the public oversight body.

These countries have made use of the option that allows countries and competent authorities to consult experts and practitioners. This mechanism allows the public oversight body to make use of up-to-date expertise and experience from practitioners regarding the workings of the audit profession and the conduct of statutory audits.

DIVERGING SOURCES OF FUNDING OF THE PUBLIC OVERSIGHT BODIES

In most European countries, the entire - or significant share of it - public oversight body's budget comes from fees levied on the audit profession. This is done either by direct fees levied on the auditors/ audit firms or indirectly by imposing fees on the professional bodies.

In Bulgaria, Croatia, the Czech Republic, Latvia, Lithuania and Romania, the public oversight body is fully or predominantly funded through the state budget.

TRANSPARENCY OF THE PUBLIC OVERSIGHT BODIES' WORK VARIES

In five countries, Bulgaria, Estonia, the Netherlands, Norway and the UK, individual firm quality or other inspections' results are published and made publicly available as opposed to overall national results in other countries.

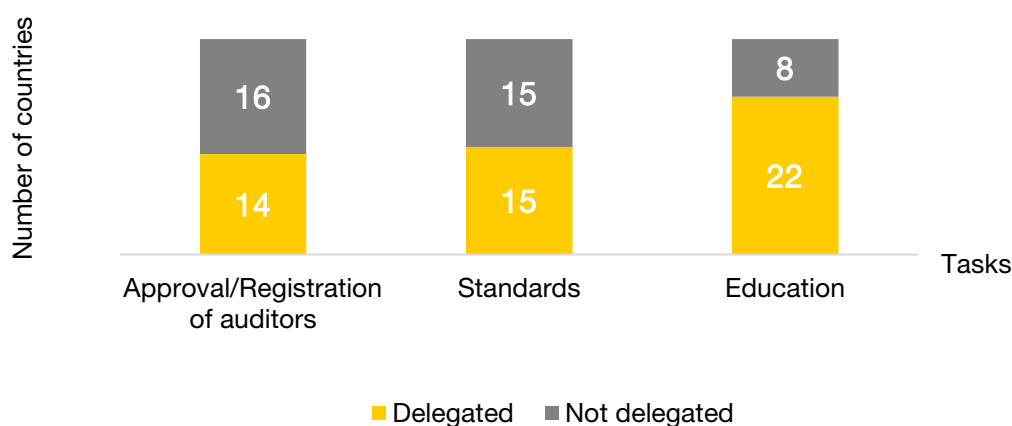
DIFFERENT DEGREE OF DELEGATION OF THE KEY ACTIVITIES ACROSS EUROPE

The possibility to delegate certain tasks provides a level of flexibility to countries and their designated public oversight bodies.

There is a different degree of delegation of the key activities across Europe. In some countries, the public oversight body is tasked with all or the majority of the key activities as it has decided not to delegate these to the professional body. In other countries, most of the activities have been delegated.

Graph 1 below presents the delegation of tasks for audits of PIEs and Graph 2 for audits of non-PIEs⁷ in 27 EU Members States, Iceland, Norway and the UK:

Public oversight Delegation of tasks for audits of PIEs



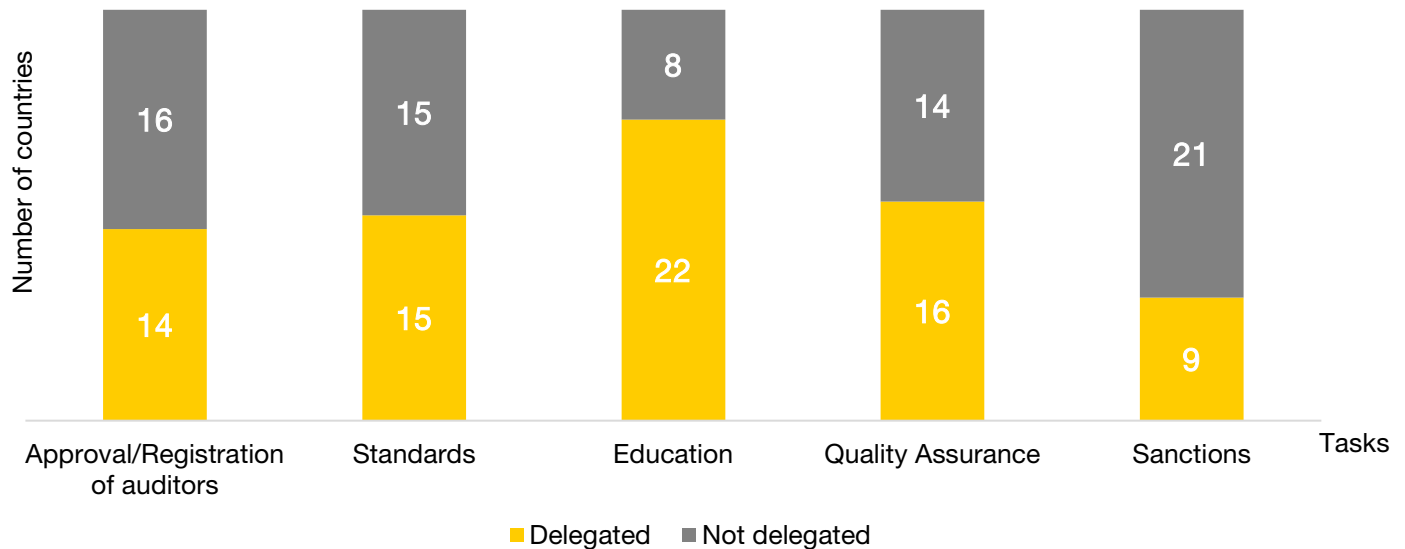
Graph 1 above shows that for audits of PIEs, the public oversight bodies have delegated/ partially delegated to the professional bodies:

- Approval/ registration of statutory auditors and audit firms in 14 countries
- Standard setting in 15 countries
- Continuing education in 22 countries

For audits of PIEs, continuing education is the most frequently delegated task. It has been delegated in the majority of the 30 European countries.

⁷ The option 'Delegated' in the graphs is used in cases of full as well as partial delegation (i.e. collaboration between a public oversight body and a professional body) of a task to a professional body.

Public oversight Delegation of tasks for audits of non-PIEs



Graph 2 above shows that for audits of non-PIEs, the public oversight bodies have delegated/ partially delegated to the professional bodies:

- Approval/ registration of statutory auditors and audit firms in 14 countries
- Standard setting in 15 countries
- Continuing education in 22 countries
- Quality assurance in 16 countries
- Investigative and disciplinary administrative system in 9 countries

For audits of non-PIEs, continuing education and quality assurance⁸ are the most frequently delegated tasks. They have been delegated in the majority of the 30 European countries.

⁸ Arranged in order of occurrence with continuing education being the most frequently delegated task.

AUSTRIA

ORGANISATION OF PUBLIC OVERSIGHT

National public oversight body	Audit Oversight Body of Austria Abschlussprüfer-Aufsichtsbehörde (APAB)	Is it a newly created authority? Yes
Other relevant bodies	The Ministry of Finance – the Minister of Finance is responsible for the oversight of the APAB	
Website	www.apab.gv.at	
Professional body	Chamber of Tax Advisers and Auditors Kammer der Steuerberater und Wirtschaftsprüfer (KSW) Institute of Austrian Certified Public Accountants Institut Österreichischer Wirtschaftsprüfer (IWP)	

COMPOSITION OF NATIONAL PUBLIC OVERSIGHT BODY

The governing body of the APAB consists of the Managing Board (MB) and the Supervisory Board (SB).

MANAGING BOARD

The MB is composed of two members, appointed by the Austrian Federal Government for a period of five years. Both board members are independent of the audit profession, i.e. they must not be active or have been active in the audit profession during the past three years, but they must have fundamental knowledge in a relevant field such as auditing, accounting or law. At least one member has to be a certified public accountant.

SUPERVISORY BOARD

The SB is composed of seven members with a term of five years. The chair and two other members are appointed by the Minister of Finance, three members are appointed by the Federal Chancellor and one member is appointed by the Minister of Science, Research and Economic Affairs.

ADVISORY COMMITTEE

The Quality Control Commission (QCC) is the APAB's advisory committee. It consists of seven members and seven substitute members nominated by the auditors' professional associations:

- The KSW nominates four members, minimum three of them must be certified public accountants
- The Austrian Federation of Cooperative Associations and the Austrian Savings Banks Audit Association nominate together three members, minimum two of them must be certified public accountants

The members are appointed by the SB for a period of four years.

The QCC has to be consulted by the APAB for several aspects, e.g. for the nomination of quality auditors or for revoking the quality certification.

FUNDING

Statutory auditors and audit firms contribute to the funding of the APAB based on the amount of PIE audits executed within one year and the amount of fees generated out of these PIE audits.

In addition, the auditor's national professional associations and the Republic of Austria contribute to the funding of the APAB with a fixed sum per annum as defined in the Austrian Auditor Supervisory Act (APAG).

TRANSPARENCY

The APAB publishes all relevant information on its website⁹, including:

- Annual report
- Budget and audited financial statements
- Legal framework
- Rules of procedure and compliance rules
- Market statistics

OVERVIEW OF KEY ACTIVITIES OF NATIONAL PUBLIC OVERSIGHT BODY AND DELEGATION

KEY ACTIVITIES*	Institution in charge of activity	
	for PIEs	for non-PIEs
Approval and registration of statutory auditors and audit firms	APAB / KSW	APAB / KSW
Adoption of relevant standards	APAB / KSW / IWP	APAB / KSW / IWP
Continuing education	APAB / KSW	APAB / KSW
Quality assurance system	APAB	APAB
Investigative and administrative disciplinary system	APAB / KSW	APAB / KSW

**National public oversight body has ultimate responsibility for the oversight of delegated activities*

SCOPE OF ACTIVITIES OF NATIONAL PUBLIC OVERSIGHT BODY

The responsibilities of the APAB include:

- Registration of statutory auditors and audit firms
- Approval of professional standards and guidelines, standards for internal quality assurance and auditing standards
- Control of the continuing education of statutory auditors
- Quality assurance reviews for non-PIE statutory auditors and audit firms
- Inspections of PIE statutory auditors and audit firms
- Investigations of statutory auditors and audit firms or PIEs
- Imposition of sanctions in case of breaches of audit legislation or other audit-related obligations
- Supervision of market quality and competition in the audit market for PIEs

ACTIVITIES DELEGATED TO A PROFESSIONAL BODY

INSTITUTE OF AUSTRIAN CERTIFIED PUBLIC ACCOUNTANTS (IWP)

The IWP is a professional representative organisation for auditors with voluntary membership. Its main objectives are representing the audit profession and the provision of guidance for auditors. Some professional standards are drawn up by the IWP.

⁹ <https://www.apab.gv.at/>

CHAMBER OF TAX ADVISERS AND AUDITORS IN AUSTRIA (KSW)

The KSW represents all tax advisers and auditors in Austria. It has official competence for all professional administrative procedures and professional examinations. Besides its representative competences, it has responsibilities as oversight and disciplinary body. In addition, it issues expert opinions and professional standards and guidelines for the profession.

The scope of responsibilities delegated to KWS is as follows:

Approval and registration of statutory auditors and audit firms

All statutory auditors must also qualify as Certified Public Accountants according to Public Accountants' Statute of Professional Practice with mandatory public appointment by the KSW. In addition, statutory auditors and audit firms must be licensed by the APAB.

Adoption of relevant standards

Professional standard setter is the KSW. Auditors' standards require approval by the APAB.

Continuing education

All statutory auditors must comply with:

- Continuing education requirements according to Public Accountants' Statute of Professional Practice with oversight by the KSW
- Continuing education requirements as set down in APAG, with oversight by the APAB

Quality assurance

None of the responsibilities with regards to quality assurance have been delegated to the professional body.

- **Quality Certification / Registration**

After the conduct of a quality assurance review a quality certification is issued by the APAB based on its independent evaluation of facts and circumstances. Certified statutory auditors are listed in the public register of statutory auditors and audit firms.

- **Quality assurance system**

All statutory auditors and audit firms are subject to the quality assurance regulation issued by the KSW which is under the APAB's oversight.

Investigative and administrative disciplinary system

All statutory auditors are subject to both the investigative and administrative disciplinary system managed by the KSW and APAB.

BELGIUM

ORGANISATION OF PUBLIC OVERSIGHT

National public oversight body	Belgian Audit Oversight College Collège de Supervision des Réviseurs d'Entreprises / College van Toezicht op de Bedrijfsrevisoren (CSR-CTR)	Is it a newly created authority? Yes
Other relevant bodies	Ministry of Economy Ministre ayant l'Economie dans ses attributions / Minister bevoegd voor de Economie High Council for the Economic Professions ¹⁰ Conseil supérieur des Professions économiques / Hoge Raad voor de Economische Beroepen (CSPE-HREB) Commission of sanctions of Financial Services and Markets Authority (FSMA) ¹¹ Commission des sanctions de la FSMA / Sanctiecommissie van de FSMA	
Website	www.ctr-csr.be	
Professional body	Institute of Registered Auditors Instituut van Bedrijfsrevisoren / Institut des Réviseurs d'Entreprises (IBR-IRE)	

COMPOSITION OF NATIONAL PUBLIC OVERSIGHT BODY

The national public oversight body CSR-CTR is composed of six members:

- Two members appointed by the National Bank of Belgium for a period of six years (renewable)
- Two members appointed by the FSMA for a period of six years (renewable)
- One expert who has not been a registered auditor appointed by Royal Decree for a period of six years (renewable)
- One former registered auditor, who has left the profession at least three years ago, appointed by Royal Decree for a period of six years (not renewable)

ADVISORY COMMITTEE

An Advisory Committee will meet at least once a year. It will include representatives of the CSR-CTR, the CSPE-HREB, the IBR-IRE and the Ministry of Economy.

FUNDING

The CSPE-HREB and the CSR-CTR and partly the Commission of sanctions of the FSMA are funded by the IBR-IRE through levies imposed on individual statutory auditors and audit firms, under provisions stated in the law which determines the amount or the calculation of the amount and the contributors. These bodies determine their own budget without influence from the IBR-IRE.

¹⁰ The CSPE-HREB is composed of seven individuals representing the social and economic environment. These are non-practitioners and are appointed by the Government by Royal Decree. More information is available at <http://www.cspe-hreb.be/>

¹¹ The Sanction Commission of the FSMA is composed of twelve members amongst whom six are judges. This Commission replaced the Disciplinary Commission and the Commission of Appeal (Commission de discipline et Commission d'appel/ Tuchtcommissie en Commissie van Beroep). Now these are competent merely for affairs pending prior to 31 December 2016. Both are composed of practitioners and non-practitioners including professional judges.

The budget of the CSR-CTR and of the Commission of sanctions of the FSMA is determined on an annual basis and is set with a maximum of EUR 2 800 000 by Royal Decree, excluding exceptional charges. The maximum amount is reviewed on an annual basis taking into account the evolution of the wages and the index.

TRANSPARENCY

The CSR-CTR as well as other relevant bodies listed above prepare and present an annual report on their activities, along with their work program for the following year.

OVERVIEW OF KEY ACTIVITIES OF NATIONAL PUBLIC OVERSIGHT BODY AND DELEGATION

KEY ACTIVITIES*	Institution in charge of activity	
	for PIEs	for non-PIEs
Approval and registration of statutory auditors and audit firms	IBR-IRE under the supervision of CSR-CTR	IBR-IRE under the supervision of CSR-CTR
Adoption of relevant standards	Initiative: IBR-IRE Standard setting: CSPE-HREB Endorsement: Minister of Economy	Initiative: IBR-IRE Standard setting: CSPE-HREB Endorsement: Minister of Economy
Continuing education	IBR-IRE under the supervision of CSR-CTR	IBR-IRE under the supervision of CSR-CTR
Quality assurance system	CSR-CTR	CSR-CTR
Investigative and administrative disciplinary system	CSR-CTR (investigation) / Commission of sanctions of FSMA	CSR-CTR (investigation) / Commission of sanctions of FSMA

* National public oversight body has ultimate responsibility for the oversight of delegated activities

SCOPE OF ACTIVITIES OF NATIONAL PUBLIC OVERSIGHT BODY

The CSR-CTR is in charge of the quality assurance and surveillance of all the Belgian registered auditors carrying out statutory audits of PIEs and non-PIEs.

It has the ultimate responsibility over the activities delegated by law to the IBR-IRE.

SCOPE OF ACTIVITIES OF OTHER RELEVANT BODIES

Disciplinary measures and sanctions can be imposed by the Commission of Sanctions of the FSMA which is responsible for the ultimate decision about the imposition of sanctions against registered auditors, including removal from the public register of auditors.

The endorsement of standards is the responsibility of the CSPE-HREB and the Ministry of Economy.

ACTIVITIES DELEGATED TO A PROFESSIONAL BODY

The approval and registration of statutory auditors and audit firms and the continuing education have been delegated by law to the IBR-IRE.

The IBR-IRE is also competent to take the initiative to draft the auditing standards. The CSPE-HREB and the Minister of Economy are responsible for their approval and endorsement.

BULGARIA

ORGANISATION OF PUBLIC OVERSIGHT

National public oversight body	Commission for Public Oversight of Statutory Auditors (CPOSA) КОМИСИЯ ЗА ПУБЛИЧЕН НАДЗОР НАД РЕГИСТРИРАНИТЕ ОДИТОРИ	Is it a newly created authority? No
Website	www.cposa.bg	
Professional body	Institute of Certified Public Accountants of Bulgaria (ICPA) ИНСТИТУТ НА ДИПЛОМИРАНИТЕ ЕКСПЕРТ-СЧЕТОВОДИТЕЛИ В БЪЛГАРИЯ	

COMPOSITION OF NATIONAL PUBLIC OVERSIGHT BODY

The CPOSA is composed of five members, including the Chair who is elected by the National Assembly of the Republic of Bulgaria. The remaining four members are each nominated by:

- The Minister of Finance
- The Bulgarian National Bank
- The Financial Supervision Commission
- The Institute of Certified Public Accountants of Bulgaria (ICPA)

ADVISORY COMMITTEE

There is no advisory committee in place at the moment. A working group on the Audit Reform has been set up by the ICPA, as setting up an advisory committee is being considered by the CPOSA.

FUNDING

The CPOSA is financed through direct state budgetary funding.

TRANSPARENCY

The CPOSA prepares and presents annual report on its activities to the National Assembly of the Republic of Bulgaria, no later than on 30 May of the following year. This report is also published on the website of the CPOSA along with the following information:

- The annual report, as presented to the National Assembly of the Republic of Bulgaria
- The work programme and results of its activities
- The individual firm quality review results and other inspection results
- Decisions on sanctions

OVERVIEW OF KEY ACTIVITIES OF NATIONAL PUBLIC OVERSIGHT BODY AND DELEGATION

KEY ACTIVITIES*	Institution in charge of activity	
	for PIEs	for non-PIEs
Approval and registration of statutory auditors and audit firms	CPOSA	CPOSA
Adoption of relevant standards	by law	by law
Continuing education	ICPA	ICPA
Quality assurance system	CPOSA	ICPA
Investigative and administrative disciplinary system	CPOSA	CPOSA

* National public oversight body has ultimate responsibility for the oversight of delegated activities

SCOPE OF ACTIVITIES OF NATIONAL PUBLIC OVERSIGHT BODY

The CPOSA bears ultimate responsibility for the oversight of the following activities:

- Acquiring the right to practice as a registered auditor, registering auditors, including other EU Member State's and third-country's auditors and the temporary suspension of the right to pursue activities as a registered auditor
- Adopting standards on professional ethics, internal quality control with regard to the activities of registered auditors and the performance of statutory financial audit and audit related services
- Continuing professional development of registered auditors
- Registered auditors' professional activity quality assurance system for auditors of PIEs
- Applying coercive administrative measures and imposing administrative sanctions

The CPOSA carries out supervision by:

- Performing inspections and investigations
- Deciding on refusals for registration of auditors
- Applying coercive administrative and other measures
- Allowing proceedings for determining administrative and penal liability
- Carrying out checks for compliance with legal requirements in the performance by the ICPA of its functions

ACTIVITIES DELEGATED TO A PROFESSIONAL BODY

The following activity is delegated by law to the ICPA:

- Continuing education

The following activities are delegated by CPOSA to the ICPA:

- Quality assurance reviews for the professional activities with regard to statutory financial audit of registered auditors auditing entities that are not PIEs

CROATIA

ORGANISATION OF PUBLIC OVERSIGHT

National public oversight body	Ministry of Finance (MoF) Ministarstvo financija	Is it a newly created authority? No
Website	www.mfin.hr	
Professional body	Croatian Audit Chamber (CAC) Hrvatska revizorska komora	

COMPOSITION OF NATIONAL PUBLIC OVERSIGHT BODY

The MoF is the ultimate responsible competent authority in terms of the Croatian Audit Act¹² and the 2014 EU Audit Regulation. It should continuously assure objectivity, independence and competence of the quality assurance systems and the system of public oversight of all auditors and audit firms.

The MoF is currently working on establishing a special department within its structure which will operationally carry out all the tasks of the competent authority. At the time of this survey, the structure of the deciding body is not known, and neither are its members.

ADVISORY COMMITTEE

The MoF is authorised to establish an Advisory Council when it needs necessary professional assistance.

FUNDING

The MoF is funded from the state budget.

TRANSPARENCY

The MoF has to publish its annual work programme and activity report on its website.

OVERVIEW OF KEY ACTIVITIES OF NATIONAL PUBLIC OVERSIGHT BODY AND DELEGATION

KEY ACTIVITIES*	Institution in charge of activity	
	for PIEs	for non-PIEs
Approval and registration of statutory auditors and audit firms	MoF	MoF
Adoption of relevant standards	CAC	CAC
Continuing education	CAC / MoF	CAC / MoF
Quality assurance system	MoF	MoF
Investigative and administrative disciplinary system	MoF	MoF

* National public oversight body has ultimate responsibility for the oversight of delegated activities

SCOPE OF ACTIVITIES OF NATIONAL PUBLIC OVERSIGHT BODY

The MoF is tasked with:

- Issuing and revoking of licences of auditors and audit firms

¹² Official Gazette, No 127/2017

- Approval and registration of auditors and audit firms from other Member States and third countries
- Public registries
- Quality control of auditors and audit firms
- Investigation and disciplinary sanctions against auditors and audit firms
- Administrative oversight of the CAC's activities

ACTIVITIES DELEGATED TO A PROFESSIONAL BODY

According to the Audit Act, the CAC has the authority, under the MoF's oversight, to:

- Define the program of audit exams and carry out audit exams
- Define the program of the vocational training program
- Define the program of CPD and carry out CPD
- Translate the ISAs and IESBA's Code of Ethics for Professional Accountants
- Define the national audit standards for performing other audit services which are not included in the ISAs

CYPRUS

ORGANISATION OF PUBLIC OVERSIGHT

National public oversight body	Cyprus Public Audit Oversight Board (CyPAOB) Αρχή Δημόσιας Εποπτείας Ελεγκτικού Επαγγέλματος	Is it a newly created authority? Yes
Website	www.cypaob.gov.cy	
Professional body	Institute of Certified Public Accountants of Cyprus (ICPAC) Σύνδεσμος Εγκεκριμένων Λογιστών Κύπρου	

COMPOSITION OF NATIONAL PUBLIC OVERSIGHT BODY

The CyPAOB consists of the Chair, the Vice-Chair and five members, who are non-practitioners. All members are appointed by the Council of Ministers for a term of six years to be renewed only once.

There is an independent Disciplinary Committee which is appointed by the Council of Ministers for a term of four years to be renewed only once. The Disciplinary Committee comprises of a Chair and two members. The Chairman of the Disciplinary Committee shall either be a former judge, holding at least the office of District Court President or a lawyer qualified to be appointed Supreme Court Judge. A member of the Disciplinary Committee shall be from any profession other than that of a lawyer or auditor. A member of the Disciplinary Committee shall be a non-practitioner, with auditing experience and training.

ADVISORY COMMITTEE

The CyPAOB has set up a technical advisory committee, comprised of representatives of the Recognised Body of Auditors, the Big4 audit firms and a representative of smaller audit firms which audit PIEs, to consult on technical matters.

FUNDING

National law provides that the public oversight body shall be funded by 20% from the government budget and the rest by the recognised bodies of auditors of the Republic, the statutory auditors and statutory audit firms of the Republic carrying out statutory audits of PIEs and the statutory auditors and statutory audit firms of the Republic not belonging to recognised bodies of auditors of the Republic.

TRANSPARENCY

The CyPAOB publishes an annual report which includes, amongst others:

- Information related to the annual activities
- Annual work programmes
- Overall results of the quality assurance system on an annual basis
- Aggregated information on the findings and conclusions of inspections as well as information on recommendations issued, follow-up on the recommendations, supervisory measures taken and sanctions imposed
- Quantitative information and other key performance information on financial resources and staffing, and the efficiency and effectiveness of the quality assurance system

OVERVIEW OF KEY ACTIVITIES OF NATIONAL PUBLIC OVERSIGHT BODY AND DELEGATION

KEY ACTIVITIES*	Institution in charge of activity	
	for PIEs	for non-PIEs
Approval and registration of statutory auditors and audit firms	ICPAC	ICPAC
Adoption of relevant standards	CyPAOB	CyPAOB
Continuing education	ICPAC	ICPAC
Quality assurance system	CyPAOB	ICPAC
Investigative and administrative disciplinary system	CyPAOB	CyPAOB

* National public oversight body has ultimate responsibility for the oversight of delegated activities

SCOPE OF ACTIVITIES OF NATIONAL PUBLIC OVERSIGHT BODY

The CyPAOB is responsible for all the regulatory tasks, but has delegated a number of these down to the ICPAC under a Delegation Agreement dated 12 September 2017. The CyPAOB remains responsible for all the regulatory tasks relating to audit firms which audit PIEs retaining thus the following tasks:

- Determining technical standards and other standards on professional ethics and internal quality control of registered auditors and statutory audit work
- Determining the manner in which the above standards under are to be applied in practice
- Setting criteria for the purpose of determining whether persons are eligible for appointment as registered auditors
- Setting procedures for maintaining the competence of persons eligible for appointment as registered auditors
- Monitoring audits of PIEs
- Investigations, adjudication and disciplinary measures arising out of monitoring audits of both PIEs and non-PIEs or through any other functions of the CyPAOB or arising from referrals from other authorities related to the audit of a PIE or a non-PIE
- Cooperation with competent authorities of other Member States and third countries
- Any other task which the CyPAOB has not delegated to the ICPAC
- Oversight of the Audit Regulation including the ICPAC's performance in regard to the delegated tasks

ACTIVITIES DELEGATED TO A PROFESSIONAL BODY

The CyPAOB delegates the following tasks to the ICPAC:

- The application of technical standards and of other standards on professional ethics and internal quality control of registered auditors and statutory audit work, including provision for securing compliance with those standards
- The creating and maintenance of the public register of auditors and audit firms
The ICPAC is responsible for the registration of individuals or firms satisfying the criteria of the Auditors Law of 2017, maintaining and updating the public register within reasonable period of time, and making it available for access to the CyPAOB.
- Procedures for maintaining the competence of registered auditors
- Monitoring of registered auditors and audit work except for retained tasks

CZECH REPUBLIC

ORGANISATION OF PUBLIC OVERSIGHT

National public oversight body	Public Audit Oversight Board (PAOB) Rada pro veřejný dohled nad auditem	Is it a newly created authority? No
Website	www.rvda.cz	
Professional body	The Chamber of Auditors of the Czech Republic Komora auditoru České republiky (KACR)	

COMPOSITION OF NATIONAL PUBLIC OVERSIGHT BODY

The PAOB is a public authority established by the Act No. 93/2009 Coll. on Auditors as an independent legal person authorised to perform tasks associated with audit oversight in the Czech Republic.

PRESIDIUM

The PAOB's Presidium consists of six members appointed by the Minister of Finance in cooperation with the Czech National Bank according to the Act on Auditors. The PAOB's Presidium meets in sessions as needed, however, at least once in three months. The meetings are called and conducted by the President of the PAOB, in case of his absence by authorised member of the Presidium. Should one of the Presidium's members submit written request for convening an extraordinary meeting, the President calls the meeting no later than within the 30 days from the delivery of the request. The Presidium meetings are not public.

DISCIPLINARY COMMITTEE

The Disciplinary Committee (DC) was established by an amendment to the Act on Auditors No. 334/2014 Coll. The DC is entitled to carry out the PAOB's competence concerning the proceedings on sanctions in compliance with part XI. of the Act on Auditors. An appeal against the decision made by the DC is solved by the Presidium. Moreover, the DC performs also the investigation in line with § 40b of the Act on Auditors.

INSPECTIONS COMMITTEE

The Inspections Committee (IC) follows in its activity based on §39c of the Act on Auditors; it is responsible for:

- Organisation and governance of the inspections of PIEs according to the 2014 EU Audit Regulation
- Preparation of the summary report on quality assurance system that is definitely approved by the Presidium
- Preparation of the investigation plan that is then approved by the Presidium

ADVISORY COMMITTEES

Commission for Cooperation and Coordination of Audit

This Commission is responsible especially for coordination of work relevant to the preparation of legal regulation regarding statutory audit of financial statements, also including cooperation with the Ministry of Finance of the Czech Republic and other supervising authorities within the EU or in the third countries. It discusses the changes of internal regulation with the KACR and if necessary, it cooperates with other advisory commissions.

- **Commission for Quality Checking System and Disciplinary Proceedings**

This Commission is responsible for the following matters:

- Preparation of documents for the PAOB related to the disciplinary proceeding and quality inspections
- Taking part in the PAOB's oversight activities

- Preparation of expert opinions for both PAOB's committees, i.e. the DC and IC
- Assessment of the changes of internal regulation drafted by the KACR
- Cooperation with other advisory commissions

Commission for Coordination of Education and Professional Examinations

This Committee is responsible especially for supervision over the organisation, control and operation of the examination system, and also over the system of continuing education of statutory auditors performed by the KACR. In this context, the Committee cooperates with other EU supervisory bodies or with similar offices in the third countries under conditions provided by the Act on Auditors. Besides, the Commission cooperates with other PAOB's committees and advisory commissions.

Controlling Commission

This Commission is responsible especially for organisation and performance of accuracy control, economy and budgetary efficiency and PAOB's expenditures for fulfilling its oversight role. The Presidium regularly receives information about concrete findings and remedial measures. In this sense, the Commission cooperates with other bodies authorised to perform inspection over the PAOB's economy.

FUNDING

The PAOB is an independent legal person funded from the state budget, interests from investment deposits, penalties, insurance benefits and proceeds from the sales of assets.

TRANSPARENCY

The PAOB is obliged to annually issue a Report on the public audit oversight. Furthermore, its financial statements shall be published until 30 June each year. The financial statements may be included in the Report on the public audit oversight. Both reports are to be published in a way enabling remote access and must be submitted to the Ministry of Finance, the Czech National Bank and the KACR.

OVERVIEW OF KEY ACTIVITIES OF NATIONAL PUBLIC OVERSIGHT BODY AND DELEGATION

KEY ACTIVITIES*	Institution in charge of activity	
	for PIEs	for non-PIEs
Approval and registration of statutory auditors and audit firms	KACR	KACR
Adoption of relevant standards	KACR	KACR
Continuing education	KACR	KACR
Quality assurance system	PAOB – it reviews only statutory auditors (not applicable to companies) who perform audits of PIE	KACR
Investigative and administrative disciplinary system	PAOB / KACR - in case of other than statutory audit engagements	KACR

* National public oversight body has ultimate responsibility for the oversight of delegated activities

SCOPE OF ACTIVITIES OF NATIONAL PUBLIC OVERSIGHT BODY

The PAOB exercises a supervision of:

- The observance of law provisions, international auditing standards, auditing standards issued by the KACR, Ethical Codex and internal regulations of the KACR
- The organisation and performance of the inspections managed by the KACR
- The organisation and operation of the system of continuing education of statutory auditors carried out by the KACR
- Application of disciplinary measures by the KACR in compliance with the law

The PAOB further:

- Cooperates with the Ministry of Finance in preparation of legal regulation in relation to statutory audit of financial statements and consolidated financial statements
- Cooperates with other authorities in the EU Member States and third countries
- Cooperates with the Czech National Bank in the area of audit services for financial subjects under the Bank's supervision
- Performs the function of appellate body in cases stipulated by the Act on Auditors
- Leads a discussion with the KACR concerning the contents and rules of internal regulation before its approving by the Assembly or by the Executive Committee of the KACR; the PAOB is also entitled to make a motion to cancel or alter the KACR's internal regulation or its part, especially in case of discrepancy with the Act on Auditors or other legal regulation
- Supervises the performance of quality control by means of a person authorised by the PAOB and proposes remedial measures
- Makes a binding motion to carry out a quality control subsequently carried out by the Chamber
- Supervises the disciplinary procedures of the KACR's Disciplinary Committee
- Nominates and recalls members of examining board for evaluation of auditor tests
- Conducts other activities stipulated by the Act on Auditors and necessary for the purpose of audit oversight
- Participates in the KACR's assemblies without voting right of its representatives

ACTIVITIES DELEGATED TO A PROFESSIONAL BODY

According to the Act on Auditors, KACR is responsible for:

- The approval and registration of statutory auditors and audit firms, audit exams
- Continuing professional development of auditors
- Translation of International Standards on Auditing, Framework, Code of Ethics
- Quality control of auditors and audit firms
- Investigation and disciplinary system

Activities of the KACR are subject to the PAOB scrutiny.

DENMARK

ORGANISATION OF PUBLIC OVERSIGHT

National public oversight body	The Danish Business Authority (DBA) Erhvervsstyrelsen	Is it a newly created authority? No
Other relevant bodies	Disciplinary Board on Auditors Revisornævnet	
Website	https://erhvervsstyrelsen.dk/revisorer-og-revisionsvirksomheder	
Professional body	FSR – Danish Auditors FSR - Danske Revisorer	

COMPOSITION OF NATIONAL PUBLIC OVERSIGHT BODY

From 17 June 2016, the DBA has taken over all responsibilities with regard to the quality assurance reviews.

The DBA is a part of the Ministry of Business.

Disciplinary sanctions are imposed by the Disciplinary Board on Auditors which is independent and consists of a minority of auditors and with judge as a chair.

ADVISORY COMMITTEE

According to the Danish Audit Law, the DBA has appointed an Advisory Committee that can give advice to the DBA on matters regarding education and examination of auditors as well as on legislative and regulatory aspects. The Advisory Committee consist of representatives from the audit profession, companies, investors, financial institutions and academics.

FUNDING

The DBA is funded by a yearly fee from all registered auditors. The individual firm inspection is funded by the firm being inspected.

TRANSPARENCY

The DBA makes publicly available on its website an annual report which includes the results of its activities. Furthermore, it has made publicly available its strategy (work programme) on the public oversight of auditors as well as guidelines on how the inspections are to be carried out.

It does not publish individual non-PIE firm quality review results, but publishes PIE firm reports. Disciplinary measures and sanctions are not published on a name basis unless it concerns a withdrawal of approval.

OVERVIEW OF KEY ACTIVITIES OF NATIONAL PUBLIC OVERSIGHT BODY AND DELEGATION

KEY ACTIVITIES*	Institution in charge of activity	
	for PIEs	for non-PIEs
Approval and registration of statutory auditors and audit firms	DBA	DBA
Adoption of relevant standards	DBA	DBA
Continuing education	DBA	DBA
Quality assurance system	DBA	DBA
Investigative and administrative disciplinary system	DBA / Sanctions: The Disciplinary Board on Auditors	DBA / Sanctions: The Disciplinary Board on Auditors

* National public oversight body has ultimate responsibility for the oversight of delegated activities

SCOPE OF ACTIVITIES OF NATIONAL PUBLIC OVERSIGHT BODY

The DBA is in charge of the following:

- Approval and registration of statutory auditors and audit firms
- Adoption of relevant standards
- Continuing education
- Quality assurance and surveillance of all the registered auditors in Denmark carrying out statutory audits of PIEs and non-PIEs

The DBA has the ultimate responsibility over the activities delegated by law to the FSR – Danish Auditors, being the examination of auditors.

Disciplinary measures and sanctions can be imposed by the Disciplinary Board on Auditors, an independent body, which is responsible for the ultimate decision about the imposition of sanctions on registered auditors, including withdrawal of approval.

ACTIVITIES DELEGATED TO A PROFESSIONAL BODY

Examination of auditors is delegated to the FSR – Danish Auditors.

ESTONIA

ORGANISATION OF PUBLIC OVERSIGHT

National public oversight body	The Auditing Activities Oversight Board (AAOB) Audiitortegevuse järelevalve nõukogu	Is it a newly created authority? No
Website	https://www.audiitortegevus.ee/lr1/web/guest/jarelevalvenoukogu	
Professional body	Estonian Auditors' Association (EAA) Audiitorkogu	

COMPOSITION OF NATIONAL PUBLIC OVERSIGHT BODY

The AAOB is composed of five to seven members who are appointed by the Minister of Finance. Three members are to be proposed by the Financial Supervision Authority, the National Audit Office and the Ministry of Justice respectively.

ADVISORY COMMITTEE

No advisory committee has been formed currently and it is unclear whether one will be put in place in a foreseeable future.

FUNDING

The AAOB shall be financed partly by the practitioners (auditing firms) and partly from the state budget. The law prescribes that the proportion of state financing is 'up to 50%'. The rest shall be covered from the 'oversight fees', i.e. 0,7 – 2,4% of the revenue from the professional activities of the previous financial year. For the period 1 July 2017 – 30 June 2018, the oversight fees shall be 1,2% from the audit firms' revenue, i.e. total amount to be collected is approximately EUR 300 000 and the allocation from the state budget is estimated to be EUR 140 000.

TRANSPARENCY

The AAOB prepares and presents an annual report, which is made publicly available and provides an overview on:

- The members, competences and functions of the AAOB
- The work programme and results of its activities
- The state of play in the audit market in Estonia
- The details on the organisation of professional examinations

Individual firm quality control results and other inspection results are made publicly available. A grading system applies whereby the following distinctions are made: green indicates excellent quality; yellow denotes satisfactory quality with small improvements required and red denotes poor quality with significant improvements needed.

OVERVIEW OF KEY ACTIVITIES OF NATIONAL PUBLIC OVERSIGHT BODY AND DELEGATION

KEY ACTIVITIES*	Institution in charge of activity	
	for PIEs	for non-PIEs
Approval and registration of statutory auditors and audit firms	AAOB	AAOB
Adoption of relevant standards	AAOB	AAOB
Continuing education	EAA	EAA
Quality assurance system	AAOB	AAOB
Investigative and administrative disciplinary system	AAOB	AAOB

* National public oversight body has ultimate responsibility for the oversight of delegated activities

SCOPE OF ACTIVITIES OF NATIONAL PUBLIC OVERSIGHT BODY

The AAOB is in charge of all oversight functions over the Estonian licensed auditors and auditing firms carrying out statutory audits of PIEs and non-PIEs:

- Adopting auditing standards
- Conducting professional exams for the auditors
- Conducting quality reviews
- Conducting disciplinary proceedings and enquiries and imposing sanctions
- Granting, suspending and revoking auditing licenses

ACTIVITIES DELEGATED TO A PROFESSIONAL BODY

The organisation of professional education for auditors is delegated by law to the EAA, but the AAOB has the responsibility of exercising the oversight.

FINLAND

ORGANISATION OF PUBLIC OVERSIGHT

National public oversight body	Auditor Oversight Unit ¹³ (AOU) Tilintarkastusvalvonta	Is it a newly created authority? Yes
Website	https://www.prh.fi/en/auditoroversight.html	
Professional body	Finnish Association of Auditors (FAA) Suomen Tilintarkastajat ry Association of Public Sector Auditors Julkishallinnon ja -talouden tilintarkastajat ry	

COMPOSITION OF NATIONAL PUBLIC OVERSIGHT BODY

The AOU falls under the remit of the Finnish Patent and Registration Office (Patentti- ja rekisterihallitus).

The Audit Board (AB) makes autonomous decisions and operates within the AOU. The AB of the AOU is composed of seven to ten members, including the Chair and Vice Chair who are appointed by the Ministry of Economic Affairs and Employment.

There are some criteria for the composition of the AB and these are:

- At least two of the members need to have completed a Finnish Master of Law degree
- All members need to have a good understanding of audit

Members of the AB cannot be:

- Statutory auditors who are currently in practice
- A partner in an audit firm or equivalent position
- A board member or equivalent in an audit firm
- A person who is otherwise employed by an audit firm

For the majority of the members of the AB, there is a three-year cooling-off period after their duties are fulfilled.

ADVISORY COMMITTEE

At the moment, there are two auditors as permanent specialists in the AB of the AOU. The role of the auditors is limited to an advisory capacity and no involvement in the decision making is allowed.

FUNDING

The oversight system is funded through mandatory fees collected from registered auditors. Approximately EUR 2 400 000 will be collected every year in fees for the purpose of funding the AOU.

TRANSPARENCY

The AOU is to make publicly available on its website an annual report which includes the results of its activities, its work programme and decisions in relation to sanctions imposed. Individual firm quality review results are not published. Disciplinary measures and sanctions are published on a name basis.

¹³ There is no official translation from Finnish of the newly established Tilintarkastusvalvonta. For the purpose of this survey, the term Audit Oversight Unit (AOU) will be used.

OVERVIEW OF KEY ACTIVITIES OF NATIONAL PUBLIC OVERSIGHT BODY AND DELEGATION

KEY ACTIVITIES*	Institution in charge of activity	
	for PIEs	for non-PIEs
Approval and registration of statutory auditors and audit firms	AOU	AOU
Adoption of relevant standards ¹⁴	AOU / FAA	AOU / FAA
Continuing education ¹⁵	AOU / FAA	AOU / FAA
Quality assurance system	AOU	AOU
Investigative and administrative disciplinary system	AOU Sanctions: AB of AOU	AOU Sanctions: AB of AOU

* National public oversight body has ultimate responsibility for the oversight of delegated activities

SCOPE OF ACTIVITIES OF NATIONAL PUBLIC OVERSIGHT BODY

The AOU is responsible for the general direction and development of auditing and the oversight of auditors. The AOU carries out the following activities:

- Approves auditors and sees to the approval system and its development
- Supervises auditors' compliance with the Audit Act, statutes laid down by virtue of it and the Act on auditing public administration entities and public finances
- Supervises compliance of the standards
- Supervises that auditors maintain and develop their professional competence and maintain their requirements for approval
- Supervises that the auditors have the needed education
- Supervises the quality of auditing and sees to the development of the quality assurance system
- Sees to the general direction and development of auditing
- Participates in international cooperation and information exchanges
- Performs other duties imposed on it by legislation

ACTIVITIES DELEGATED TO A PROFESSIONAL BODY¹⁶

The adoption of relevant standards is not delegated to the FAA by law, but the FAA has been adopting the ISAs and recommendations since 2000. FAA translates and publishes IAASB standards in Finnish.

FAA provides continuing education to the auditors but they can get their training also from other sources.

¹⁴ The adoption of relevant standards is not carried out by AOU nor is it delegated to the FAA by law, but the FAA has been adopting the ISAs and recommendations since year 2000.

¹⁵ This activity has not been delegated to FAA but the institute has a role in providing continuing education

¹⁶ These activities are carried out by the professional body although this is not a delegation.

FRANCE

ORGANISATION OF PUBLIC OVERSIGHT

National public oversight body	High Council for Statutory Audit Haut Conseil du Commissariat aux Comptes (H3C)	Is it a newly created authority? No
Website	http://www.h3c.org/accueil.htm	
Professional body	National Association of Statutory Auditors Compagnie Nationale des Commissaires aux Comptes (CNCC) Regional Association of Statutory Auditors Compagnie Régionale des Commissaires aux Comptes (CRCC)	

COMPOSITION OF NATIONAL PUBLIC OVERSIGHT BODY

The H3C Board is composed¹⁷ of 14 members for a six-year term. The members of the Board are appointed by Government Decree, which is published in the Official Journal of the French Republic, and these are:

- Four magistrates, one from the Court of Auditors, two from the judiciary who are counsellors at the Court of Cassation, and the Chair who is a magistrate at the Court of Cassation
- The Chair of the Financial Markets Authority
- A representative of the Ministry of Finance (Treasury)
- One member of the academic community specialising in legal, financial or economic matters
- Two former statutory auditors having ceased their activity for at least three years
- Four individuals qualified in financial and economic matters, one with expertise in listed companies, one with expertise in banks or insurance companies, one with experience in the SME sector and one with expertise in national or international accounting standards

ADVISORY COMMITTEE

No advisory committee has been set up.

FUNDING

The funding arrangements of the H3C, as well as the level of the dues, are set out by the Commercial Code which provides that proportional levies based on fees are to be collected from the audit profession.

The budget is set and adopted by the H3C Board on the basis of a proposal from the Chair. The level of the dues is provided by virtue of law and decree, and as an indication, the total amount of funding of H3C may increase up to EUR 16 000 000 in the coming years. The H3C has been financially autonomous since 2009.

TRANSPARENCY

The H3C issues an annual report which includes the results of activities, including inspections on an anonymous basis. The H3C also issues its work programme annually, along with a more detailed inspection programme. There is no publication of individual firm quality reviews.

¹⁷ As set out in Article L. 821-3 of the Commercial Code.

OVERVIEW OF KEY ACTIVITIES OF NATIONAL PUBLIC OVERSIGHT BODY AND DELEGATION

KEY ACTIVITIES*	Institution in charge of activity	
	for PIEs	for non-PIEs
Approval and registration of statutory auditors and audit firms	CNCC ¹⁸	CNCC
Adoption of relevant standards	H3C / CNCC	H3C / CNCC
Continuing education	H3C / CNCC	H3C / CNCC
Quality assurance system	H3C	CNCC
Investigative and administrative disciplinary system	H3C	H3C

* National public oversight body has ultimate responsibility for the oversight of delegated activities

SCOPE OF ACTIVITIES OF NATIONAL PUBLIC OVERSIGHT BODY

See above.

ACTIVITIES DELEGATED TO A PROFESSIONAL BODY

The following activities are delegated to the CNCC:

- Approval and registration of auditors and audit firms
- Joint setting of standards with the H3C but with final approval by the H3C
- Continuing education but limited to the monitoring of the fulfilment of the CPD obligations of the statutory auditors
- Quality assurance system for non-PIE audits

¹⁸ Registration of auditors will go back to H3C on 5 November 2020.

GERMANY

ORGANISATION OF PUBLIC OVERSIGHT

National public oversight body	Auditor Oversight Commission Abschlussprüferaufsichtsstelle (APAS)	Is it a newly created authority? Yes
Website	http://www.bafa.de/DE/Bundesamt/	
Professional body	Institute of Public Auditors Institut der Wirtschaftsprüfer (IDW) Chamber of Public Auditors Wirtschaftsprüferkammer (WPK)	

COMPOSITION OF NATIONAL PUBLIC OVERSIGHT BODY

The APAS is an authority in the functional sense, which is organisationally integrated into the Federal Office for Economic Affairs and Export Control¹⁹ (BAFA) as a Directorate-General.

In accordance with its areas of responsibility, the APAS is divided into two subordinate directorates, each comprising four divisions:

Inspections and Quality Control Directorate

This directorate conducts routine inspections of audit firms that audit PIEs²⁰. It is also responsible for supervision of the system of quality control that has been established at the German Chamber of Public Accountants. The Legal Affairs Division is also assigned to this directorate.

The Enforcement and Policy Matters Directorate

This directorate determines what action is to be taken on an ad-hoc basis if there is concrete evidence of a breach of professional duty in the auditing of relevant companies²¹. It is also responsible for overseeing the tasks that fall within the remit of the WPK and monitors developments in the market for the auditing of relevant companies²². In addition, the division with responsibility for dealing with policy issues and with international collaboration in the area of auditor oversight is assigned to this directorate. The overwhelming majority of staff currently employed by the APAS were transferred from the former Auditor Oversight Commission (AOC) and the WPK when the new body was established.

The APAS has two panels. These were established as the 'Inspections' and 'Enforcement' (professional supervision) Panels. Each panel consists of one chairperson and four other members. The head of the responsible directorate acts as chairperson in each case. The other four members must not be part of the leadership of the APAS. All members of a panel must have acquired the qualifications required for a career as a higher-grade civil servant, and at least two members of each panel must also possess the qualifications required to hold judicial office. In addition, all members must possess sufficient expertise in the fields that are relevant for statutory audits.

¹⁹ Bundesamt für Wirtschaft und Ausfuhrkontrolle

²⁰ As defined by Section 319a (1) Sentence 1 of the German Commercial Code – Handelsgesetzbuch (HGB).

²¹ According to Section 319a HGB

²² According to Section 319a HGB

ADVISORY COMMITTEE

The Consulting Committee²³ advises the APAS on the fulfilment of its duties and may also make recommendations on the overall development of oversight practices. Members of the Consulting Committee are appointed by the Federal Ministry for Economic Affairs and Energy for a period of four years.

FUNDING

The APAS is part-funded from the Federal Budget. However, fees are charged for individually attributable services in accordance with the Act on the Profession of Auditors, in particular for inspections of auditors of certain companies²⁴ (i.e., PIEs) and for professional supervision measures.

These fees are charged on the basis of the ordinance on fees of the APAS at the Federal Office of Economics and Export Control within the Federal Ministry for Economic Affairs and Energy, which was published in the Federal Law Gazette²⁵. This document regulates in particular the charging of fees in accordance with the schedule of fees that is attached as an appendix to the ordinance, as well as the levying of charges. This schedule of fees specifies the fee structures that apply to the conducting of inspections, the agreement of conditions and arrangement of special inspections, the imposition of professional supervision measures, the serving of (provisional) prohibition orders and fines, as well as the publication and evaluation of transparency reports.

TRANSPARENCY

As a supplement to the legal framework provided by the Act on the Profession of Auditors²⁶ (WPO) and the 2014 EU Audit Regulation, the Chief Executive Director of the APAS has issued rules of procedure for conducting inspections²⁷ and investigations of professional conduct²⁸, which were approved by the Federal Ministry for Economic Affairs and Energy. The rules of procedure regulate the organisation, planning and implementation of procedures relating to professional oversight, for example. The rules of procedure for the APAS are publicly available on the BAFA's website.

The annual report of the BAFA²⁹ published on its website includes a section on the APAS.

The APAS' annual work program, internal rules and procedural rules are also available in separate publications³⁰.

Individual firm inspection results and decisions on sanctions are not publicly available. However, the PCAOB publishes results of joint inspections of German auditors performed together with the APAS.

²³ The structure of the Consulting Committee of the APAS is in accordance with Article 2 Section 3 of the German Audit Reform Act (APAReG).

²⁴ According to Section 319a HGB

²⁵ 2016 Part I, number 34, page 1615 ff.

²⁶ Wirtschaftsprüferordnung

²⁷ In accordance with Section 66a (6) Sentence 1 Number 1 and 62b of the WPO

²⁸ In accordance with Section 66a (6) Sentence 1 Numbers 2 and 3 of the WPO

²⁹ Also available in English

³⁰ In German only

OVERVIEW OF KEY ACTIVITIES OF NATIONAL PUBLIC OVERSIGHT BODY AND DELEGATION

KEY ACTIVITIES*	Institution in charge of activity	
	for PIEs	for non-PIEs
Approval and registration of statutory auditors and audit firms	WPK	WPK
Adoption of relevant standards	WPK ³¹ - ethical standards / IDW ³² - auditing standards	WPK – ethical standards / IDW – auditing standards
Continuing education	WPK	WPK
Quality assurance system	APAS	WPK
Investigative and administrative disciplinary system	APAS	WPK

* National public oversight body has ultimate responsibility for the oversight of delegated activities

SCOPE OF ACTIVITIES OF NATIONAL PUBLIC OVERSIGHT BODY

Oversight of auditors' compliance with legal and professional regulations and guidelines, including ethical standards of professional practice such as the obligation to remain independent and sanctioning of any infringements are among the main duties of the new auditor oversight body APAS.

Routine inspections of auditors of PIEs

The inspections³³ must, as a minimum requirement, incorporate the following elements as specified by Article 26 of the 2014 EU Audit Regulation:

- An evaluation of the structure of the audit firm's internal quality assurance system
- An adequate assessment of compliance with quality assurance measures in the processes and procedures used and a review of the audit documentation compiled for PIEs in order to determine the effectiveness of the internal quality assurance system
- An evaluation of the content of the latest annual transparency report published by the audit firm, taking account of the results of the inspection

Investigations relating to audits of PIEs

The APAS initiates non-routine enforcement or professional oversight procedures in cases where there is sufficient evidence of a breach of professional duty in connection with the conducting of statutory audits of PIEs³⁴. Evidence of breaches of professional duty include may come, in particular, from communications from the inspectors, the German Financial Reporting Enforcement Panel (DPR) and Federal Financial Supervisory Authority (BaFin), as well as from complaints and publicly accessible information, such as media reports.

The existing catalogue of professional oversight measures was extended and now includes reprimands that may be associated with fines of up to EUR 500 000, temporary prohibitions from certain activities or from practice, as well as disqualification from the profession of public auditor.

³¹ Within the remit of the APAS, delegated to the WPK.

³² Pursuant to Article 317 Section (5) of the German Commercial Code (Handelsgesetzbuch HGB), the ISAs as formally adopted by the EU Commission are to be applied in performing a statutory audit of financial statements in Germany. Pending adoption of the ISAs by the EU Commission, auditing standards are developed by the IDW.

³³ Inspections conducted in accordance with Sections 66a (6) Sentence 1 Number 1 and 62b of the German Law Governing the Profession (Wirtschaftsprüferordnung)

³⁴ In accordance with Section 319a (1) Sentence 1 of the German Commercial Code

Non-PIEs: Oversight of the German Chamber of Public Accountants (WPK)

In addition to its oversight of auditors of PIEs, the APAS is also responsible for monitoring and promoting the quality of the statutory audits of all other companies. The APAS fulfils this legal mandate through its oversight of the WPK. The oversight of auditors that provide auditing services to companies other than PIEs is delegated by the APAS to the WPK in the context of professional self-governance. The APAS thus has ultimate responsibility for all decisions by the WPK and has ultimate decision-making power.

ACTIVITIES DELEGATED TO A PROFESSIONAL BODY

The APAS does not delegate its activities in its own right, however under German law³⁵, the following tasks are assigned to the professional body WPK:

- Professional competence testing
- Matters relating to registration, including appointments and the granting and withdrawal of recognition
- Standards setting of ethical standards
- Oversight of ongoing training and qualification
- Quality assurance
- Issuing of rules governing professional practice
- Professional oversight

Pending adoption of the ISAs by the EU Commission, auditing standards are developed by the IDW.

³⁵ Sections 4 and 57 WPO

GREECE

ORGANISATION OF PUBLIC OVERSIGHT

National public oversight body	Επιτροπή Λογιστικής τυποποίησης και Ελέγχων (ΕΛΤΕ) Hellenic Accounting and Auditing Standards Oversight Board (HAASOB)	Is it a newly created authority? No
Website	http://www.elte.org.gr/index.php?lang=el	
Professional body	Σώμα Ορκωτών Ελεγκτών Λογιστών (ΣΟΕΛ) Institute of Certified Public Accountants in Greece (SOEL)	

COMPOSITION OF NATIONAL PUBLIC OVERSIGHT BODY

The HAASOB is an authority in the typical and functional sense, which is organisationally integrated under the Ministry of Finance.

The Board of Directors, appointed by the Minister of Finance, consists of the Chair, two Deputy Chairs and four other members proposed by the Bank of Greece, the Capital Market Commission, the Hellenic Federation of Enterprises and the Federation of Industries of Northern Greece, one member from each institution.

The HAASOB is managed by the Board of Directors and practices its competences via the Executive Committee and the individual boards and committees: Quality Control Board (SPE), Accounting Standards Board (SLOT), Disciplinary Board (DB), Professional Examination Committee (EE) and Continuing Professional Development Committee (CPDC). Competences of the boards and committees are explained below.

QUALITY CONTROL BOARD

The SPE is the competent body of the HAASOB for the oversight of the audit profession. Its aim is to ensure the quality of audit services provided by statutory auditors and audit firms.

The SPE is a five-member body appointed for three years and chaired by the HAASOB's Deputy Chair 'A'.

ACCOUNTING STANDARDS BOARD

The Accounting Standards Board issues legal opinions on accounting standardisation issues.

The Accounting Standards Board is a five-member body appointed for three years and chaired by the HAASOB's Deputy Chair 'B'.

DISCIPLINARY BOARD

The DB is the body responsible for ascertaining violations of the law and the regulatory framework governing the work of auditors.

It consists of the HAASOB'S seven-member Board of Directors along with two members of the State Legal Counsel, defined by its Plenary Session and two non-practitioners³⁶ who are appointed by the SOEL's Supervisory Board.

The decisions are taken by a simple majority, provided that the conditions of quorum and lawful composition of the DB are met.

³⁶ Referred to in Article 2, paragraph 14 of Law 4449/2017

PROFESSIONAL EXAMINATION COMMITTEE

This committee has five members and is responsible for the oversight of professional examinations.

CONTINUING PROFESSIONAL DEVELOPMENT COMMITTEE

The CPDC is a three-member committee consisting of the Chair of the Supervisory Board of the SOEL as Chair, one member of the Supervisory Board of the SOEL and the Chair of the Quality Control Board of the HAASOB. It has a three-year term of office.

ADVISORY COMMITTEE

No advisory committee has been formed and it is unclear whether one will be set up.

FUNDING

The HAASOB's resources come from a 1%-contribution of the total gross income of audit firms. If the contribution is not sufficient, the HAASOB is subsidised by the state budget.

If, at the end of each three-year period, as per the financial management of the HAASOB, there is an economic result (income minus expenses) that exceeds the expenses of the previous year, then up to 75% of this result is allocated as revenue of the state budget by decision of the Minister of Finance.³⁷

TRANSPARENCY

To ensure the transparency, the HAASOB publishes an annual activity report on the exercise of its functions related to the public oversight of the audit profession. The annual activity report includes overall results of the quality assurance reviews performed. Individual firm results are not disclosed.

The regulatory decisions of the Board of Directors of the HAASOB are approved by the Minister of Finance and published in the Government Gazette. The HAASOB publishes on its website any decision imposing a sanction and multiple opinions of the other boards and committees related to the accounting and audit profession.

OVERVIEW OF KEY ACTIVITIES OF NATIONAL PUBLIC OVERSIGHT BODY AND DELEGATION

KEY ACTIVITIES*	Institution in charge of activity	
	for PIEs	for non-PIEs
Approval and registration of statutory auditors and audit firms	HAASOB / SOEL	HAASOB / SOEL
Adoption of relevant standards	HAASOB	HAASOB
Continuing education	HAASOB / SOEL	HAASOB / SOEL
Quality assurance system	HAASOB	HAASOB / SOEL
Investigative and administrative disciplinary system	HAASOB	HAASOB

* National public oversight body has ultimate responsibility for the oversight of delegated activities

SCOPE OF ACTIVITIES OF NATIONAL PUBLIC OVERSIGHT BODY

The HAASOB is in charge of activities as per the above table. Below, we provide further details on the work of its Boards in the area of quality assurance and investigative and disciplinary system.

³⁷ Art 31 of Law 4170/2013

The Quality Control Board's responsibilities are:

- To carry out quality inspections on persons referred to in paragraphs 2-8 of Article 2 of Law 3693/2008³⁸
- To prepare recommendations to the persons referred to in par. 2-8 of Article 2 of Law 3693/2008³⁹ as a result of quality inspections
- To conduct investigations to ascertain any infringements of the law and the regulatory framework governing the work of auditors including the HAASOB's regulatory acts, the valid Code of Ethics, the auditing standards or quality assurance standards either ex officio or following a written complaint
- To prepare recommendations to the HAASOB's Board of Directors as a result of carrying out quality inspections of the above case
- To conduct inspections relating to the enforcement of disciplinary sanctions and exercise of supervision over the HAASOB'S Accounting and Auditing Issues Department when it is conducting the aforementioned inspections
- To prepare general proposals concerning auditing and quality inspections issues and investigation of disciplinary violations to the HAASOB's Board of Directors
- Any other issue that concerns the exercise of quality inspections over the audit work, and the investigation of cases to detect possible disciplinary violations

The Disciplinary Board is responsible for ascertaining violations of the law and the regulatory framework governing the work of auditors, including the HAASOB's regulatory acts, the valid Code of Ethics, the auditing standards or quality assurance standards, along with the cases of non-compliance with the recommendations made by the SPE, as a result of the quality inspections.

ACTIVITIES DELEGATED TO A PROFESSIONAL BODY

At present, the SOEL together with the HAASOB are responsible for the following activities:

- Organisation of Professional Examination
- Licensing/ registration of all statutory auditors
- CPD monitoring
- Non-PIE audit quality assurance

Organisation of professional examination

The purpose of professional examination is to establish a high level of knowledge in the required subjects as well as the due application of theoretical knowledge in practice. Professional and other special examinations are under the supervision and control of the HAASOB. The HAASOB has assigned⁴⁰ the organisation and execution of these projects to the SOEL by specifying the duties and the conditions under which they are carried out. The Board of Directors of the HAASOB decides on any substantive or procedural issue related to the organisation and conduct of professional and other special professional examinations. As per the Regulatory Act 001/2017, the Professional Examinations Committee was constituted to oversee these tasks.

Licensing/ registration of all statutory auditors

To exercise their profession, statutory auditors and audit firms are duly registered in the Public Register kept by the HAASOB. Upon registration in the Public Register, every certified auditor and each audit firm receives a registration number. The Public Register is kept in an electronic form, can be accessed via electronic means and is open to the public.

³⁸ National Gazette A 174

³⁹ National Gazette A 174

⁴⁰ Within the framework of this supervision and control under the Regulatory Act 001/2017.

Regulatory Act 003/2017 of HAASOB sets out the procedures, the supporting documents and any other details for the registration of auditors and audit firms in the Public Registry. Only certified auditors or audit firms, members of the professional body SOEL, are duly licensed to practice in Greece.

Statutory auditors working with an audit firm may carry out statutory audits in the name of this audit firm.

The SOEL gathers and records the above-mentioned supporting documents duly submitted by CPAs and informs the HAASOB on the validity, accuracy and completeness of the submitted information, indicating potential lack or inconsistency. The SOEL also keeps a register of trainee CPAs, which includes all annual information submitted by auditors and/ or audit firms to the HAASOB and the SOEL regarding their education and training, as well as any other legal aspect of their professional development to become CPAs.

CPD monitoring

Regulatory Act 005/2017 of the HAASOB sets out the procedures by which the SOEL defines, specialises and monitors the main features of the CPD training program of auditors, e.g. duration, content, adequacy, evaluation, in the frame of the IFAC's IES 7. In special circumstances, the Supervisory Board of the SOEL draws up extraordinary programs with the same procedures as above. These programs are submitted to the HAASOB for approval regarding their duration and adequacy.

To facilitate monitoring of the CPD training programs, the HAASOB established the CPD Committee previously described.

Non-PIE audit quality assurance

The authority to perform duties related to quality assurance reviews and inspections is delegated to the SOEL⁴¹.

According to the Law, a five-member Quality Control Committee (EPE) has been established, which is constituted by decision of the Supervisory Council of the SOEL. The Chair of the EPE is appointed by the Supervisory Council of the SOEL, two of its members with their deputies are appointed upon proposal of the Board of Directors of the HAASOB and the other two members with their deputies are elected by the General Assembly of the SOEL. The term of office of members is three years and they may be reappointed. The Chair and the members of the EPE are non-practitioners of recognised prestige and wider acceptance with proven experience and scientific training on statutory audits. The cost of carrying out the quality controls by the EPE is borne by the SOEL. By decision of its Board of Directors, the HAASOB may entrust the quality control of CPAs and audit firms that perform audits of non-PIE entities to the Quality Control Committee (EPE). The HAASOB has the lawful right to perform its own Quality Controls. The above decision specifies the tasks assigned and the conditions under which they are to be carried out.

The HAASOB and the SOEL are working closely to determine the framework of the aforementioned cooperation.

⁴¹ As per Art 33 of Law 4449/2017

HUNGARY

ORGANISATION OF PUBLIC OVERSIGHT

National public oversight body	Auditors' Public Oversight Authority Könyvvizsgálói Közfelügyeleti Hatóság (KKH)	Is it a newly created authority? No
Website	http://ngmszakmaiteruletek.kormany.hu/konyvvizsgaloi-kozfelugyeleti-hatosag	
Professional body	Hungarian Chamber of Auditors Magyar Könyvvizsgálói Kamara (MKVK)	

COMPOSITION OF NATIONAL PUBLIC OVERSIGHT BODY

Since 1 July 2013, the Minister of National Economy, also responsible for accounting regulation, has been tasked by the Government with the responsibility for the public oversight of the audit profession. The activities related to the oversight are performed by the KKH within the Ministry of Economy.

ADVISORY COMMITTEE

No advisory committee has been set up.

FUNDING

The activities of the KKH are financed through:

- Direct state budgetary funding
- Public oversight fee levied on the MKVK at the rate of 10% of its annual membership fees and contribution payments of economic operators (entities)

TRANSPARENCY

The KKH work is based on an annual action plan on its public oversight functions. The KKH publishes this action plan together with a subsequent report on the plan's implementation on the Single Government Portal. The report addresses the major discrepancies found during the inspections and assessments of the quality assurance system and during the quality assurance reviews as well as the measures adopted.

OVERVIEW OF KEY ACTIVITIES OF NATIONAL PUBLIC OVERSIGHT BODY AND DELEGATION

KEY ACTIVITIES*	Institution in charge of activity	
	for PIEs	for non-PIEs
Approval and registration of statutory auditors and audit firms	MKVK	MKVK
Adoption of relevant standards	MKVK	MKVK
Continuing education	MKVK	MKVK
Quality assurance system	KKH	MKVK
Investigative and administrative disciplinary system	KKH	MKVK

* National public oversight body has ultimate responsibility for the oversight of delegated activities

SCOPE OF ACTIVITIES OF NATIONAL PUBLIC OVERSIGHT BODY

In relation to both PIEs and non-PIEs

The KKH monitors and evaluates various components of the system of public oversight of statutory auditors, such as:

- The procedures for granting of authorisations to carry out statutory audits, the records and registers of the MKVK
- The drafting and approval of Hungarian national auditing standards, the MKVK's code of ethics, and the national standards relating to quality control (hereinafter referred to collectively as 'professional standards')
- The functioning of the continuing professional training program
- The functioning of the quality assurance system
- The disciplinary proceedings

The KKH may conduct inspections to explore or prevent any situation where the interests of entities audited by statutory auditors are jeopardized and it may request documents, data, information and statements from the MKVK and from persons and entities subject to the public oversight of auditors. The KKH then assesses and evaluates the facts and can impose the following measures:

- Mandatory participation in advanced training
- A warning to terminate an existing infringement, if any
- Disciplinary proceedings
- Mandatory re-audit, or ordering to have the audit report withdrawn
- Financial penalty
- Withdrawal of a special qualification (e.g. certificate to audit financial institutions, certificate to audit investment firms, certificate to audit funds)
- Restraint order from exercising in the profession of carrying out statutory audits
- Prepare recommendations to the MKVK or the Minister of Economy (hereafter Minister) concerning potential solutions to eliminate situations where the interests of entities audited by statutory auditors are jeopardized
- Initiate the Minister's actions, and / or judicial oversight exercised in the public interest
- The KKH, at the Minister's request, opines on the draft bills of legislation affecting statutory audits

Within the system of public oversight of statutory auditors, the KKH cooperates with the National Bank of Hungary acting within its function as supervisory authority of the financial intermediary system in connection with money, capital and insurance market organisations.

In relation to PIEs

The KKH conducts quality assurance reviews of auditors and audit firms carrying out statutory audits of PIEs every three years based on an analysis of risks.

ACTIVITIES DELEGATED TO A PROFESSIONAL BODY

The MKVK's tasks in relation to both PIEs and non-PIEs are as follows:

Approval and registration of statutory auditors and audit firms

The requirements for admittance to the Chamber of Auditors, the MKVK, contain a certification from the KKH. The KKH verifies that the applicant is licensed to carry out statutory audits based on the following:

- The applicant has the necessary professional qualification as a certified auditor provided for in the Act on Chamber
- The applicant has passed the examination of professional competence within one year before the time of submission of the application
- The applicant is not subject for disqualification based on the Act on Chamber

The MKVK defines the requirements for the certification of auditors and for their examination, conducts the examination procedures, carries out the regulatory duties relating to the organisation and supervision of training, determines the framework of professional qualification, coordinates the duties of bodies participating in the training system and makes arrangements for setting up the system of quality assurance.

Adoption of relevant standards

The MKVK draws up and regularly updates the national standards for audits, advisory services, assurance services and other related services, as well as internal quality assurance review, including the internal organisation of statutory auditors and audit firms and the arrangement of audit work.

The KKH has the authority to approve standards.

Continuing education

The MKVK lays down the requirements for aptitude tests, conducts aptitude tests and organises and supervises the compulsory continuing education of registered statutory auditors.

It also organises and supervises the training of apprentice auditors, lays down the training program for apprentice auditors and the requirements for examinations of professional competence and conducts examinations of professional competence.

Quality assurance system

The MKVK operates the system of quality assurance concerning the activities of registered statutory auditors and audit firms who do not provide statutory audit services to PIEs.

Investigative and administrative disciplinary system

The MKVK is tasked with the investigative and administrative disciplinary system in relation to non-PIE audits.

ICELAND

Iceland implemented the 2014 EU Audit Reform with a new law on audit and auditors effective as from 1 January 2020.

ORGANISATION OF PUBLIC OVERSIGHT

National public oversight body	Audit Oversight Board (AOB) Endurskoðendaráð	Is it a newly created authority? No
Other relevant bodies	The Ministry of Industries	
Website	http://www.endurskodendarad.is/	
Professional body	Association of Chartered Accountants Félag löggiltra endurskoðenda (FLE)	

COMPOSITION OF NATIONAL PUBLIC OVERSIGHT BODY

The AOB has three members nominated by the Ministry of Industries.

ADVISORY COMMITTEE

No advisory committee has been set up.

FUNDING

The AOB's expenses are covered by the supervised entities / auditors through fixed yearly statutory fee of 100 000 Icelandic Króna.

TRANSPARENCY

The AOB publishes its annual reports and annual reports on quality assurance on its website.

OVERVIEW OF KEY ACTIVITIES OF NATIONAL PUBLIC OVERSIGHT BODY AND DELEGATION

KEY ACTIVITIES*	Institution in charge of activity	
	for PIEs	for non-PIEs
Approval and registration of statutory auditors and audit firms	AOB	AOB
Adoption of relevant standards ⁴²	N/A	N/A
Continuing education ⁴³	AOB	AOB
Quality assurance system	AOB	AOB
Investigative and administrative disciplinary system	AOB	AOB

* National public oversight body has ultimate responsibility for the oversight of delegated activities

SCOPE OF ACTIVITIES OF NATIONAL PUBLIC OVERSIGHT BODY

As described in the table above.

⁴² In line with the applicable legislation, audits are performed according to the ISAs (their original version as ISAs are not translated into Icelandic).

⁴³ Although FLE has a role in this activity, it has not been delegated to them.

ACTIVITIES DELEGATED TO A PROFESSIONAL BODY⁴⁴

The AOB has tasked the FLE to file and report on a yearly basis on the continuing education of its members.

⁴⁴ These activities are carried out by the professional body although this is not a delegation.

IRELAND

ORGANISATION OF PUBLIC OVERSIGHT

National public oversight body	Irish Auditing and Accounting Supervisory Authority (IAASA)	Is it a newly created authority? No
Website	www.iaasa.ie	
Professional body	Recognised Accountancy Bodies (RABs)⁴⁵: Association of Chartered Certified Accountants (ACCA) Chartered Accountants Ireland (CAI) Institute of Chartered Accountants in England and Wales (ICAEW) Institute of Chartered Accountants of Scotland (ICAS) Institute of Certified Public Accountants (ICPAI)	

COMPOSITION OF NATIONAL PUBLIC OVERSIGHT BODY

The Board of the IAASA is currently composed of nine members, including the Chief Executive of the IAASA. The members are nominated by the following state agencies:

- Director of Corporate Enforcement
- Central Bank of Ireland
- Irish Stock Exchange
- Revenue Commissioners

In addition to the representatives of the above state agencies, two members of the Board are nominated by the professional accountancy bodies⁴⁶ (as listed above), and a maximum of three members of the Board, excluding the Chief Executive, can also be members of accounting professional bodies at any given moment.

ADVISORY COMMITTEE

No advisory committee has been set up.

FUNDING

The IAASA is financed at 60% by mandatory dues levied on the relevant professional bodies, and the remaining 40% is funded by the government. In addition to the professional bodies listed above, three further bodies⁴⁷ are recognised under the Irish Companies Act; the Chartered Institute of Public Finance and Accountancy (CIPFA), Chartered Institute of Management Accountants (CIMA) and Association of International Accountants (AIA). The 60% contribution levied on the professional bodies is allocated among the eight bodies based on the number of members they have based in Ireland.

There is a separate funding arrangement in place for the IAASA's quality assurance activities in relation to audits of PIEs. A levy is charged directly to relevant PIE audit firms.

⁴⁵ These are the professional bodies which are approved by the Irish Company Act and monitored by the IAASA, as responsible for authorising its members and/ or member firms to perform audits.

⁴⁶ A majority of the member bodies must agree on the nominations.

⁴⁷ None of these three bodies can licence their members to conduct audits.

TRANSPARENCY

The IAASA⁴⁸ is required to issue an ‘annual audit programme and activity report’ (AAPA report) on, inter-alia, its oversight functions performed during the year. The AAPA report is required to contain:

- An activity report on the functions performed by the recognised accountancy bodies during the financial year to which the AAPA report relates
- A work programme concerning the oversight functions⁴⁹ that the IAASA proposes to perform during the financial year immediately following the financial year to which the AAPA report relates
- An activity report regarding the functions of the IAASA under the 2014 EU Audit Regulation during the financial year to which the AAPA report relates
- A work programme regarding the functions of the IAASA under the 2014 EU Audit Regulation that the IAASA proposes to perform during the financial year immediately following the financial year to which the AAPA report relates
- A report for the financial year to which the AAPA report relates on the overall results of the quality assurance system (including information on recommendations issued, follow-up on the recommendations, supervisory measures taken and relevant sanctions and publication sanctions and quantitative information and other key performance information on financial resources and staffing, and the efficiency and effectiveness of the quality assurance system)

The AAPA report is required to be prepared within four months of the end of a financial year and to be published on the IAASA website by 1 July of the year immediately following the financial year to which the report relates.

The IAASA may publish on its website the findings and conclusions of individual inspections undertaken as part of its PIE quality assurance system.

Disciplinary measures and sanctions will be published by the appropriate sanctioning body which could be the IAASA or a professional body.

OVERVIEW OF KEY ACTIVITIES OF NATIONAL PUBLIC OVERSIGHT BODY AND RECOGNISED ACCOUNTANCY BODIES⁵⁰

KEY ACTIVITIES*	Institution in charge of activity	
	for PIEs	for non-PIEs
Approval and registration of statutory auditors and audit firms	RABs	RABs
Adoption of relevant standards	IAASA	IAASA
Continuing education	RABs	RABs
Quality assurance system	IAASA	RABs
Investigative and administrative disciplinary system	IAASA / RABs	RABs / IAASA for public interest cases

* National public oversight body has ultimate responsibility for the oversight of the regulatory activities of the RABs

⁴⁸ In accordance with Statutory Instrument 312.

⁴⁹ Referred to in Regulation 32.

⁵⁰ This is not a delegation model.

SCOPE OF ACTIVITIES OF NATIONAL PUBLIC OVERSIGHT BODY

The IAASA has been designated as the competent authority for the oversight of statutory auditors and audit firms in accordance with the 2014 EU Audit Directive and Regulation. The IAASA is also designated as the competent authority for the purposes of:

- Public oversight, quality assurance, investigations and penalties of registered third-country auditors and audit entities
- Public oversight, investigations and penalties of third-country auditors and audit entities

ACTIVITIES DELEGATED TO A PROFESSIONAL BODY

The RABs are responsible for the relevant activities in the above table. The IAASA assumes ultimate responsibility for all regulatory tasks but delegates those tasks, other than quality assurance inspections of PIE audits and PIE audit investigations, to the RABs, subject to ultimate oversight by the IAASA (a 'delegation model').

At present, the RABs are responsible for:

- Licensing/ registration of all statutory auditors
- CPD monitoring
- Non-PIE audit quality assurance
- Investigation and discipline

ITALY

ORGANISATION OF PUBLIC OVERSIGHT

National public oversight body	Audit of non-PIEs General Accounting Office of the State Ragioneria Generale dello Stato (RGS) Audit of PIEs Italian Securities and Exchange Commission Commissione Nazionale per le Società e la Borsa (CONSOB)	Is it a newly created authority? <p style="text-align: center;">No</p>
Website	http://www.consob.it/web/consob/home www.revisionelegale.mef.gov.it/opencms/opencms/Revisione-legale	
Professional body	The Standard Setting Committee (SSC) is composed by the three following professional bodies which have signed a special convention with the Italian Ministry of Economy and Finance: National Association of Auditors National Associazione Italiana Revisori Contabili National Council of Chartered Accountants Consiglio Nazionale Dottori Commercialisti ed Esperti Contabili National Institute of Statutory Auditors Istituto Nazionale dei Revisori Legali	

COMPOSITION OF NATIONAL PUBLIC OVERSIGHT BODY

The RGS is a government department within the Ministry of Economy and Finance (MEF). This department has primarily a responsibility over the preparation of national accounts and for the assessment and the analysis of public expenditure trends. The RGS had also been assigned with an additional mandate which relates to statutory audit and oversight of non-PIE audits. All persons involved in its work are civil servants. No practitioners are involved in its activities except for the advisory committee' work as described below.

The CONSOB is an independent administrative authority and is governed by a Board which consists of three members, including the Chair. The Board is appointed by a Decree of the President of the Republic acting on a proposal submitted by the Prime Minister and approved by the Council of Ministers. The CONSOB is responsible for the regulation and supervision of the Italian securities markets, including the oversight of PIE audits. No practitioners are involved in the composition of the Board nor in its regulatory or inspection activities.

ADVISORY COMMITTEE

The MEF has set up an advisory committee called the Central Commission for Statutory Auditors⁵¹ (CCSA) by Ministerial Decree in September 2012. The CCSA is composed by seven members, of which two are practitioners appointed by the MEF and the remaining members are appointed as follows:

- One representative from the Ministry of Justice
- One representative from the CONSOB
- One representative from Banca d'Italia

⁵¹ Commissione Centrale per i Revisori Contabili

- Two representatives from the MEF

The CCSA has an advisory function in relation to the exercise of public oversight, particular on maintaining the Register for trainee and statutory auditors and audit firms.

FUNDING

The activities of the RGS related to public oversight of auditors are funded through contributions of statutory auditors and audit firms who are entered in the Register which the RGS maintains. The entry in the Register gives auditors the right to use the title of statutory auditor.

The CONSOB is funded through an allocation from the central government budget and through fees collected directly from markets, market participants and supervised entities, including audit firms.

TRANSPARENCY

Both the MEF and CONSOB publish an annual report, which is available on their respective websites. It includes information on their supervisory activities and the overall results of the quality control reviews conducted. Disciplinary measures and sanctions imposed are disclosed anonymously.

OVERVIEW OF KEY ACTIVITIES OF NATIONAL PUBLIC OVERSIGHT BODY AND DELEGATION

KEY ACTIVITIES*	Institution in charge of activity	
	for PIEs	for non-PIEs
Approval and registration of statutory auditors and audit firms	RGS	RGS
Adoption of relevant standards	SSC / RGS / CONSOB	SSC / RGS / CONSOB
Continuing education	RGS / entities approved by RGS / CNDCEC	RGS / entities approved by RGS / CNDCEC
Quality assurance system	CONSOB	RGS
Investigative and administrative disciplinary system	CONSOB	RGS

* National public oversight body has ultimate responsibility for the oversight of delegated activities

SCOPE OF ACTIVITIES OF NATIONAL PUBLIC OVERSIGHT BODY

The RGS carries out quality control reviews on statutory auditors and audit firms of non-PIEs, provides approval and registration of statutory auditors and audit firms, endorse relevant standards, provides continuing education, provides administrative sanctions.

The CONSOB supervises the organisation and activity of the statutory auditors and audit firms of PIEs in order to monitor their independence and technical competence. The CONSOB also carries out the quality control and provides administrative sanctions.

ACTIVITIES DELEGATED TO A PROFESSIONAL BODY

- **Standard setting for auditing, ethics and independence**
- Statutory audit is performed in compliance with standards drafted by the SSC together with the MEF and the CONSOB. The MEF has the ultimate responsibility for the endorsement of standards after hearing the CONSOB.
- More stringent independence requirements are applicable only to PIEs. The CONSOB is tasked with establishing by regulation the situations that may compromise the independence of the statutory auditor,

audit firms and the responsible auditor of a PIE, and relevant safeguards and measures. Therefore, independence standards drawn up by the SSC as general guidance rules shall apply to statutory auditors of PIEs to the extent compatible with the special rules drawn up by the CONSOB.

- **Continuing education**
- The delegation of continuing education is allowed by legislative decree, but has not taken place to date.
- **Quality assurance / reviews and inspections**
- The delegation of performance of duties related to quality assurance reviews and inspections is allowed by legislative decree, but has not taken place for either the audits of PIEs or non-PIEs to date.

LATVIA

ORGANISATION OF PUBLIC OVERSIGHT

National public oversight body	Commercial Companies Audit Policy and Oversight Unit (CCAPOU) of the Latvian Ministry of Finance (MoF) Komerksabiedrību revīzijas politikas un uzraudzības nodaļa, Finanšu ministrija	Is it a newly created authority? No
Website	http://www.fm.gov.lv/en/s/auditing/	
Professional body	The Latvian Association of Sworn Auditors Latvijas zverināto revidentu asociācija (LZRA)	

COMPOSITION OF NATIONAL PUBLIC OVERSIGHT BODY

The MoF is the main responsible institution for the public oversight system and development and implementation of state policy in the field of auditing of commercial companies. It is the institution responsible for the cooperation with the competent institutions of other Member States in this area.

The MoF oversees the activities of the professional body LZRA. As the competent authority in Latvia, it is responsible for carrying out the tasks provided for in the 2014 EU Audit Regulation and for ensuring that all provisions of it are applied.

ADVISORY COMMITTEE

The Audit Advisory Council (AAC) has been established by the Minister of Finance for purpose of promoting the increase of quality of audit services. The MoF technically ensures operation of the AAC.

The AAC is composed of one member from each of the following: the MoF, the Ministry of Justice, the Financial and Capital market Commission, the LZRA, the Latvian Association of Accountants, Riga Stock Exchange, the Foreign Investors Council in Latvia, the Employers' Confederation of Latvia and one of the higher education institutions.

FUNDING

The CCAPOU of the MoF and the AAC are funded by state budget.

TRANSPARENCY

The MoF publishes and makes publicly available an annual report which includes information regarding the implementation of the state policy in the field of audit of commercial companies and measures taken throughout the year in relation to the state supervision of the LZRA.

OVERVIEW OF KEY ACTIVITIES OF NATIONAL PUBLIC OVERSIGHT BODY AND DELEGATION

KEY ACTIVITIES*	Institution in charge of activity	
	for PIEs	for non-PIEs
Approval and registration of statutory auditors and audit firms	LZRA	LZRA
Adoption of relevant standards	LZRA	LZRA
Continuing education	LZRA	LZRA
Quality assurance system	MoF	LZRA
Investigative and administrative disciplinary system	MoF	LZRA

* National public oversight body has ultimate responsibility for the oversight of delegated activities

SCOPE OF ACTIVITIES OF NATIONAL PUBLIC OVERSIGHT BODY

The MoF is tasked with the quality assurance system as well as with the investigate and administrative disciplinary system in regard to PIE audits.

ACTIVITIES DELEGATED TO A PROFESSIONAL BODY

The LZRA is an independent professional association of Latvian sworn auditors. It ensures the supervision of compliance with professional standards and ethical norms, as well as other regulatory enactments applicable to the profession, and of the professional activity of the sworn auditors and commercial companies of sworn auditors.

The LZRA certifies sworn auditors and provides licences to commercial companies of sworn auditors.

The LZRA maintains the Sworn Auditor Register, Commercial companies of sworn auditors' Register and Register of Third Country Auditors and Commercial Companies of Auditors. Information of these registers is arranged and kept electronically and available on the website of the LZRA.

In relation with the certification of sworn auditors, the licensing of commercial companies of sworn auditors and other tasks delegated to the LZRA by the Law on Audit Service, it is under the supervision of the MoF. The regulations issued by the LZRA which regulate the performance of the delegated tasks have to be approved by the LZRA after the coordination with the MoF.

LITHUANIA

ORGANISATION OF PUBLIC OVERSIGHT

National public oversight body	The Authority of Audit, Accounting, Property Valuation and Insolvency Management under the Ministry of Finances Audito, apskaitos, trto vertinimo ir nemokumo valdymo tarnyba prie Finansų ministerijos (AVNT)	Is it a newly created authority? No
Website	http://www.avnt.lt	
Professional body	Lithuanian Chamber of Auditors Lietuvos auditorių rūmai (LAR)	

COMPOSITION OF NATIONAL PUBLIC OVERSIGHT BODY

The Audit Oversight Committee (AOC) of the AVNT has the responsibility to execute audit oversight function. The AOC is a Board consisting of seven members who are appointed for a period of three years. All of these members are required to be non-practitioners under the Law on Auditing of the Republic of Lithuania. The following institutions each dedicate a member to the AOC:

- The Bank of Lithuania
- The Ministry of Finance
- The Ministry of Justice
- The Ministry of Interior
- National Audit Office of Lithuania
- The LAR

ADVISORY COMMITTEE

The AOC is essentially considered to be an advisory committee as it does not make any formal decisions itself and its role is of an advisory nature. The decision-making process rests with the Director of the AVNT.

FUNDING

The AVNT is financed by the government through the state budget.

TRANSPARENCY

The AVNT prepares and presents an annual report on the quality review of auditors and audit firms, a strategic plan, an operational plan and a report on its overall activities. All reports are made publicly available on its website. The annual report includes overall results of the quality assurance reviews performed, but individual firm results are not presented. Information on disciplinary measures and sanctions is included on an anonymous basis. The annual report also includes information on audit firm transparency reports.

OVERVIEW OF KEY ACTIVITIES OF NATIONAL PUBLIC OVERSIGHT BODY AND DELEGATION

KEY ACTIVITIES*	Institution in charge of activity	
	for PIEs	for non-PIEs
Approval and registration of statutory auditors and audit firms	LAR	LAR
Adoption of relevant standards	AVNT / LAR	AVNT / LAR
Continuing education	LAR	LAR
Quality assurance system	AVNT	LAR
Investigative and administrative disciplinary system	AVNT	AVNT

* National public oversight body has ultimate responsibility for the oversight of delegated activities

SCOPE OF ACTIVITIES OF NATIONAL PUBLIC OVERSIGHT BODY

The scope of activities of the AVNT is as follows:

- Granting, suspending and withdrawing auditor registration, and organising the auditors' exams. The AVNT maintains oversight and can also mediate in resolving disputes relating to professional exams between prospective auditors and the LAR
- Standard setting and endorsement of standards as the AVNT issues Business Accounting Standards (Lithuanian GAAP) and their implementation guidance for non-PIEs. The AVNT also performs the translation of international auditing standards, which are then adopted by the LAR
- The AVNT is responsible for quality assurance of PIEs. It also exercises the oversight of the quality assurance system by conducting investigations in instances of significant deficiencies being identified by the review of non-PIEs performed by the LAR. Also, the AVNT approves the annual plan for quality assurance reviews as well as reviewers
- Disciplinary measures and sanctions which are imposed by the AVNT after an assessment of the results of inspections and investigations by the AOC. This activity is performed jointly with the LAR

ACTIVITIES DELEGATED TO A PROFESSIONAL BODY

The following activities have been delegated to the LAR: approval and registration of statutory auditors and audit firms, examination, continuing education, audit quality review where the AVNT oversees the performance by the LAR.

Standard setting and endorsement of standards

This activity is partially delegated to the LAR, in so far as it relates to international quality control and auditing standards. The Standards Translation Review Commission, within the AVNT, is tasked with the translation of international standards which are then reviewed and adopted by the Audit Committee which is part of the LAR. There are no distinctions between PIEs and non-PIEs. Under the new Law on Auditing of Financial Statements, which became effective on 1 March 2017, the responsibility to translate the ISA's and Code of Ethics for Professional Accountants was passed to the AVNT.

Quality assurance / reviews and inspections

The AVNT is responsible for quality assurance of PIEs, meanwhile quality assurance of non-PIEs is delegated to the LAR. Quality reviews are conducted by reviewers who are hired by the LAR only for this purpose

Disciplinary measures and sanctions

This task is jointly conducted by the AVNT and the LAR, with AVNT being in charge. Disciplinary measures and sanctions can be imposed by both the LAR and the AVNT, often depending on severity with the more severe cases being handled by the AVNT. There are no distinctions between PIEs and non-PIEs.

LUXEMBOURG

ORGANISATION OF PUBLIC OVERSIGHT

National public oversight body	Financial Supervisory Commission Commission de Surveillance du Secteur Financier (CSSF)	Is it a newly created authority? No
Website	www.cssf.lu	
Professional body	Institute of Statutory Auditors Institut des Réviseurs d'Entreprises (IRE)	

COMPOSITION OF NATIONAL PUBLIC OVERSIGHT BODY

The CSSF is the competent authority for the public oversight of the audit profession, for the performance of the duties laid down in the audit law, including national regulations, and in the 2014 EU Audit Regulation.

The CSSF's governance structure consists of the Board, the Executive Board, the Directors and, with regard to the audit profession, of Consultative Committee for the Audit Profession (CCAP).

ADVISORY COMMITTEES

Consultative Committee for the Audit Profession (CCAP)

The Executive Board seeks an opinion from the advisory committee CCAP on any draft CSSF regulation, draft law or draft grand-ducal regulation related to statutory audits and the audit profession. The CCAP consists of the following members:

- The Minister of Justice or a representative designated by him
- The Minister of Finance or a representative designated by him
- The Executive Board of the CSSF considered as a college and counting as one member
- A member of the Executive Board of the Insurance Sector Supervisory Commission designated by the Executive Board or a representative designated by it
- Three members of the professional body IRE designated by it
- A member of the Luxembourg Bankers' Association designated by it
- A member of the Association of the Luxembourg Fund Industry designated by it
- A member of the Chamber of Commerce designated by it

In addition to the CCAP, two other advisory committees have been created as follows:

Technical Audit Committee (TAC)

The TAC consists of five approved statutory auditors who are appointed by the CSSF on proposals from the IRE, and six representatives of the CSSF.

The role of the TAC is to advise the CCAP on technical aspects related to the audit profession, including:

- The adoption of the ISAs not yet adopted by the EC or the CSSF
- The adoption of International Standards on Quality Controls (ISQC) and of the code of ethics in accordance with the law on the profession of audit
- The impact of the ISAs adopted by the EC at national level
- The analysis of any technical question raised by the profession
- Contributing to the work of the CCAP

Consultative Commission for the Access to the Audit Profession (CCAAP)

The role of the CCAAP is to advise the CSSF on the academic and professional qualification of the:

- Candidates for the access to the audit profession in Luxembourg
- The service providers from other Member States wishing to practice under the free provision of services

The CCAAP consists of two representatives from the CSSF, one representative from the Ministry of Justice, two representatives from the Ministry of Higher Education and Research and two representatives from the professional body IRE. The last two categories are appointed by the CSSF on proposals from the Ministry of Higher Education and Research and IRE respectively.

FUNDING

The cost of the CSSF audit supervision functions is financed through mandatory fees levied on the audit profession as follows:

Single lump sums

A single lump is levied for:

- The examination of each request to access training
- The registration for the final uniform examination of professional competence
- The examination of each request from service providers from other Member States
- The examination of each request from third-country auditors

Annual lump sums

An annual lump sum is levied for:

- Trainees
- Registered statutory auditors
- Statutory auditors
- Registered audit firms
- Audit firms
- Third-country auditors

Variable fee

A variable fee is also levied on the number of statutory audits performed in the preceding calendar year from:

- Registered statutory auditors
- Registered audit firms
- Third-country auditors (on the number of third country entities whose transferable securities are admitted to trading on a regulated market in Luxembourg)

An additional fee (hourly basis) is also levied on registered statutory auditors, registered audit firms and third-country auditors which are subject to a specific monitoring pursuant to the law on the audit profession.

TRANSPARENCY

To ensure the transparency of the public oversight of the audit profession, the CSSF publishes annual work programmes and an annual activity report relating to the exercise of its functions with regard to the public oversight of the audit profession. The annual activity report includes overall results of the quality assurance reviews performed, individual firm results are not disclosed.

On its website, the CSSF publishes any decision imposing a sanction for breach of the provisions of the audit law and its regulatory provisions and, where applicable, of 2014 EU Audit Regulation after the person sanctioned has been informed of that decision. The publication shall include at least information concerning the type and nature of the breach and the identity of the natural or legal person on whom the sanction has been imposed.

This publication takes place once all the legal remedies have been exhausted or have expired⁵². In these latter cases, the CSSF, as soon as reasonably practicable, also publishes on its website information concerning the status and outcome of any action. Any decision annulling a previous decision to impose a sanction or a measure is also published.

This publication remains on the CSSF's website for five years after all remedies have been exhausted or have expired.

The sanctions imposed are published on an anonymous basis in any of the following circumstances:

- Where, in the event that the sanction is imposed on a natural person, publication of personal data is shown to be disproportionate
- Where publication would jeopardise the stability of financial markets or an ongoing criminal investigation
- Where publication would cause disproportionate damage to the institutions or individuals involved

Every year, the CSSF provides the CEAOB with aggregated information on all the administrative measures taken and all the sanctions imposed.

OVERVIEW OF KEY ACTIVITIES OF NATIONAL PUBLIC OVERSIGHT BODY AND DELEGATION

KEY ACTIVITIES*	Institution in charge of activity	
	for PIEs	for non-PIEs
Approval and registration of statutory auditors and audit firms	CSSF	
Adoption of relevant standards		
Continuing education		
Quality assurance system		
Investigative and administrative disciplinary system		

* National public oversight body has ultimate responsibility for the oversight of delegated activities

SCOPE OF ACTIVITIES OF NATIONAL PUBLIC OVERSIGHT BODY

The CSSF has the ultimate responsibility for the oversight of:

- The approval and registration of approved statutory auditors and approved audit firms
- The adoption of standards on professional ethics, internal quality control of approved audit firms and auditing
- Continuing education
- Quality assurance systems
- Investigative and administrative disciplinary systems

The CSSF is also competent to receive complaints from third parties and to intercede with these third parties to resolve such complaints amicably.

⁵² Except for sanctions laid down in points (c), (e) and (i) to (k) of Article 43(2) of the audit law.

The CSSF may mandate practitioners to carry out specific duties and may also be assisted by experts when this is essential for the proper fulfilment of its duties. These practitioners and these experts are not involved in any decision-making of the CSSF. Where the CSSF engages experts to carry out specific assignments, it ensures that there are no conflicts of interest between those experts and the approved statutory auditor or the approved audit firm in question. Such experts shall comply with the requirements provided for in the audit law.

ACTIVITIES DELEGATED TO A PROFESSIONAL BODY

The professional body IRE has the following competences:

- To publish the list of statutory auditors
- To defend the rights and interests of the audit profession
- To make any proposals in the interest of the audit profession to the CSSF
- To issue standards for the fields of activity other than those applicable to statutory audits
- To ensure respect of professional standards and duties, with the exception of those applicable to statutory audits
- To ensure that its members' respect their professional obligations arising from the legislation relating to the fight against money laundering and terrorist financing
- To forestall and conciliate any disputes, other than those submitted to the CSSF pursuant to the audit law, between its members, on the one hand, and between its members and third parties, on the other hand
- To exercise disciplinary authority by its Disciplinary Board

MALTA

ORGANISATION OF PUBLIC OVERSIGHT

National public oversight body	Accountancy Board (AB) Quality Assurance Unit (QAU)	Is a newly created authority? No
Website	https://accountancyboard.gov.mt/	
Professional body	The Malta Institute of Accountants (MIA)	

COMPOSITION OF NATIONAL PUBLIC OVERSIGHT BODY

The AB is the regulatory and oversight body of the accountancy and audit profession. The AB appoints the QAU, which is mainly tasked with the implementation and supervision of the quality assurance process.

The AB consists of a Chair and six other members, all of whom are non-practitioners and who are knowledgeable in the areas relevant to statutory audit and accounting.

These include:

- A Chair of recognised standing and experience in the accountancy and auditing profession
- A member from a list of two nominees of the University of Malta from among the teaching staff of the Faculty or Faculties in which teaching of and research in the field of accountancy and auditing is organised
- A senior official of the Ministry for Finance
- Two members from a list of four nominated by a recognised accountancy body
- Two other members

The AB also engages two practitioners in a permanent role to assist it in the proper discharge of its duties. These two practitioners shall be appointed by the AB for a one-year term and chosen from a panel of six, nominated by a recognised accountancy body. In the fulfilment of their duties, the practitioners shall not be involved in any decision-making of the AB.

The QAU is composed of a Head of Unit supported by a team of inspectors and reports and is answerable to the AB.

The AB has set up a number of committees and sub-committees to assist it in its various functions, as follows:

- The Continuing Professional Education Sub-Committee
- The Warrant Evaluations Sub-Committee
- The Investigative Sub-Committee
- The Disciplinary Committee
- The Quality Assurance Oversight Sub-Committee

ADVISORY COMMITTEE

No advisory committee has been set up.

FUNDING

In order to carry out its functions, the AB uses funds as the Minister for Finance makes available to it. It also receives funds as fees or otherwise that are levied on registered auditors and audit firms, along with individuals and firms who hold a warrant from the AB allowing them to practice the profession of accountant.

TRANSPARENCY

The AB issues an annual report which includes the overall results of the quality assurance reviews performed. Individual firm results are not presented. Information on disciplinary measures and sanctions is included on an overall basis.

OVERVIEW OF KEY ACTIVITIES OF NATIONAL PUBLIC OVERSIGHT BODY AND DELEGATION

KEY ACTIVITIES*	Institution in charge of activity	
	for PIEs	for non-PIEs
Approval and registration of statutory auditors and audit firms	AB	AB
Adoption of relevant standards	The Minister for Finance on the recommendation of the AB	The Minister for Finance on the recommendation of the AB
Continuing education	AB / MIA	AB / MIA
Quality assurance system	QAU	QAU
Investigative and administrative disciplinary system	AB	AB

* National public oversight body has ultimate responsibility for the oversight of delegated activities

SCOPE OF ACTIVITIES OF NATIONAL PUBLIC OVERSIGHT BODY

The AB regulates the accountancy profession in Malta and is entrusted with a number of functions, including:

- The issue of accountants' warrants and auditors' practising certificates after making their recommendations to the Minister for Finance
- The registration of firms of accountants and auditors
- Keeping a register of the above
- The operation of an appropriate system of quality assurance
- Dealing with cases of professional misconduct and other disciplinary proceedings
- Taking measures to protect the public interest and the integrity of the profession
- Advising or making recommendations and expressing its views to the Minister for Finance
- Such other functions arising from any law or as may be delegated to it by the Minister for Finance under the Accountancy Profession Act

The AB has set up a number of committees and sub-committees listed earlier to assist it in its various functions.

ACTIVITIES DELEGATED TO A PROFESSIONAL BODY

The Continuing Professional Education (CPE) Sub-Committee of the AB is run jointly with the professional body MIA to provide direction in the administration of CPE. This includes the evaluation of CPE exemptions and ensuring that CPE requirements are met by warrant holders.

THE NETHERLANDS

ORGANISATION OF PUBLIC OVERSIGHT

National public oversight body	Authority for Financial Markets Autoriteit Financiële Markten (AFM) ⁵³	Is it a newly created authority? No
Website	www.afm.nl	
Professional body	Royal Netherlands Institute of Chartered Accountants Koninklijke Nederlandse Beroepsorganisatie van Accountants (NBA)	

COMPOSITION OF NATIONAL PUBLIC OVERSIGHT BODY

The Executive Board of the AFM is composed of two members. They have a full-time appointment to the AFM. Board Members are not allowed to fulfil a position within an audit firm. Other activities of Board Members can only be accepted if the Supervisory Board does not object. Board Members are appointed by the Minister of Finance, on the basis of a non-binding proposal of the Supervisory Board of the AFM.

The Supervisory Board consists of four members. It is responsible for monitoring whether the AFM's tasks are carried out properly by the Executive Board, with due observance of the applicable legislation and the principles of good governance.

ADVISORY COMMITTEE

No advisory committee has been set up.

FUNDING

The AFM's budget is assessed and approved by the Minister of Finance. All supervision activities of the AFM are levied to the firms under supervision. The levies imposed on statutory auditors and audit firms are determined by the Minister of Finance, after consultation with the Advisory Panel, which includes representatives of professional bodies. There are separate levies for market entry and for annual supervision activities. The main drivers for determining the amount of the annual levies are a proportion of the audit firm turnover from non-PIE and PIE-audits.

TRANSPARENCY

The AFM publishes an annual report which is made publicly available on its website. A summary report is also made available in English. The annual report includes information on the results of the AFM's activities, details on individual firm inspection results, and an overall assessment of these results relative to previous years, and decisions on sanctions. Decisions on sanctions are done on a name basis.

⁵³ Note that the AFM has a broader mandate than the oversight of the audit profession which we focus on in this survey.

OVERVIEW OF KEY ACTIVITIES OF NATIONAL PUBLIC OVERSIGHT BODY AND DELEGATION

KEY ACTIVITIES*	Institution in charge of activity	
	for PIEs	for non-PIEs
Approval and registration of statutory auditors and audit firms	AFM	AFM
Adoption of relevant standards	NBA Approval of standards by the Ministry of Finance	
Continuing education	NBA	NBA
Quality assurance system	AFM	AFM Some delegation for non-PIEs to the NBA and SRA ⁵⁴
Investigative and administrative disciplinary system	Audit firms: AFM Individuals: Disciplinary Court for Auditors	

* National public oversight body has ultimate responsibility for the oversight of delegated activities

SCOPE OF ACTIVITIES OF NATIONAL PUBLIC OVERSIGHT BODY

The scope of activities of the AFM is as follows:

- Approval and registration of audit firms and statutory auditors that perform statutory audits of PIEs and non-PIEs
- **Quality assurance system** for both PIEs and non-PIEs⁵⁵
- Disciplinary measures and sanctions imposed on audit firms
- The AFM can impose sanctions in case of violations of law or regulation by audit firms and also individual board members. The AFM can initiate disciplinary proceedings for individual statutory auditors at the independent Disciplinary Court of Auditors.

ACTIVITIES DELEGATED TO A PROFESSIONAL BODY

The following are activities delegated to the professional body NBA:

- **Registration of individual auditors**
- **Standard setting and endorsement of standards**
- Standard setting is the responsibility of the NBA. The NBA is responsible for standard setting in all areas of the audit profession, including standards for ethics, independence, continuing education and audit practices. Standards which relate to statutory audits need the approval of the Minister of Finance.
- **Quality assurance / reviews and inspections**
- The AFM has partly delegated the quality reviews of the non-PIE statutory audits to the NBA and SRA which is a network of audit firms.
- **Disciplinary measures and sanctions**
- The independent Disciplinary Court for Auditors is responsible for disciplinary measures and sanctions against individual auditors. Both the NBA and the AFM can file disciplinary cases against statutory auditors with the Court. The Court can, amongst others, withdraw the license from individual auditors and impose fines.

⁵⁴ The SRA is a network of audit firms which focuses on SMEs; more details available at <https://www.sra.nl/>

⁵⁵ The only difference being the frequency of supervision activities.

NORWAY

Norway has not yet fully implemented the 2014 EU Audit Reform as the EEA countries have a later deadline to do this than the EU Member States. The implementation is expected to be finalised by the end of 2020. However, the below information already presents the expected situation after new legislation is in place.

ORGANISATION OF PUBLIC OVERSIGHT

National public oversight body	Financial Supervisory Authority of Norway ⁵⁶ (FSAN) Finanstilsynet	Is a newly created authority? No
Website	http://www.finanstilsynet.no	
Professional body	The Norwegian Institute of Public Accountants (NIPA) Revisorforeningen	

COMPOSITION OF NATIONAL PUBLIC OVERSIGHT BODY

The FSAN is headed by a non-executive board of five members appointed by the Ministry of Finance upon delegation from the King (the Council of Ministers). The FSAN's Director General is appointed by the King (the Council of Ministers) for a six-year term.

Decisions on auditor oversight are in general taken at the level of the Department of Securities Markets and the Auditor Supervision Unit within the FSAN.

ADVISORY COMMITTEE

No advisory committee has been formed.

FUNDING

The FSAN's expenses are covered by the supervised entities through statutory levies. The expenses relating to auditor oversight are distributed among statutory auditors and audit firms based on their annual income from audits.

TRANSPARENCY

The FSAN's annual reports give a brief overview of the oversight activity and results. Final reports from individual firm inspections and decisions on sanctions are published on the FSAN's website, excluding names of individuals. The FSAN currently does not publish a work program.

⁵⁶ A government agency under the Norwegian Ministry of Finance.

OVERVIEW OF KEY ACTIVITIES OF NATIONAL PUBLIC OVERSIGHT BODY AND DELEGATION

KEY ACTIVITIES*	Institution in charge of activity	
	for PIEs	for non-PIEs
Approval and registration of statutory auditors and audit firms	FSAN	FSAN
Adoption of relevant standards	NIPA	NIPA
Continuing education	FSAN	FSAN
Quality assurance system	FSAN - quality assurance reviews of PIE auditors and audit firms / joint inspections by FSAN and PCAOB of audit firms of PIE clients listed in the US	NIPA
Investigative and administrative disciplinary system	FSAN	FSAN

* National public oversight body has ultimate responsibility for the oversight of delegated activities

SCOPE OF ACTIVITIES OF NATIONAL PUBLIC OVERSIGHT BODY

The FSAN is responsible for the supervision of institutions and entities within the entire financial sector in Norway, including banks, mortgage companies, insurance companies, pension funds, investment firms, market conduct in the securities market (including IFRS-compliance of listed companies), stock exchanges, external accountants and auditors.

The FSAN's public oversight of auditors and audit firms comprises of the approval and registration of auditors and audit firms, CPD, supervision and external quality control and sanctioning. The FSAN gives priority to the oversight of PIE-auditors and audit firms.

ACTIVITIES DELEGATED TO A PROFESSIONAL BODY

Adoption of relevant standards

The International Standards on Auditing and quality control are endorsed by the NIPA to support the legal requirements of good auditing practice and prudent quality control.

Quality assurance

Quality assurance reviews of non-PIE auditors and audit firms are delegated to the NIPA.

POLAND

ORGANISATION OF PUBLIC OVERSIGHT

National public oversight body	Audit Oversight Commission Komisja Nadzoru Audytowego (KNA)	Is it a newly created authority? No
Website	http://www.mf.gov.pl/ministerstwo-finansow/dzialalnosc/ciala-kolegialne/komisja-nadzoru-audykowego/sklad-komisji-i-informacje-ogolne	
Professional body	Polish Chamber of Statutory Auditors Polska Izba Biegłych Rewidentów (PIBR) ⁵⁷	

COMPOSITION OF NATIONAL PUBLIC OVERSIGHT BODY

The Audit Oversight Commission (KNA) is composed of nine members appointed by the Minister of Finance for a four-year term. The KNA operates in plenary sessions which are summoned and chaired by the Chair or Deputy Chair and are held at least once a month. The KNA consists of:

- Two representatives from the Ministry of Finance, including the Chair of the KNA
- Two representatives from the Financial Supervision Authority (FSA), including the Deputy Chair
- One representative from the Ministry of Justice
- Two representatives of the PIBR (non-practitioners)
- One representative from an employer's organisations
- One representative of the Warsaw Stock Exchange

Each member of the KNA shall meet the following criteria:

- Has not been responsible for conducting statutory audits for at least three years prior to appointment
- Has not been directly or indirectly related to any audit firm for at least three years prior to appointment
- Has not been a member of any governing body of the PIBR for at least three years prior to appointment

ADVISORY COMMITTEE

No advisory committee has been set up.

FUNDING

The KNA is funded by the audit firm fees via the state budget. The fees are paid to the state budget. The maximum fee rate is 5,5% of revenue earned on assurance engagements for PIEs.

TRANSPARENCY

The KNA issues:

- Reports on overall conclusions drawn from quality inspections
- Annual plan of inspections of PIE audits
- Annual report on its oversight activity

⁵⁷ The PIBR is organised in a number of committees and councils responsible also for tasks delegated to them in the area of public oversight. These are the National Assembly of Statutory Auditors, the National Council of Statutory Auditors, the National Audit Oversight Committee, the National Disciplinary Court, the National Disciplinary Prosecutor, and the National Internal Audit Committee.

The reports are published on the website of the Ministry of Finance. The PIBR shall provide the KNA any relevant information regarding its oversight activity to support the KNA in its reporting tasks.

OVERVIEW OF KEY ACTIVITIES OF NATIONAL PUBLIC OVERSIGHT BODY AND DELEGATION

KEY ACTIVITIES*	Institution in charge of activity	
	for PIEs	for non-PIEs
Approval and registration of statutory auditors and audit firms	PIBR	PIBR
Adoption of relevant standards	PIBR	PIBR
Continuing education	PIBR	PIBR
Quality assurance system	KNA	KNA
Investigative and administrative disciplinary system	KNA / Civil Court	KNA

* National public oversight body has ultimate responsibility for the oversight of delegated activities

SCOPE OF ACTIVITIES OF NATIONAL PUBLIC OVERSIGHT BODY

As per the above table. The KNA is also responsible for the supervision of activities related to statutory audits which it delegated to the PIBR.

ACTIVITIES DELEGATED TO A PROFESSIONAL BODY

The PIBR's task are as follows:

- Registering and deregistering of audit firms apart from the ones from non-EU countries
- Developing professional standards under the oversight of the KNA and Ministry of Finance
- Planning and organising CPD

PORTUGAL

ORGANISATION OF PUBLIC OVERSIGHT

National public oversight body	Portuguese Stock Exchange Regulator Comissão do Mercado dos Valores Mobiliário (CMVM)	Is it a newly created authority? No
Website	http://www.cmvm.pt	
Professional body	Portuguese Statutory Audit Institute Ordem dos Revisores Oficiais de Contas (OROC)	

COMPOSITION OF NATIONAL PUBLIC OVERSIGHT BODY

The CMVM is the Stock Exchange Regulator in Portugal. Since 1 January 2016, the CMVM has the responsibility for the oversight of the audit profession following the transposition of the 2014 EU Audit Directive. An Audit Oversight Department was created within the CMVM to fulfil the oversight requirements. The Board of the CMVM, nominated by the Government, has the ultimate responsibility for the oversight of the audit profession.

ADVISORY COMMITTEE

No advisory committee has been set up.

FUNDING

The CMVM is financed through:

- The auditors who pay a fee for each audit report issued
- Its own revenue, which is made up of fines and the recovery of legal costs associated with disciplinary cases
- Government funding, which is determined by the Minister of Finance

TRANSPARENCY

The CMVM prepares an annual report and an annual activity plan, which are made publicly available. The annual report includes the overall results of the quality assurance reviews performed. Individual firm results are not presented. Information on disciplinary measures and sanctions is included on an anonymous basis.

OVERVIEW OF KEY ACTIVITIES OF NATIONAL PUBLIC OVERSIGHT BODY AND DELEGATION

KEY ACTIVITIES*	Institution in charge of activity	
	for PIEs	for non-PIEs
Approval and registration of statutory auditors and audit firms	CMVM / OROC	CMVM / OROC
Adoption of relevant standards	OROC ⁵⁸	OROC ⁵⁹
Continuing education	OROC	OROC
Quality assurance system	CMVM	OROC
Investigative and administrative disciplinary system	CMVM / OROC	CMVM / OROC

* National public oversight body has ultimate responsibility for the oversight of delegated activities

SCOPE OF ACTIVITIES OF NATIONAL PUBLIC OVERSIGHT BODY

The scope of activities of the CMVM is as follows:

- Approval and registration of audit firms and individual statutory auditors for those that perform audits of PIEs and non-PIEs is the responsibility of the CMVM and the OROC
- Quality assurance system for PIEs is performed by the CMVM and non-PIEs is performed by the OROC (delegated to the OROC by the CMVM which can change the final decisions on the quality control reports)
- Disciplinary measures and sanctions imposed on audit firms and individual auditors are the responsibility of the CMVM and the OROC

ACTIVITIES DELEGATED TO A PROFESSIONAL BODY

- Approval and registration of statutory auditors and audit firms
- This is a joint responsibility of the CMVM and the OROC.
- Standard setting and endorsement of standards
- Standard setting is the responsibility of the OROC although the ISAs are mandatory for all audits in Portugal. The OROC is responsible for standard setting in all areas of the audit profession, including standards for ethics, independence, continuing education and audit practices.
- Continuing education of auditors is the responsibility of the OROC
- Quality assurance/ reviews and inspections
- The CMVM has partly delegated the quality reviews of the non-PIE statutory audits to the OROC.
- Disciplinary measures and sanctions
- Both the CMVM and the OROC can file disciplinary cases against statutory auditors.

⁵⁸ The ISAs are mandatory for all audits by decree law. The OROC can issue guidance and clarification guidelines.

⁵⁹ Ibid.

ROMANIA

ORGANISATION OF PUBLIC OVERSIGHT

National public oversight body	Public Oversight Authority for Statutory Audit Activity Autoritatea pentru Supravegherea Publica a Activitatii de Audit Statutar (ASPAAS)	Is it a newly created authority? Yes ⁶⁰
Website	https://www.aspaas.gov.ro/	
Professional body	Chamber of Financial Auditors of Romania Camera Auditorilor Financiari din Romania ⁶¹ (CAFR)	

COMPOSITION OF NATIONAL PUBLIC OVERSIGHT BODY

As of 15 July 2017, the ASPAAS is the competent authority for regulating the statutory audit activity and the supervision of financial auditors and audit firms. The ASPAAS is a public institution, having legal personality and functions under the responsibility of the Ministry of Public Finance. The ASPAAS was set up by reorganisation of the Council for the Public Oversight of the Accountancy Profession.

The ASPAAS is led by a Chair appointed by the decision of the Prime Minister, at the proposal of the Minister of Public Finance. The Chair approves the regulations in the field of statutory audit according to the law, including the delegation of attributions to the existing professional body CAFR.

The Board of the ASPAAS is composed of six members as follows:

- A representative of the Ministry of Finance
- A representative of the Ministry of Justice
- A representative of the Romanian National Bank
- A representative of the Authority for Financial Services
- A representative of the CAFR
- A representative of the Romanian Trading Chamber

All members of the ASPAAS Board should be non-practitioners.

ADVISORY COMMITTEE

No separate advisory committee has been set up.

The ASPAAS Superior Council has an advisory role, providing the necessary technical support and expertise to the ASPAAS Chair for assuring the activities of the body.

FUNDING

The ASPAAS is funded by 70% through the government budget and 30% through contributions from the professional body CAFR.

⁶⁰ It is a new authority, established by the reorganisation of the Council for the Public Oversight of the Accountancy Profession

⁶¹ Competent authority that regulates and monitors the performance of any audit activities in Romania other than statutory audits

TRANSPARENCY

The ASPAAS Annual Activity Plan and Annual Activity Report are subject to the approval by the Minister of Public Finance and are then published on the ASPAAS website. Disapproval of the Annual Activity Report may lead to the revocation of the ASPAAS Chair.

OVERVIEW OF KEY ACTIVITIES OF NATIONAL PUBLIC OVERSIGHT BODY AND DELEGATION

KEY ACTIVITIES*	Institution in charge of activity	
	for PIEs	for non-PIEs
Approval and registration of statutory auditors and audit firms	ASPAAS - delegated for first transitory year to CAFR ⁶²	ASPAAS - delegated for first transitory year to CAFR
Adoption of relevant standards	ASPAAS for PIE statutory audits / CAFR for all non-statutory audits and other missions	ASPAAS for non-PIE statutory audits / CAFR for all non-statutory audits and other missions
Continuing education	ASPAAS - delegated for first transitory year to CAFR	ASPAAS - delegated for first transitory year to CAFR
Quality assurance system	ASPAAS	ASPAAS for non-PIE statutory audits / CAFR for all non-statutory audits and other missions
Investigative and administrative disciplinary system	ASPAAS for PIE statutory audits / CAFR for all non-statutory audits and other missions	ASPAAS for non-PIE statutory audits / CAFR for all non-statutory audits and other missions

* National public oversight body has ultimate responsibility for the oversight of delegated activities

SCOPE OF ACTIVITIES OF NATIONAL PUBLIC OVERSIGHT BODY

The main objectives of the ASPAAS are:

- Increasing the quality of the statutory audit
- Increasing the professionalism of financial auditors and audit firms
- Oversight in the public interest of the statutory audit activity, according to the requirements of the EU regulations and other regulations in the field
- Ensuring the effectiveness of its own activities in the field of statutory audit

The main tasks of the ASPAAS, established by law, include:

- Authorisation and withdrawal of the authorisation of financial auditors and audit firms
- Registration of financial auditors and audit firms in the Electronic Public Register
- Continuous professional development of financial auditors and training of trainees in the statutory audit activity

⁶² From 16 July 2017 to 15 July 2018

- Conducting inspections to ensure the quality of the statutory audit
- Conducting inspections of financial auditors and audit firms in carrying out the statutory audit activity
- Adoption of measures and enforcement of sanctions
- Supervising and controlling the way the CAFR carries out its delegated tasks
- Cooperation with other competent authorities in Romania and other Member States, as well as with other national and international bodies involved in the elaboration and implementation of regulations specific to the field of statutory audit
- Transmission of information and responses, at the request of the EC, concerning the statutory audit profession and the national public oversight of the statutory audit activity
- To issue its own regulations on the basis and in the application of the provisions of the law

ACTIVITIES DELEGATED TO A PROFESSIONAL BODY

At national level, according to Law no. 162/2017, as a general rule, the delegation of the tasks from the ASPAAS to the CAFR is done for a period of maximum five years, with the possibility of renewal, based on an assessment of the CAFR's operational capacity and how it fulfilled the delegated tasks during the previous period.

The Law 162/2017 foreseen initially a one-year transitory period⁶³ for settle-in process of the ASPAAS. In this period, the CAFR was rightfully mandated to perform its prerogatives under the existing professional regulation in place.

During this transitory period, the ASPAAS was legally obliged to perform an assessment of the fulfilment of the delegated tasks. Given the lack of any formal assessment until the end of the formal transitory year and given the end of the one-year transitory period, as a consequence, no task was delegated to the professional body.

Therefore, currently, in Romania the profession is split between the ASPAAS, which is the competent authority for regulating and supervising the statutory audit activity, both PIE and non-PIE audits, and the CAFR, which is the professional body that regulates and monitors the performance of all other audit activities, other than statutory audit.

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⁶³ From 16 July 2017 to 15 July 2018

SLOVAKIA

ORGANISATION OF PUBLIC OVERSIGHT

National public oversight body	Auditing Oversight Authority Urad pre dohľad nad vykonom auditu (UDVA)	Is it a newly created authority? No
Website	www.udva.sk	
Professional body	Slovak Chamber of Auditors Slovenska komora auditorov (SKAU)	

COMPOSITION OF NATIONAL PUBLIC OVERSIGHT BODY

The Board of the UDVA is composed of five members as follows:

- The Director General
- Two representatives of the Ministry of Finance
- Two representatives of the National Bank of Slovakia

There are three committees established within the UDVA:

- Supervisory committee
- Committee for assurance of quality of statutory audit
- Committee for investigation and sanctions

ADVISORY COMMITTEE

No advisory committee has been formed.

FUNDING

The UDVA's core operating costs are currently funded by:

- PIEs (amount of EUR 3 000 or 6 000)
- Stock Exchange (amount of EUR 500)
- Slovak state budget through the Ministry of Finance
- Audit companies (amount of EUR 300); in addition, audit companies performing audits of PIEs have to pay registration fee of EUR 1000 – 35 000 (depending on the number of audits carried out)

TRANSPARENCY

An annual report is published by the UDVA on its website on an annual basis. Auditor quality review results are published on a no-name basis on the website, as well as information and decisions on disciplinary measures and sanctions.

OVERVIEW OF KEY ACTIVITIES OF NATIONAL PUBLIC OVERSIGHT BODY AND DELEGATION

KEY ACTIVITIES*	Institution in charge of activity	
	for PIEs	for non-PIEs
Approval and registration of statutory auditors and audit firms	UDVA	UDVA
Adoption of relevant standards	UDVA	UDVA
Continuing education	SKAU	SKAU
Quality assurance system	UDVA	SKAU
Investigative and administrative disciplinary system	UDVA	SKAU / UDVA

* National public oversight body has ultimate responsibility for the oversight of delegated activities

SCOPE OF ACTIVITIES OF NATIONAL PUBLIC OVERSIGHT BODY

In addition to the activities mentioned in the table above, the UDVA is responsible for the examination of auditors.

ACTIVITIES DELEGATED TO A PROFESSIONAL BODY

In addition to the activities mentioned in the table above, the SKAU issues the Code of Ethics of Auditors.

SLOVENIA

ORGANISATION OF PUBLIC OVERSIGHT

National public oversight body	Agency for Public Oversight over Auditing Agencija za javni nadzor nad revidiranjem (ANR)	Is it a newly created authority? No
Website	http://www.anr.si/	
Professional body	Slovenian Institute of Auditors Slovenski inštitut za revizijo (SIZR)	

COMPOSITION OF NATIONAL PUBLIC OVERSIGHT BODY

The ANR is governed by the Council of Experts (CE) who along with the Director of the Agency, who acts as the president of the CE, are appointed and dismissed by the Government, on proposal of the Minister of Finance. The Experts are appointed for a term of six years and can be re-appointed. The CE and its Director need to fulfil the following criteria:

- Be an independent expert with appropriate knowledge and experience relating to the tasks of the ANR
- Have completed a higher education degree in the areas of economics or law
- Have work experience in the theoretical or practical fields of accounting, auditing, finance or law for at least eight years
- Not be employed by the SIZR or be a member of any of its bodies
- Have not been a practitioner, or been affiliated in any way to an audit firm for at least three years prior to appointment
- Not have any prior criminal convictions related to economic crime
- Not be a member of management or of the Board of Directors of any entity which is subject to a statutory audit

The CE has nine members, who are appointed by the Minister of Finance. The members are nominated from the following organisations:

- The Securities Market Agency
- The Bank of Slovenia
- The Insurance Supervision Agency
- The SIZR
- The Ljubljana Stock Exchange
- The Ministry of the Economy
- The Ministry of Finance
- The University of Ljubljana or University of Maribor

ADVISORY COMMITTEE

There is no advisory committee in place at the moment and it is unclear whether one will be put in place.

FUNDING

As from 2019, the ANR is funded by fees levied on audit firms and by the government.

TRANSPARENCY

The ANR prepares and presents an annual report which is reviewed by the National Assembly of the Republic of Slovenia. This report is publicly available, as is the annual work plan and the report on disciplinary measures and sanctions. The annual report includes overall results of the quality assurance reviews performed. Individual firm results are not presented. Information on disciplinary measures and sanctions are included in the public register.

OVERVIEW OF KEY ACTIVITIES OF NATIONAL PUBLIC OVERSIGHT BODY AND DELEGATION

KEY ACTIVITIES	Institution in charge of activity	
	for PIEs	for non-PIEs
Approval and registration of statutory auditors and audit firms	ANR	ANR
Adoption of relevant standards	ANR	ANR
Continuing education	ANR	ANR
Quality assurance system	ANR	ANR
Investigative and administrative disciplinary system	ANR	ANR

SCOPE OF ACTIVITIES OF NATIONAL PUBLIC OVERSIGHT BODY

The ANR is responsible for:

- Providing Slovenian translations of the ISAs
- The adoption of auditing rules and the definition of the hierarchy of the auditing rules which are not regulations
- Determining the expertise and experience necessary for obtaining the professional title of certified auditor
- Training and exams for obtaining the professional title of certified auditor
- The issuance of the licenses to provide audit services and carry out the tasks of a certified auditor and the registration of statutory third-country auditors and audit companies
- The organisation of continuing professional training of certified auditors
- Ensuring the quality of the audit work of certified auditors and audit companies

ACTIVITIES DELEGATED TO A PROFESSIONAL BODY

No activities have been delegated to the SIZR.

SPAIN

ORGANISATION OF PUBLIC OVERSIGHT

National public oversight body	Accounting and Auditing Institute Instituto de Contabilidad y Auditoría de Cuentas (ICAC) ⁶⁴	Is it a newly created authority? No
Website	www.icac.meh.es	
Professional body	Institute of Chartered Accountants of Spain Instituto de Censores Jurados de Cuentas de España (ICJCE) General Council of Economists Consejo General de Economistas (CGE)	

COMPOSITION OF NATIONAL PUBLIC OVERSIGHT BODY

The ICAC is affiliated to the Ministry of Economy, Industry and Competitiveness. The governing bodies of the ICAC are the ICAC President, the Audit Committee and the Accounting Council.

AUDIT COMMITTEE

As stated in the Audit Law, the Audit Committee will be chaired by the President of the ICAC and composed by no more than 13 members appointed by the Ministry of Economy, Industry and Competitiveness with the following composition:

- A representative of the Ministry of Economy and Competitiveness, through the Directorate-General for Insurance and Pension Funds (DGS)
- A representative from the National Securities Market Commission (CNMV)
- A representative of the Ministry of Finance and Public Administrations through the Office of the General Controller of the State Administration (IGAE)
- A representative of the Court of Auditors
- A representative of the Central Bank of Spain
- A state solicitor
- A public prosecutor or company registration officer
- A university professor
- A renowned expert in accounting and auditing issues
- Four representatives of the audit professional bodies

⁶⁴ The Spanish Government has started a reform of the status, composition and responsibilities of the Spanish supervisory authorities, including securities markets (CNMV), Insurance and Pensions (DGS), Competition (CNMC) and Audit (ICAC). On March 2017, the Ministry of Economy, Industry and Competitiveness opened a public consultation on the reform of the supervisory authorities, which included among other proposals:

- Setting up four Independent Administrative Authorities dealing with: Securities markets (CNMV); Competition; Pensions and Investors and users of financial services protection.
- To integrate the ICAC into the CNMV. In this regard, the former President of the ICAC has been recently appointed VicePresident of the CNMV.

This process is in a very early stage and depends on a legal reform that is uncertain due to the current composition of the Spanish Parliament.

ACCOUNTING COUNCIL

The Accounting Council is chaired by the President of the ICAC and composed of representatives of those bodies responsible for accounting standards regulation. These are:

- Representatives of the Bank of Spain, CNMV and DGS
- A civil servant from the ICAC
- A representative from Ministry of Economy, Industry and Competitiveness

ADVISORY COMMITTEE

The current Audit Committee and Accounting Council, which are two of the Governing Bodies of the ICAC as per the relevant Audit Law, operate as advisory committees of the ICAC President who bears ultimate responsibility with regards to decision making in audit matters. The new Audit Law has changed some of the tasks of this Committee, which no longer participates in the preparation of the draft report on serious or very serious sanctions. The participation of the profession in the Audit Committee has varied over the years, and the current composition is detailed above.

Membership of the Audit Committee shall not be available to persons who, during the three previous years:

- Have been engaged in audits
- Have been the registered holders of voting rights in an audit firm
- Have been members of the governing body, management or supervisory board of an audit firm
- Have been a partner in or have held an employment or contractual relationship of another kind with an audit firm

Without prejudice to other disqualification scenarios contemplated in other laws, the members of the Audit Committee shall not be able to accept any position involving any of the circumstances referred to in the above four bullet points during the two years following the conclusion of their mandates.

The Accounting Council of the ICAC is assisted by an Accounting Consultative Committee where the profession is represented along with other interested parties.

FUNDING

The ICAC is funded predominantly by two fees levied on the profession. One is payable to the ICAC for the issuance of every audit report. A second one has been stated in the new Audit Law and it is payable to the ICAC for the issuance of certificates or documents at the request of a party, for the registration to the Official registry (ROAC), or for the record of any change to the information in the registry. A very small proportion of the ICAC's funding is from sales of its publications. Previously, until 2011, the ICAC also received funding from the Government.

TRANSPARENCY

The ICAC publishes its annual accounts and annual report of activities. The individual inspection reports are not publicly available. Information on sanctions and disciplinary measures is published at the Official ICAC Bulletin (BOICAC) and includes the name of the auditor or audit firm, the kind of sanction imposed, the fine amount, if applicable and the name of the audit client, if relevant. This information is published in the BOICAC.

OVERVIEW OF KEY ACTIVITIES OF NATIONAL PUBLIC OVERSIGHT BODY AND DELEGATION

KEY ACTIVITIES*	Institution in charge of activity	
	for PIEs	for non-PIEs
Approval and registration of statutory auditors and audit firms	ICAC	ICAC
Adoption of relevant standards ⁶⁵	ICAC / Professional bodies	ICAC / Professional bodies
Continuing education	ICAC	ICAC
Quality assurance system	ICAC	ICAC
Investigative and administrative disciplinary system	ICAC	ICAC

* National public oversight body has ultimate responsibility for the oversight of delegated activities

SCOPE OF ACTIVITIES OF NATIONAL PUBLIC OVERSIGHT BODY

The scope of the activities of the ICAC in the audit field includes, for all auditors and firms, the following:

- Preparation of the legislative proposals concerning the audit activity for the Ministry of Economy, Industry and Competitiveness. For instance, transposition of new EU legislation
- Endorsement and publication of auditing, ethics and internal quality control standards prepared by the professional bodies and preparation and publication of those standards if the professional bodies do not proceed to perform this task
- Approval and registration of auditors and audit firms. Maintenance of the Official Registry of Auditors ROAC and control and oversight of the civil responsibility guarantee as required by the Audit Law
- Issuance of the core standards of the access examination
- CPD
- Control and discipline of the audit activity including quality assurance system and investigations and the exercise of the penalisation powers as well
- Representation before international bodies, especially at the European level but also internationally (for instance, IFIAR)

ACTIVITIES DELEGATED TO A PROFESSIONAL BODY⁶⁶

The Audit Law states that the professional bodies are tasked with the following:

- Drafting the professional standards
- Professional bodies should draft the standards which are finally endorsed, published and issued by the ICAC by a legal instrument. If professional bodies fail to fulfil this duty, the ICAC may prepare and adopt the standards itself. The ICJCE issues guidance to clarify the practical application of the professional standards in force.
- Propose the call to the access examination
- The professional bodies jointly call to the access examination proposed to the ICAC and participate in the examination Board.
- For non-PIE auditors, the ICAC may delegate the performance of other ‘merely instrumental’ tasks to the professional bodies

⁶⁵ Although professional bodies may participate in this activity, it has not been delegated to them.

⁶⁶ These activities are carried out by the professional body although this is not a delegation.

SWEDEN

ORGANISATION OF PUBLIC OVERSIGHT

National public oversight body	Swedish Inspectorate of Auditors (SIA) Revisorsinspektionen (RI)	Is it a newly created authority? No
Website	https://www.revisorsinspektionen.se/en/English/	
Professional body	Institute for the Accountancy Profession in Sweden Branschorganisationen för revisorer, redovisningskonsulter, skatterådgivare, lönekonsulter och specialister (FAR)	

COMPOSITION OF NATIONAL PUBLIC OVERSIGHT BODY

The RI is an authority under the Swedish Ministry of Justice. It is led by a director who is the head of the authority and who has the full decisive powers in all administrative matters. The director is appointed by the Government for a period of six years. Within the RI is a special decision-making body, the Disciplinary Board of Public Accountants. The disciplinary board consists of nine members appointed by the Government for a period of three years. Two of these members have to be practitioners.

ADVISORY COMMITTEE

No advisory committee is in place.

FUNDING

The RI is funded entirely by fees paid by auditors and audit firms. The government decides by means of regulation the size or the specific grounds on how to calculate most fees, e.g. the different annual fees levied on auditors and registered audit firms.

TRANSPARENCY

The RI issues an annual report, which is made publicly available. The annual report includes overall results of the quality assurance reviews performed. Reports from the quality assurance reviews are published on the RI's website. Decisions on disciplinary measures and sanctions are made publicly available on an anonymous basis. The public can request further information on individual cases, in which case the name would also be included in the information provided.

OVERVIEW OF KEY ACTIVITIES OF NATIONAL PUBLIC OVERSIGHT BODY AND DELEGATION

KEY ACTIVITIES*	Institution in charge of activity	
	for PIEs	for non-PIEs
Approval and registration of statutory auditors and audit firms	RI	RI
Adoption of relevant standards	RI / FAR	RI / FAR
Continuing education	RI / FAR	RI / FAR
Quality assurance system	RI	RI / FAR
Investigative and administrative disciplinary system	RI	RI

* National public oversight body has ultimate responsibility for the oversight of delegated activities

SCOPE OF ACTIVITIES OF NATIONAL PUBLIC OVERSIGHT BODY

The RI arranges exams and issues authorisation of auditors and registered audit firms.

The RI and FAR are both responsible for standard setting.

The RI supervises statutory auditors and registered audit firms. This includes supervision of continuing education according to the law regarding public accountants, but the RI does not provide any continuing education.

The RI also performs investigations and the disciplinary board decides on disciplinary and other measures against auditors and registered audit firms.

The RI is in charge of the quality assurance system. In case of firms/auditors that only audit non-PIEs, the FAR and the RI collaborate; the FAR being responsible for the quality assurance system under the RI's supervision.

ACTIVITIES DELEGATED TO A PROFESSIONAL BODY

See above regarding the collaboration on the quality assurance system.

On a voluntary basis, the FAR offers a wide range of continuing education to its members. It also supervises that its members uphold continuing education standards it sets.

UK

ORGANISATION OF PUBLIC OVERSIGHT

The government departments with authority over the public oversight of the profession are the Department for Business, Energy and Industrial Strategy (BEIS), and the Treasury. The powers held by the BEIS are devolved to the Financial Reporting Council (FRC), and those of the Treasury are similarly devolved to the Financial Conduct Authority (FCA) and the Prudential Regulation Authority (PRA).

National public oversight body	Financial Reporting Council (FRC) oversees the audit profession and company reporting	Is it a newly created authority? No
Other relevant bodies	Financial Conduct Authority (FCA) oversees financial listing Prudential Regulation Authority (PRA) oversees audits of banks together with the FRC	
Website	http://www.fca.org.uk/ https://www.frc.org.uk/Home.aspx http://www.bankofengland.co.uk/pru/Pages/default.aspx	
Professional body	<p>Recognised Supervisory Bodies (RSBs)⁶⁷: Association of Chartered Certified Accountants (ACCA) Chartered Accountants Ireland (ICAI) Institute of Chartered Accountants in England and Wales (ICAEW) Institute of Chartered Accountants of Scotland (ICAS)</p> <p>Recognised Qualifying Bodies (RQBs)⁶⁸: Association of Chartered Certified Accountants (ACCA) Association of International Accountants (AIA) Chartered Accountants Ireland (ICAI) Institute of Chartered Accountants in England and Wales (ICAEW) Institute of Chartered Accountants of Scotland (ICAS)</p> <p>Chartered Institute of Public Finance and Accountancy (CIPFA)⁶⁹</p>	

COMPOSITION OF NATIONAL PUBLIC OVERSIGHT BODY

The FRC Board is comprised of: the Chair and Deputy Chair (appointed by the Secretary of State for the Department BEIS); the Chief Executive; the Executive Director of Audit & Actuarial Regulation; the Executive Director of Corporate Governance & Reporting; the Chair of the Codes and Standards Committee; the Chair of the Conduct Committee and other non-executive directors (including the Chairs of the Corporate Reporting and Actuarial Councils).

The key committees with regards to the oversight of the audit profession are the Codes and Standards Committee and the Conduct Committee.

There are no practitioners on the FRC Board or the two committees above nor can they have been so for three years prior to their appointment.

⁶⁷ These are the professional bodies which are approved and monitored by the FRC, as responsible for supervising the work of their member auditors and audit firms.

⁶⁸ These are the professional bodies which are approved and monitored by the FRC, as responsible for offering an audit qualification.

⁶⁹ CIPFA's status as an RQB has been revoked with effect from 18 December 2017.

ADVISORY COMMITTEE

No advisory committee has been set up.

FUNDING

The FRC's core operating costs in relation to accounting, auditing and corporate governance are currently funded by an arrangement under which the costs are met by the business community and the accountancy profession.

Core operating costs in relation to actuarial standards and regulation are funded by contributions from the pensions and insurance industries and the actuarial profession.

The FRC's budget for audit for the year ending 31 March 2018 is GBP 13 300 000. The total budget for the FRC for year ending 31 March 2018 is GBP 36 000 000, which includes the GBP 13 300 000 for audit and a further GBP 8 400 000 in respect of enforcement costs which are for both audit and accountancy. Details of the funding arrangements can be found on the FRC's website⁷⁰.

TRANSPARENCY

An annual report, plan and budget are published by the FRC on their website⁷¹.

Individual firm quality review results as well as information and decisions on disciplinary measures and sanctions are also published online.

OVERVIEW OF KEY ACTIVITIES OF NATIONAL PUBLIC OVERSIGHT BODY AND DELEGATION

KEY ACTIVITIES*	Institution in charge of activity	
	for PIEs	for non-PIEs
Approval and registration of statutory auditors and audit firms	RSBs	RSBs
Adoption of relevant standards	FRC	FRC
Continuing education	RSBs	RSBs
Quality assurance system	FRC	RSBs
Investigative and administrative disciplinary system	FRC	RSBs

* National public oversight body has ultimate responsibility for the oversight of delegated activities

SCOPE OF ACTIVITIES OF NATIONAL PUBLIC OVERSIGHT BODY

The FRC is responsible for all the regulatory tasks, but has devolved a number of these down to the RSBs under a Delegation Agreement dated September 2016. The arrangements are broadly consistent with those before September 2016 and the 2014 EU Audit Reform, but the tasks are now given and taken away from the RSBs by the FRC rather than the secretary of state.

The FRC deals with the tasks as per the table above.

⁷⁰ <https://www.frc.org.uk/about-the-frc/funding>

⁷¹ <https://www.frc.org.uk/>

ACTIVITIES DELEGATED TO A PROFESSIONAL BODY

The following are activities delegated to the professional bodies:

- In relation to audit firms which audit PIEs
- Licensing
- All fee collections with regard to the FRC and RSB regulatory activities
- Continuing education
- In relation to audit firms which do not audit PIEs
- Licensing
- All fee collections with regard to the FRC and RSB regulatory activities
- Continuing education
- Monitoring
- Enforcement (unless referred to the FRC on public interest grounds)

The ICAEW, ICAS, ACCA, CIPFA and ICAI comprise the Consultative Committee of Accounting Bodies (CCAB). The CCAB provides a forum for the bodies to work together collectively in the public interest to support the FRC and BEIS, and the wider economy.



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