

20th Annual Meeting
of Auditors' Professional Bodies
of Visegrád Four Countries

2001–2022



Foreword

This publication documents over 20 years of meetings of auditors from Visegrád Four countries. What started at the turn of the millennium as informal meetings for the sharing of knowledge and expertise, over time has developed into regular professional meetings with finely defined topics and inspiration appreciated by all participating professional bodies.

Over the years, topics, sceneries and people changed many times. In recent years we were even forced to replace face-to-face meetings with virtual ones due to the pandemic. What hasn't changed is the spirit of cooperation and sharing of experience that allows us to inspire each other and learn from achievements of others. That is why these past twenty years are worth celebrating. Also, they represent a strong commitment to keep having our meetings in the future.

Irena Liškařová
President

The Chamber of Auditors of the Czech Republic

Remembering the Beginnings

The cooperation of the chambers of V4 countries did not start all at once as the result of a project with that particular aim. It was common practice that CA CR cooperated mainly with the Chamber of auditors of Slovakia and that we visited each other to discuss some cooperation issues.

The Czech Chamber also organised annual conferences on various audit-related topics and invited colleagues from Slovakia and Poland, and then later also from Hungary, Romania and Bulgaria to participate. During these early years, the idea of creating a somewhat more formal format of cooperation between the chambers was born and to be honest, after 22 years I can no longer recall whose idea it was originally. An important unifying factor was the effort of these countries to become members of the Federation of European Accountants.

We spent several years as candidates for membership. The FEE set up a special committee for these candidates, where we met regularly with the participation of FEE specialists from various countries in

Europe. Here we also informally coordinated our activities, which is how new forms of cooperation developed, especially in the field of education. But we were also concerned about the progress of the chambers in other areas, especially auditing standards. The FEE monitored the development of the audit profession in this part of Europe and it took several years, from 1996 to 2002, before we were granted full membership.

Cooperation between the chambers played a significant part in this process. At that time, there were no similar associations in Europe and it was not until several years later that we saw auditors from several European countries set up formal institutions representing activities of similar importance.

Ladislav Langr

President of the Chamber of Auditors of the Czech Republic
in 1998–2001 and Vice-President in 2001–2004



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Interview with the President of the Chamber of Auditors of the Czech Republic

Irena Liškařová

In your view, what do the Visegrád Group countries have in common when it comes to audit?

I see audit history as the main common thing. In V4 countries, the auditing profession began to take shape in the 1990s, which means that we have only a 30-year old history, unlike the Western countries where audits have been done for more than a hundred years. The market and the size of audit companies are also very similar. In all V4 countries, there are mainly small and medium-sized companies. In the past, we have dealt with the adoption of ISAs or the position of professional chambers in the national legislative process. Currently, the audit reform is being reviewed and revised; therefore this is an important moment for the cooperation of the V4 countries. Furthermore, I must mention that the Czech Republic and Slovakia were based on the same economic and political environment as well as the same legislation, while also being close language-wise. This means that our Slovak colleagues can, for instance, regularly read the Czech professional journal called The Auditor.

Do you find the annual meetings of the Presidents of the V4 chambers of auditors useful?

Yes, the annual meetings are very useful. Just as political representatives of the V4 countries regularly meet, cooperation in the audit



area is also very important. As I said, we have a similar background. While the topics discussed during those meetings are very important, we can also establish personal contact with representatives from other countries and then have someone to turn to when we deal with specific problems.

I am so glad we can host the 20th Anniversary meeting in Prague. Unfortunately, this particular meeting was postponed due to the COVID-19 pandemic by two years, but we could finally make it happen this year.

What are your expectations about the collaboration of the V4 chambers of auditors in the future?

IFAC is preparing the new Less Complex Entities Standard (LCE) which will be very important for countries like V4. The interests of European countries and countries within Accountancy Europe align. But it is the countries with a similar market and economic situation that mainly have to cooperate. Here I also see cooperation regarding audit revision, corporate reporting and verification of non-financial information, especially the Sustainability report.

Also, I believe we can support the Polish Chamber to be a member of Accountancy Europe again.

Interview with the President of the Hungarian Chamber of Auditors

Pál Tibor

In your view, what do the countries in the Visegrád group have in common when it comes to audit?

Auditing – as we understand it in a market economy – in these countries began to develop from the 1990s onwards, with the change of regime which laid the foundations for current structures. The cooperation of the Visegrád countries was based on a political will related to the accession of the four countries to the EU, which required a rethinking and development of significant forms of control. Thus, in addition to the financial audits performed historically by the tax authorities and to the audits performed by the state audit office mainly in the state budgetary sector, a new audit methodology appeared, which was developed and applied in an international framework and reflected primarily the needs of the business sector but also offered solutions in other areas. The new audit methodology required the use of international standards and procedures which may have been different from those previously applied. Our countries have had a very similar social and corporate cultural environment and faced the same challenges during the years of the development of a market economy and our European integration. All four countries are members of IFAC and were – and hopefully will be again – members of Accountancy Europe. The public oversight authority plays an important role in supervising our work as auditors in each country, al-



though the methods and details of allocation of responsibilities may differ by legislation.

So we all work in our own countries – each with its special historic, social, economic and cultural heritage – to resolve issues that are similar in nature. These issues include the following:

- translation and implementation of the standards and their continuous amendments including International Education Standards,
- specification of the requirements relating to small and medium-sized enterprises and the determination of mandatory audit limits based on company size,
- questions around a mandatory rotation of audit firms and auditors,
- public procurement of audit services,
- quality improvement and quality reviews,
- data collection from auditors on reports issued and, based on these data, criteria for selection for quality review,
- standards for services other than a statutory audit and quality control of such services,
- improvement of the structure and content of the statutory auditor training,
- determining the requirements for annual professional development,
- addressing demographic challenges.

Do you find the annual meetings of the Presidents of the V4 chambers of auditors useful?

Over the last two decades, many examples have shown that both on-going and ad-hoc problems can be prevented or solved more easily, precisely because of the similarities between the countries, if we are aware of each other's affairs. Regular consultations offer an opportunity for this, which can help to adopt a solution that may have already worked in another country. It is also important for us to be able to form a common opinion on broader international audit issues. Obviously, these solutions can be managed not only during the annual meetings, but also through continuous inter-year communication, but regular discussions can frame the work and make it more efficient.

What are your expectations about the collaboration of the V4 chambers of auditors in the future?

Following the establishment of the Visegrád Group, in recent years, per the intentions of the individual institutions representing the given countries, cooperation agreements have been concluded in several areas, and joint initiatives and organizations have emerged. One of them is the nurturing of the professional relations of the chambers of

auditors, which, in my opinion, has been beneficial to all the chambers, so I consider it expedient to maintain and develop them.

In my opinion, it is worth continuing the annual meetings in person as these meetings provide unique opportunities to discuss common issues in a formal as well as in a less formal way. In addition, given the expansion of digital possibilities, perhaps a joint website could be developed to record questions asked by each chamber and related answers, instead of traditional email exchanges. This site could serve as a repository of discussion points which would make it easy to store and trace topics of common interest.

Another way of sharing information among our countries could be publishing audit-related articles in the professional journal of each chamber or a local professional publication related to the chamber or to audit by experts from other chambers, including the background and specific aspects of a professional issue. This would provide an opportunity for all auditors, not only chamber leaders, to have access to information on the life of auditors and issues they face in other countries.



Interview with the President of the Polish Chamber of Auditors

Barbara Misterska-Dragan

In your view, what do the countries in the Visegrád Group have in common when it comes to audit?

The beginning of the cooperation of the Chambers of Auditors within the Visegrád Group dates back to 2001, i.e. the period before the accession of each of the member states – Poland, the Czech Republic, Slovakia and Hungary – to the European Union.

The Visegrád Group is the cooperation between countries with a similar past. We are connected by a common path from a planned to a free market economy. During over 20 years of our cooperation, we have prepared ourselves as statutory auditors not only for joining the European Union and implementing directives but also for implementing the IAASB International Standards on Auditing in the next step. All the four Chambers of Auditors from the Visegrád Group share the same EU law and the IAASB International Standards due to their membership in the International Federation of Accountants (IFAC), and apart from the regulations – high ethical standards, which we as professional organisations promote among statutory auditors. The auditor is a profession of public trust. As individual chambers, we work on and preserve the image and good reputation of statutory auditors locally and also internationally. We ensure this by spreading best practices and exchanging experiences, we ensure a high quality of services and a positive public perception of statutory auditors, and this is what connects us, particularly within V4.



Do you find the annual meetings of the Presidents of the V4 chambers of auditors useful?

Our tradition of in-person meetings was unfortunately interrupted by the COVID-19 pandemic, but in 2022 we resumed it. Poland has already organized five meetings of the Visegrád Group (in 2003, 2007, 2011, 2015 and 2019). The last two-day in-person meeting was held in Warsaw in 2019. Both this and the previous meetings were an opportunity to discuss key issues and initiatives. It should be considered particularly positive that not only legal issues are presented and discussed, but also practical matters related to

our profession and Chambers. I believe that our annual meetings are very useful for the development of the audit profession, the exchange of experiences, the creation of common solutions and the building and strengthening of a strong international position.

What are your expectations about the collaboration of V4 chambers of auditors in the future?

We should definitely continue working together. We have similar challenges and together we can face them more easily. We are adopting new quality management standards in audit firms, we are dealing with the ageing of the profession, and in addition, a majority of the small and medium-sized enterprise market does not have the obligation to audit their financial statements. At the same time, we are switching to new technologies and applying digital solutions at a revolutionary pace. These are just some of the issues that are

currently important and common to the audit industry. Due to the dizzying pace of change and pressing challenges, it seems that apart from the annual meetings, it would be worth creating working groups that would focus on the key issues for statutory auditors and audit firms so that they may develop common positions and rec-

ommendations. It is worth taking advantage of the experience of the pandemic period and meeting more often online, but nevertheless, we should return to the in-person meetings because it is not only a platform for presentation and discussion but also an opportunity for less formal talks, networking and integration.

Interview with the President of the Chamber of Auditors of Slovakia

Milan Mozolák

In your view, what do the countries in the Visegrád Group have in common when it comes to audit?

We share a similar history. Our countries have the same starting point of auditing, historically, which gave rise to similar audit requirements and procedures, as well as comparable problems relating to auditing and clients.

Do you find the annual meetings of the Presidents of the V4 chambers of auditors useful?

Absolutely. Considering our common interests and goals, V4 countries' cooperation has given us a stronger voice in the communication of professional audit bodies which means we have a greater chance of not just being heard but of our goals and interests also being dealt with in the EU territory (e.g. Accountancy Europe). On the other hand, such meetings often seem a bit formal and their practical benefits can be somewhat questionable. We would like for the meetings to give more space for the discussion of practical solutions and an exchange of statutory audit experience as well as the passing of



know-how between the countries' representatives. The Chamber of Auditors of Slovakia is always open to sharing our knowledge and support materials with the audit professional bodies of Visegrád Group.

What are your expectations about the collaboration of the V4 chambers of auditors in the future?

I expect we will continue to exchange information, share experience and cooperate with the aim to enforce our intentions and goals in the EU to reflect specific conditions in V4 countries.

We could develop a platform for V4 countries to unite requirements for statutory audits approach (limits, PIE and Non PIEs audits, POBs, etc.), develop common methodology and tools for audits, especially for audits of nonfinancial information, improve the standard of continuing professional education (both online and offline) and cooperate with universities in their efforts to restructure auditing/accounting education to respect future needs.



Chamber of Auditors of the Czech Republic

Establishing the National Professional Body

The Chamber of Auditors of the Czech Republic was established by the Act on Auditors. The Minister of Finance appointed a preparatory committee to arrange the Constituent Assembly of the Chamber in cooperation with the Union of Auditors of the Czech Republic. The Constituent Assembly took place on 18 February 1993.

Members

As of 28 February 2022, there are 1104 statutory auditors, 600 assistant auditors and 327 audit firms registered with the Chamber of Auditors of the Czech Republic.

Governance

The General Assembly – the supreme body of the Chamber which consists of all statutory auditors. It gathers at least once in two years period. General assembly votes members of other bodies, particularly the Executive Board, Supervisory Board and Disciplinary Board.

The Executive Board – the 14-member executive body of the Chamber of Auditors. Its powers are covered by the Act on Auditors and the Charter. The Executive Board selects from among its members the President, who is also the Chamber's statutory representative, the First Vice-President and the Vice-President. It also appoints the director of the Office of the Chamber. Most members of the executive board chair various technical committees and working groups.

The Presidium – composed of the President, the First Vice-President and the Vice-President with the director of the Office as a regular

guest member, is a body to advise the President. It prepares the Executive Board agenda and controls Office operations.

The Supervisory Board – the Chamber's Supervisory Board has 11 members. Its agenda lies mostly with quality control reviews within the profession. The Board is fully independent of the executive board. It also oversees the governance of the Chamber.

The Disciplinary Board – this seven-member board conducts disciplinary proceedings in accordance with the law and the Chamber's disciplinary code. It rules on whether an auditor is in breach of their duties and has the authority to impose disciplinary sanctions according to the Act on Auditors. It is also fully independent of the executive board.

The Office Staff – is responsible for daily operations. It is managed by the director and it consists of several departments: register of



23rd–25th May 2012 – Český Krumlov, Czech Republic



12th–13th June 2008 – Prague, Czech Republic

auditors, audit examinations, public relations, educational department, technical department, quality control, financial department and law department.

Committees & Working Groups - the following committees and working groups have been established by the Executive Board to cover its agenda in detail: Committee for Administration of the Profession, Audit Examination Committee, Continuous Professional Education Committee, Regulation and Professional Development Committee, Technical Committee, Translations Board, Financial Reporting Committee, SME/SMP Committee, Public Sector Committee, Public Relations Committee, Editorial Board of the journal that is published by the Chamber monthly.

The Chamber is financed by statutory auditors and audit firms.

National Professional Body Responsibilities

The Chamber of Auditors of the Czech Republic:

- is responsible for periodical quality control reviews of statutory auditors and audit firms and reviews of their compliance with the Act on Auditors (including requirements on continuous professional education);
- issues standards for audit and other engagements (based on pronouncements issued by IFAC with rare exceptions required by EU and national law) and Code of Ethics;
- maintains and publishes the Register of Auditors;

- provides training within continuous professional education program and to future auditors;
- is responsible for preparing and evaluating exams to be passed when entering the profession;
- issues auditor's licenses;
- is responsible for recognition of statutory auditor qualifications obtained in other EU member states and approvals of auditors from third countries;
- in duly justified cases, relieves auditors from the obligation of confidentiality;
- imposes appropriate sanctions as a result of disciplinary proceedings (both fines and suspensions);
- provides auditors with technical guidance;
- cooperates with Czech and international professional organizations and the Czech government;
- is a member of the National Accounting Board (independent national technical working group);
- is a member of IFAC and Accountancy Europe.





27th–29th May 2004 – Tvoršovice, Czech Republic

The public oversight body and its responsibilities

Public Audit Oversight Board (Rada pro veřejný dohled nad auditem - RVDA) was established by the Act on Auditors in May 2009. It is an independent body financed by the government.

The RVDA oversees:

- the organization and performance of the quality control reviews carried out by the Chamber;
- the training that is part of the continuous education program carried out by the Chamber;

- disciplinary actions and sanctions imposed by the Chamber; it also serves as an appeal body to decisions ruled by the Chamber;
- the audit market, in general, includes and monitors the performance of audit committees of public interest companies and state-owned companies.

The RVDA also:

- performs quality control review of all statutory auditors and auditing firms who audit financial statements of public interest companies;
- cooperates with other authorities as required by EU law;
- cooperates with the authorities in charge of public oversight of auditors from the other Member States and third countries;
- cooperates with the Chamber on technical and legal issues;
- fulfils some other requirements covered by the Act on Auditors.

Major services provided by auditors

The most important services auditors in the Czech Republic provide are:

- statutory and non-statutory audits of financial statements,
- evaluation of an annual report or a consolidated annual report,
- reviews of interim financial statements,
- audit of initial balance sheets of merged or divided companies,
- assurance related to government and EU grants.



The Hungarian Chamber of Auditors

Establishing the National Professional Body

The Chamber of Hungarian Auditors was established in 1997 as a professional self-governing body. The Parliament recognised the right of the auditors to professional self-governance by way of a separate act on auditors and audit activity which allows members to independently manage their own affairs as defined by law through their chosen bodies and officials, and to represent their professional and economic interests in accordance with the public interest and thus contribute to the development of the national economy.

In the course of harmonisation of law under the EU and international practices, the Parliament adopted Act LXXV of 2007 on the Hungarian Chamber of Auditors, auditing activities and public audit supervision, which strengthened the legal status of the Chamber and expanded its professional and official tasks.

Members

Based on data from 2020, our chamber has 3668 members, of which 2395 are persons and 1273 are companies. About half of the members have a so-called inactive status. This means that they obtained the auditor qualification some time ago but are currently not active as auditors. They may work, for example, in finance positions in companies or at the tax office. They also need to fulfil the mandatory annual CPD requirements in order to maintain the knowledge and skills required of an up-to-date auditor, in case later they want to return to act as active auditors, provided they got the approval for it from the Chamber's Admissions Committee (it is, in fact, a so-called simpler readmission process for changing the inactive member status to an active member status).

Governance

The main decision-making body of the Chamber is the Assembly of Delegates and its executive body is the Presidium. In addition to the central administrative body of the Chamber (Secretary-General's Office), there are regional organizations in 19 counties and the capital. Professional and authority tasks, with the support of the Secretary-General's Office, are distributed among the Presidency, the President and the Vice-Presidents, the Committees and the Professional Sections of the Chamber.

The Chamber has six standing committees: Supervisory Committee, Disciplinary Committee, Admissions Committee, Quality Review Committee, Education Committee and Expert Committee. The au-



8th–10th June 2006 – Miskolc, Hungary



thorities, tasks and rules of operation of these committees are laid down in the statutes of the Chamber.

Professional sections are professional communities of chamber members who are active in the same field, like the Tax professional section, Capital market professional section, Accountants in business professional section, IT professional section, Public sector professional section, Forensic expert professional section, Agricultural profession section.

National Professional Body Responsibilities

When it comes to responsibilities, the Chamber mainly:

- establishes its municipal regulations, forms opinions on the relevant legislation, initiates their amendments, if necessary, cooperates with the relevant state bodies and authorities;
- participates in the work of international auditing and accounting organizations, publishes the acquired knowledge to auditors, provides methodological assistance in the framework of professional consultation and consultancy, provides professional information, recommendations and support and organizes professional events;
- defines the requirements for the certification of auditors and 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;
- 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 su-

pervises 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;

- is in charge of the approval and registration of statutory auditors and audit firms: the requirements for admittance to the Chamber of Auditors contain a certification from the Public Oversight Body;
- maintains public records of registered auditors;
- 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;
- is tasked with the investigative and administrative disciplinary system concerning non-PIE audits;
- draws up and regularly updates the national standards for audits, advisory services, assurance services and other related services.

The public oversight body and its responsibilities

Activities related to the public oversight of the audit profession in Hungary are performed by the Könyvvizsgálói Közfelügyeleti Hatóság (KKH) within the Ministry of Finance.

The activities of the national public oversight body concerning both PIEs and non-PIEs are:

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





- the procedures for granting authorisations to carry out statutory audits (approving audit licences);
- the drafting and approval of Hungarian national auditing standards, the Chamber's code of ethics, and the national standards relating to quality control, and other professional standards;
- the functioning of the continuing professional training program;
- the functioning of the quality assurance system (including approval of the Chamber's quality assurance procedural regulations);
- the disciplinary proceedings.
- The KKH, at the Minister's request, opines on the draft bills of legislation affecting statutory audits.
- The KKH cooperates with the National Bank of Hungary acting within its function as the supervisory authority of the financial intermediary system in connection with money, capital and insurance market organisations.

Concerning 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.

Major services provided by auditors

Auditors in Hungary provide a wide range of services. The most common is statutory audits and procedures performed for group audits. They also provide reviews, other assurance engagement, agreed-upon procedures, interim balance sheet audits, and audits of transformation balance sheets. Depending on the size and expertise of the organisation the firms also provide consultancy and valuation services, usually to non-audit clients.



The Polish Chamber of Auditors

Establishing the National Professional Body

The Polish Chamber of Statutory Auditors (Polska Izba Biegłych Rewidentów – PIBR, previously called the National Chamber of Statutory Auditors until 20 June 2017) was established under the Act of 19 October 1991 for auditing and publishing financial statements and on statutory auditors and their professional membership organisation, which came into force on 1 January 1992.

Members

As of 31 January 2022 there are 5203 members in the PIBR's Register of Statutory Auditors, 2719 of whom are practitioners. The List of audit firms is kept by the Polish Agency for Audit Oversight (Polska Agencja Nadzoru Audytowego – PANA), our public oversight body. There are 1357 audit firms (in February 2022) registered on the Agency's list.

Governance

The bodies of the Polish Chamber of Statutory Auditors are:

The National Assembly of Statutory Auditors which i.a. selects the President of the National Council of Statutory Auditors and other members of the National Council of Statutory Auditors; the National Disciplinary Prosecutor and his/her Deputies; members of the National Internal Audit Committee and the National Disciplinary Court. It also adopts the statute of the Polish Chamber of Statutory Auditors, a programme of operation and basic principles of the financial operation of the National Council of Statutory Auditors, specifies principles for determining membership fees of the

statutory auditors, reviews and approves reports on operations of the bodies of the Polish Chamber of Statutory Auditors and acknowledge the fulfilment of duties by the members of these bodies.

The National Council of Statutory Auditors ("Council") manages the operation of the self-government in the periods between the National Assemblies of Statutory Auditors. The Council:

- executes resolutions of the Assembly;
- represents the Polish Chamber of Statutory Auditors concerning state authorities and self-government authorities, scientific institutions, economic and social organisations and international professional organisations;
- adopts resolutions on national auditing standards, national quality control standards, principles of professional ethics for statutory auditors, regulations relating to the CPD, regulations relating to the qualification proceedings, the amount of the fee for entry in the Register of Statutory Auditors, registration and removal





27th–29th May 2005 – Arlamow, Poland

from the Register, approval of the annual financial plan of the Polish Chamber of Statutory Auditors and the report on its execution and approval of annual financial plans of regional branches of the Polish Chamber of Statutory Auditors;

- adopts other resolutions deemed necessary for the proper operation of the Polish Chamber of Statutory Auditors;
- keeps the Register of Statutory Auditors;
- keeps the list of the entities authorised to provide CPD training;
- issues membership cards to statutory auditors;
- conducts publishing and training activities,
- issues opinions on drafts of normative acts in the field of economic law etc.

The National Internal Audit Committee controls the financial operation of the Polish Chamber of Statutory Auditors and implements resolutions adopted by the National Assembly of Statutory Auditors, as well as submitting proposals in this respect to the Council (immediately after the control) and the Assembly (in the report on its operation). It also submits to the National Assembly of Statutory Auditors an application for the acknowledgement of fulfilment of duties by the National Council of Statutory Auditors.

The National Disciplinary Court issues decisions concerning the disciplinary responsibility of the statutory auditors.

The National Disciplinary Prosecutor conducts explanatory proceedings and disciplinary investigations. To perform its tasks, the Council appoints technical committees and specifies their mode of activity. Currently, there operate the following committees:

The Training Committee gives opinions and advises the Council in areas related to CPD (the scope of the CPD subjects, principles of CPD including the minimum number of hours of CPD for auditors, supervision over the entities authorized to conduct CPD for statutory auditors; supervision over compliance of statutory auditors with the obligation of CPD, recommends (to the Council) the list of entities to be entered in or removed from the register of entities authorized to conduct CPD training for auditors, monitors educational materials prepared by the PIBR Educational Centre for CPD training), advises on PIBR training and publication activity.

The Committee on Standardization of Services Provided by Statutory Auditors supports the Council in setting national auditing standards and internal quality control principles of an audit firm, and in determining ways of applying these standards, comments on draft documents of the IAASB, preparing different kinds of technical guidance, explanations, alerts, support materials and national standards (e.g. on ESEF) which support auditors in their daily practice, promotes the development of services other than audits, cooperates with international and foreign professional organisations in the area of auditing, developing services for SMEs, etc.

The Ethics Committee comments on draft documents of the IESBA updates the IESBA Code of Ethics as principles of professional ethics for statutory auditors in Poland, drafts positions concerning a proper application by statutory auditors of principles of professional ethics for statutory auditors, cooperates with institutions and organisations on issues concerning professional ethics of statutory auditors, promotes principles of professional ethics as a model of ethical conduct and a guarantee of independence, monitors the observance of ethical standards by statutory auditors and audit firms.

The Committee on Issuance of Opinions on Legal Acts monitors, analyses and issues opinions on draft legislative changes within the scope of economic law, finances, accounting and auditing, and the audit profession, participates as PIBR experts at the stage of creation of law, prepares analyses and draft amendments to binding provisions of the law concerning issues important to the practice of the audit profession, operation of PIBR and to the economic environment.

The Financial Committee prepares draft financial plans of PIBR for coming years; determines the amount of membership fees of



16th–17th May 2019 – Warsaw, Poland

statutory auditors; determines templates of declarations of statutory auditors applying for the right to settle lower membership fees; examines applications concerning individual financial decisions; determines the principles of conducting tenders and of setting the amount above which the tender in the Chamber is conducted; conducts tender procedures and choice of offers according to principles applicable in the Chamber; prepares financial documentation regarding activities of the Chamber; recommends the annual financial plan of the Chamber for Council approval; identifies opportunities on obtaining new sources of funding by the Chamber; prepares draft resolutions of the Assembly on financial issues.

The Register Committee advises the Council on the maintenance of the Register of statutory auditors; entry in and removal from the Register of statutory auditors; detailed regulations concerning the entry in and removal from the register of statutory; applying the National Disciplinary Prosecutor about the initiation of disciplinary proceedings against statutory auditors; recommendations on the way of closing administrative proceedings, issuance of membership cards to statutory auditors.

The Organisational Committee advises the Council on preparation and implementation of solutions resulting from the Polish Auditing Act, prepares organisational changes regarding PIBR functioning and operation adjusting its activities to the changing conditions of the functioning of the Chamber, supervises the implementation of the provisions of PIBR's operational strategy; supervises compliance with the principles of financial management of the Chamber and controls expenses in terms of maintaining budget discipline; coordinates activities consisting in cooperation with profes-

sional organisations within the statutory tasks of PIBR; ensures partnership cooperation with public oversight authorities in Poland and coordinates cooperation between the Council and other bodies of the Chamber; coordinates the circulation of documents presented to the National Council of Statutory Auditors for meetings; improves the existing forms of cooperation with PIBR Regional Branches and initiates new directions of cooperation in particular activating the activities of Regional Branches for PIBR members, initiates activities aimed at promoting the profession of statutory auditor.

The Statute Committee performs opinion-making and advisory functions for the Council by preparing the draft statute of the Polish Chamber of Statutory Auditors.

The Programme Committee of the Annual Auditing Conferences develops the concept of the substantive content of the Annual Auditing Conference, including the preparation of topics and agenda.

The Committee for the preparation of the Extraordinary National Assembly of Statutory Auditors prepares draft documents necessary to organise the Extraordinary National Assembly of Statutory Auditors.

National Professional Body Responsibilities

The Polish Chamber of Statutory Auditors i.a. represents its members and protects their professional interests; establishes national professional standards, national standards of quality control and principles of professional ethics; performs objectives that serve the proper performance of the audit profession and compliance with the principles of professional ethics by the members of the Chamber; cooperates in shaping principles of financial accounting and audit; keeps the Register of Statutory Auditors; provides CPD training; monitors the fulfilment of CPD by statutory auditors; conducts disciplinary proceedings (limited mainly to CPD non-compliance); prepares training materials for the candidates for the statutory auditors.

The public oversight body and its responsibilities

The name of the public oversight board in Poland is the Polish Agency for Audit Oversight – “the Agency” (Polska Agencja Nadzoru Audytowego – PANA).

Composition of PANA

PANA is an independent public oversight body with the President and the Council as its decision-making bodies. The Council is supported by the staff of PANA, divided into departments. The President, Vice-President and Members of the Council are designated by the Minister of Finance for a four-year term. The Council operates in plenary sessions which are summoned and chaired by the President or the Vice-President. The meetings are held at least once a month. The Council consists of the following ten members:

- the President of the Agency,
- the Vice-President of the Agency,
- two representatives of the Ministry of Finance,
- two representatives of the Polish Financial Supervision Authority,
- one representative of the PIBR, one representative of the Ministry of Justice,
- one representative of employers' organisation,
- one representative of the Warsaw Stock Exchange.

Each member of the Council must meet the following criteria:

- They have not been responsible for conducting statutory audits and other assurance services for at least three years prior to their appointment.
- They have not been directly or indirectly related to any audit firm for at least three years prior to their appointment.
- They have not been a member of any body of the PIBR for at least three years prior to their appointment.

PANA is responsible for:

- Conducting regular inspections in audit firms;
- conducting ad-hoc inspections and thematic inspections in audit firms;
- exercising public oversight of the PIBR and statutory auditors, incl. with regard to an entry to the Register;
- conducting explanatory proceedings, disciplinary investigations and administrative proceedings, acting as a prosecutor before courts;
- registering audit firms on the list of audit firms (domestic and third-country lists);
- market monitoring with regard to services provided by the statutory auditors and audit firms;
- international cooperation and cooperation with EU institutions (European supervision offices, the CEAOB and others) and EU Member States' institutions (national public oversight bodies and others) as well as third countries' supervisory bodies.

PANA issues:

- An annual plan of oversight activity with a plan of audit inspections;
- an annual report on its oversight activity which includes overall results drawn from quality inspections as well as overall results on disciplinary measures and sanctions;
- a list of audit firms;
- a list of third-country audit entities.

The reports are published on the website of PANA.



PANA takes action:

- contributing to the proper operation of the audit market;
- aimed at the development of the audit market and its competitiveness;
- aimed at supporting the development of innovativeness of the audit market;
- regarding education and informing about the operation of the audit market.

PANA evaluates drafts of legal acts concerning statutory auditors and audit firms. It approves resolutions of the PIBR bodies and has the right to reject them.

Supervision over the PANA (Agency) is exercised by the minister competent for public finance.

Funding

PANA is predominantly financed through mandatory levies on audit firms. The maximum fee rate allowed by law is 4 % of the revenue earned on annual revenue from statutory audits conducted on the territory of Poland, earned in the given calendar year. Additional funding can also be provided through other sources, mostly state funding, if needed.

Major services provided by auditors

Major services performed by Statutory Auditors in Poland include:

- financial audit activities – understood as assurance services including audits and reviews of financial statements, as well as other assurance services defined by the Polish regulations, reserved for statutory auditors;
- assurance services other than financial audit activities, not reserved to be performed by the statutory auditors;

- related services (services consisting in the conduct of agreed procedures based on an agreed purpose, the scope of works, as well as the way they are to be performed, the description and the result of which are outlined in the report on the provision of the service, or services consisting in the compilation of financial information, aiming at the use of knowledge in the field of accounting to collect, classify and summarise financial information).

All were performed in compliance with the Polish national auditing standards in the wording of International Standards issued by IAASB.

The statutory auditor performs the audit profession on behalf of the audit firm.

The core activity of the audit firm is the performance of the financial audit activities. The core activity of the audit firm may also be:

- provision of tax and accounting bookkeeping services;
- tax counselling;
- conduct of bankruptcy or liquidation proceedings;
- publishing or training activity regarding accounting, financial audit and taxes;
- preparation of expert opinions or economic and financial opinions;
- provision of management or counselling services, requiring knowledge in the field of accounting, financial audit, tax law, as well as organisation and operation of companies;
- provision of attestation services other than financial audit activities, not reserved for the statutory auditors;
- provision of related services;
- provision of other services reserved in separate regulations for the statutory auditors.

The audit firm may also conduct operations consisting in obtaining benefits from the possessed assets.



The Chamber of Auditors of Slovakia

Establishing the National Professional Body

The Slovak Chamber of Auditors ("SKAU" or "the Chamber") was established in 1992 by Act No. 73/1992 passed by the Slovak National Council and entitled "Act on Auditors and The Slovak Chamber of Auditors". The 1st General Assembly was held on September 16th 1992.

Currently, SKAU is regulated by the Act on Statutory Audit No. 423/2015 Coll., effective since January 2016/June 17, 2016.

Slovak Chamber of auditors is an independent self-regulating professional organization, which represents the auditing profession of Slovakia. SKAU is wholly financed by its members and prospective members (assistants to statutory auditors).



2nd–4th June 2005 – Bratislava, Slovakia

Members

According to the data of December 31st, 2021, SKAU has 985 members in total; 756 of these are statutory auditors and 229 are audit companies. SKAU also has 663 registered prospective members – assistants to statutory auditors, who are not SKAU members but are registered in the List of Assistants to Statutory Auditors.

During the 1st year of SKAU's existence, has been registered 342 auditors and 92 audit companies.

Governance

- the Assembly
- the Presidium
- the Supervisory Board
- the Disciplinary Commission

The term of office for members of these bodies of the Chamber is four years. The term of office starts on the day of election by the Assembly. It is possible to get re-elected, but not for more than two consecutive terms of office (total of 12 years max). If someone leaves the office before the term of office expires, a new member of the body of the Chamber is elected for the remainder of the term of office of the member they are replacing.

The organizational, administrative and financial activities of SKAU are executed by the secretariat. The Head of the secretariat is the CEO who works under the guidance of the President. The CEO and his subordinates are SKAU employees. SKAU currently has eight employees.



The Assembly

The Assembly is the supreme governing body of the Chamber. It consists of statutory auditors and audit firms registered in the list of SKAU members, including statutory auditors and audit firms whose license has been suspended.

The Assembly is convened by the Presidium, usually once a year. If at least one-third of the members of the Chamber request so in writing, the Presidium is required to convene the Assembly no later than two months after the day of delivery of the written request to the Chamber.

The Assembly:

- elects and dismisses the President of the Chamber;
- elects and dismisses members of the bodies of the Chamber;
- approves the statute of the Chamber and amendments thereto;
- approves internal regulations of the Chamber and amendments thereto, in particular, the rules of the election procedure, rules of procedure, the principles of financial management and the Auditor's Code of Ethics, except for the internal regulations subject to approval by the Authority;
- approves the amount of the registration fee and membership fees; consent of a four-fifths majority;
- of present members is required for the approval of membership fees;
- approves the budget of cost and revenues and the financial statements of the Chamber.

Presidium (Management Board)

The Presidium is the executive body of the Chamber during the period between two meetings of the Assembly and is bound by the resolutions adopted by the Assembly. The Presidium fulfils the resolutions adopted by the Assembly and is accountable to the Assembly for its activities.

The Presidium consists of the President and 8 members of the Presidium.

The number of the Presidium members responsible for each territorial section (region) corresponds to the ratio of members of the Chamber in the territorial section to the total number of members of the Chamber, where each territorial section is represented by at least one member.

The President of the Chamber is the statutory body of the Chamber represents the Chamber externally, acts on its behalf in all matters and manages the employees of the Chamber. The Presidium is convened by the President of the Chamber as necessary, at least six times a year.

The Supervisory Board

The Supervisory Board is the control body of the Chamber, has five members, the chair of the board and each territorial section has one member.

Among other things, the Supervisory Board controls the activities of the bodies of the Chamber, controls the financial management of the Chamber, controls the fulfilment of recommendations for the removal of deficiencies within the specified time limit and sends proposals for disciplinary action against auditors, audit firms or assistants to auditors.

The Disciplinary Commission

The Disciplinary Commission has five members, the chair of the commission and each territorial section has one member. It imposes disciplinary measures on auditors, audit firms or assistants for any breach of their obligations laid down in the Act on the Statutory Audit No. 423/3015 Coll (the "Act"), international auditing standards, Auditor's Code of Ethics or the internal regulations of the Chamber. Details of disciplinary actions are regulated in the Disciplinary code which after approval by the Presidium gets approved by the public oversight board (not by the Assembly of SKAU).

The Commission for Continuing Education

The Commission for Continuing Education has four members that represent individual SKAU sections. These members are elected by the Assembly and they are members of the Presidium.

The commission is in charge of the continuing education of auditors.

The Commission for Statutory Audit Quality Assurance

This commission has five members, the chair of the commission must be a member of the Presidium and further members are approved by the Presidium, each section of the Chamber has one member at this commission.

The Commission for Statutory Audit Quality Assurance secures, through SKAU inspectors, the statutory audit quality assurance review.

The Chamber set up further following technical commissions for the activities provided to its members and assistants to statutory auditors:

- Commission for International auditing standards
- Commission for Ethics and independence
- Commission for Accounting standards

- Commission for Legislation
- Commission for members, trainers and assistants to statutory auditors

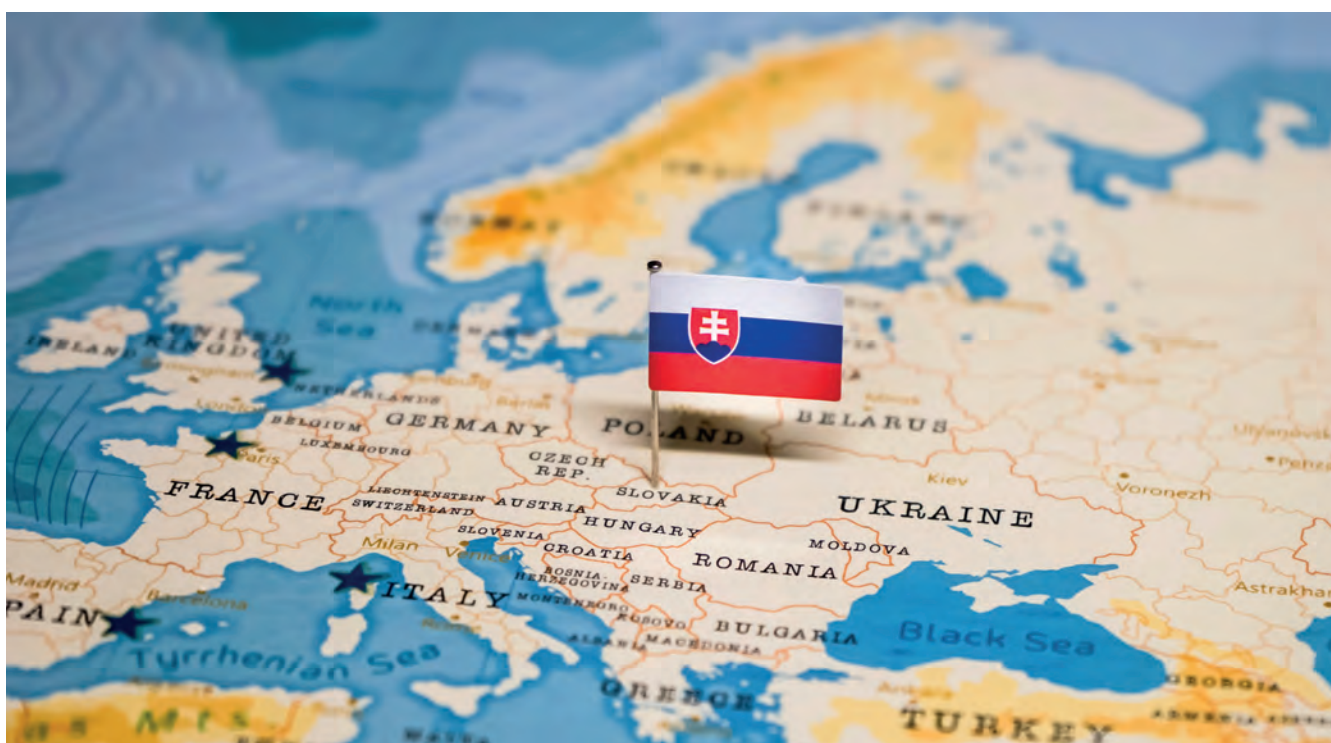
The members of the technical commissions (par. a) since d)) are approved by the Presidium. Section for Foreign Affairs – one member of the Presidium is responsible for foreign activities of the Chamber.

Section for Information and Communications Systems (ICS)- one member of the Presidium is responsible for Chamber's ICS and digitizing of SKAU evidence and processes.

Financial Management of the Chamber

The Chamber manages its own assets. The Chamber's income consists of registration fees, membership fees, fees for admission tests, monetary payments determined by internal regulations of the Chamber, payments for services provided by the Chamber, donations, penalties and other incomes.

The Chamber covers expenses related to its activities and the development of statutory audit from its incomes.





National Professional Body Responsibilities

The Chamber primarily carries out the following tasks defined by the Act:

- it represents, protects, and asserts legitimate interests of its members and assistants to statutory auditors;
- it provides methodological guidance to members of the Chamber and assistants to statutory auditors in the field of statutory audit, accounting, ethics and international accounting standards;
- it ensures the proper execution of statutory audits and a high professional level of statutory auditors and assistants to statutory auditors;
- it deals with proposals, suggestions, and complaints made by members of the Chamber and assistants to statutory auditors concerning their rights and obligations ensuing from this Act; it shall inform the Authority of the examination of proposals, suggestions and complaints once a year;
- it issues a confirmation of membership in the Chamber and its termination and a confirmation of the payment of a membership fee;
- following approval by the Assembly, it issues the statute of the Chamber and the internal regulations of the Chamber, and controls compliance with them;
- chooses by lot a statutory auditor to carry out a statutory audit of an accounting entity according to a special regulation (Act on political parties and political movement), except for a statutory auditor who is an employee of a statutory auditor or an audit firm;
- carries out a statutory audit quality assurance review;
- ensures and controls continuing education of statutory auditors and assistants to statutory auditors;
- conducts disciplinary actions and imposes disciplinary measures;
- comments on draft legislation relating to the activity of statutory auditors;
- cooperates and exchanges information with other authorities if provided so by a special regulation;
- cooperates with the Authority during the performance of oversight;
- keeps a list of members of the Chamber; separately list of statutory auditors and a list of audit companies, the Chamber shall determine the particulars of each list in its internal regulation;
- keeps a list of assistants to statutory auditors and a list of trainers and shall disclose them on its website; the Chamber shall determine the particulars of the list of trainers in its internal regulation;
- issues the Auditor's Code of Ethics;
- performs other tasks if stipulated so by an internal regulation of the Chamber.

The public oversight body and its responsibilities

The name of the public oversight body in Slovak is "Úrad pre dohľad nad výkonom auditu", in English "the Authority" (Audit Performance Oversight Body). The Authority has been established in 2008 by Act No. 540/2007 Coll.

The Authority is a legal entity entrusted, in the area of public administration, with the performance of oversight and fulfilment of other tasks according to the Act on Statutory Audit. The Authority is not incorporated with the Companies Register and is seated in Bratislava.

The Authority has the following bodies:

- the Board;
- the Managing Director;
- the Supervisory Committee;
- the Committee for Statutory Audit Quality Assurance;
- the Committee for Investigation and Sanctions.
-

Among other things, the Authority secures examinations of professional competence, secures aptitude tests, or issues certificates, issues, suspends and withdraws licenses.

The Authority also performs oversight of statutory auditors, audit companies and the Chamber of compliance with international auditing standards, the Auditor's Code of Ethics, the provisions of the Act, the system of statutory audit quality assurance reviews, continuing education and disciplinary action conducted by the Chamber.

The Authority also:

- participates in the creation, updating and adoption of international accounting standards through the competent authorities of the European Union;
- provides the interpretation of international accounting standards and their accessibility by users in the Slovak Republic in the official language;
- participates in the creation, updating and adoption of international auditing standards and the Auditor's Code of Ethics through



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the competent authorities of the European Union, and translates them into Slovak;

- cooperates with the Ministry in the preparation of drafts of generally binding legal regulations in the field of accounting and statutory audit;
- carries out statutory audit quality assurance reviews of a statutory auditor or an audit firm;
- performs other activities according to this Act or special regulation.

Major services provided by auditors

The main service provided by auditors and audit firms in our country is a statutory audit according to International Auditing Standards (ISA). Other assurance services provided are according to ISAE 3000, engagements performed according to ISRE are not so common. Quite frequent are also Agreed-upon procedures performed according to ISRS.

As defined in the Act: a statutory auditor and an audit firm may also provide non-audit services which shall mean, in particular, services in the area of bookkeeping, accounting system analyses, economic and financial consultancy, valuation of assets, preparation of recommendations and provision of consultations to review and assess a business plan, and other non-audit services which they provide in the scope of requirements of the audited entity or client. Of course, providing non-audit services and statutory audit in the same entity must not be in conflict with the Act or Code of Ethics (e.g. bookkeeping and statutory audit provided to the same entity is prohibited).

The history of meetings of the chambers of auditors of V4 countries

2001 (11th – 13th October)
Slovakia, Bratislava

2002 (20th – 21st June)
Budapest, Hungary

2003 (28th – 30th May)
Poland, Krakow

2004 (27th – 29th May)
Czech Republic, Tvoršovice

2005 (2nd – 4th June)
Slovakia, Bratislava

2006 (8th – 10th June)
Hungary, Miskolc

2007 (1st – 3rd June)
Poland, Książ u Walzbrychu

2008 (12th – 13th June)
Czech Republic, Prague

2009 (4th – 5th June)
Slovakia, Starý Smokovec

2010 (10th – 11th June)
Hungaria, Sárovar

2011 (1st – 3rd June)
Poland, Gdańsk

2012 (23rd – 25th May)
Czech Republic, Český Krumlov

2013 (29th – 31st May)
Slovakia, Jasná, Nízke Tatry

2014 (12th – 14th June)
Hungary, Visegrád

2015 (27th – 29th May)
Poland, Arłamow

2016 (25th – 27th May)
Czech Republic, Prague

2017 (7th – 9th June)
Slovakia, Levoča, Horný Smokovec

2018 (7th – 8th June)
Hungary, Budapest

2019 (16th – 17th May)
Poland, Warsaw





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