

STUDY

Comparative analysis of oversight information of Public Oversight Bodies for Statutory Auditors published in Member States (EU)

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COMPARATIVE ANALYSIS OF OVERSIGHT INFORMATION OF PUBLIC OVERSIGHT BODIES FOR STATUTORY AUDITORS PUBLISHED IN MEMBER STATES (EU)

This work focuses on analysing compliance with information transparency requirements of Public Oversight Bodies for Statutory Auditors (POBSA), set out in Directive 2006/43/EC of the European Parliament and of the Council of 17 May 2006, on the statutory audit of annual and consolidated accounts, Directive 2014/56/EU of the European Parliament and of the Council of 16 April 2014, amending the previous Directive 2006/43/EC and the Regulation (EU) No. 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements for the statutory audit of public-interest entities.

Information transparency is an important disciplinary and monitoring mechanism not only for POBSAs, but also for auditors themselves. This study focuses on the POBSAs of the 27 countries that currently make up the European Union. Although most bodies publish required information in European regulations, the truth is that the data is not comparable between countries. The document structure, the form of presentation of information or content, differ significantly, making the process of comparative analysis of the three main functions of these bodies difficult: (1) regulation; (2) supervision and (3) discipline. A series of recommendations have been included in the document that can be summarised in three essential lines of action: (1) improving public information channels and access to public registers; (2) drafting public information on inspection procedures and disciplinary mechanisms and (3) drafting comparable periodic public Information prepared in accordance with common measurement and presentation standards across all bodies. In addition, the Committee of European Auditing Oversight Bodies (CEAOB) must be the public agency on which the entire information and coordination system of the POBSAs within the European Union is structured, with a view to being able to reliably measure the effectiveness of the oversight system.

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BACKGROUND

In 2010, and as a result of the 18th edition of the José María Fernández Pirla Research Awards, an extensive research work entitled “*Mecanismos de Supervisión, Control y Disciplinarios de la Profesión de Auditoría en la Unión Europea*”¹ was presented, which analysed the main characteristics of Public Oversight Bodies for Statutory Auditors (POBSA) in 15 countries of the European Union and the United States. The main objectives of the aforementioned research were the following: (1) clearly identify each agency involved in public audit oversight; (2) conduct a comparative analysis of countries, taking Directive 2006/43/EU as a reference, and (3) analyse audit monitoring and disciplinary regimes in detail.

Years later, the same research team developed a second project within the framework of the ICAC-ASEPUC 2018 call for projects with the title: “*La regulación y supervisión de la información financiera y la auditoría en la Unión Europea*”, where they unraveled the map of institutional relations, functions and competencies of the different regulatory and oversight bodies of financial and auditing information operating in Europe, also delving into other relevant economies such as the US and Australia. This second project analyses a set of variables previously established for the Recognised Accountancy Bodies of each country (RAB) and the Public Oversight Systems for Statutory Auditors (POBSA). More specifically, the following was analysed for each agency: (1) basic characteristics; (2) organisational structure, (3) financing system, (4) level of information transparency, (5) main oversight activities: quality assurance, technical controls and disciplinary mechanisms; and finally (6) level of international cooperation with other competent bodies in matters of audit oversight.

At the end of 2020, as a result of the financial scandal of the company, Wirecard, in Germany, the study, “*What are the wider supervisory implications of the Wirecard case?*”, carried out for the European Parliament, was published, identifying the main weaknesses of public audit oversight systems and making a series of recommendations intended to promote the standardisation of systems currently in force in the EU.

Using the experience and knowledge of all bodies and their structure, this third research proposal focuses on the information transparency requirements included in Directive 2014/56/EU. Article 32.6 requires auditor oversight bodies to prepare and publish annual work programmes and activity reports. In addition, Regulation 537/2014 also requires the publication of findings of quality assurance and inspection processes. Information transparency is an important disciplinary and monitoring mechanism not only for these bodies, but also for auditors themselves. For this reason, the Directive also requires the publication of penalties and the maintenance of a register of auditors with updated information on individual auditors and audit firms with an active licence to carry out auditing.

The comparative study focuses on the countries and bodies listed in Table 1. The set of variables listed in Table 2 is analysed in detail for each of them. In addition, we have included an information transparency index at the end of this report that allows us to objectively measure, for each country, the level of compliance with the directive in terms of transparency and disclosure of information.

¹ The work is available at the following link: [MECANISMOS DE SUPERVISIÓN, CONTROL Y DISCIPLINARIOS DE LA PROFESIÓN DE AUDITORÍA EN LA UNIÓN EUROPEA - XVIII PREMIO PROYECTOS DE INVESTIGACIÓN CONTABLE “JOSÉ MARÍA FERNÁNDEZ PIRLA” | ICAC](#)

TABLE 1: List of countries to be analysed in the study

Country	POBSA	Country	POBSA
Germany	Abschlussprüferaufsichtsstelle - APAS / Audit Oversight Body - AOB	Greece	Hellenic Accounting and Auditing Standards Oversight Board - AOOB
Austria	Austrian Auditing Oversight Authority AAOA/ Abschlussprüferaufsichtsbehörde – APAB	Hungary	Auditors’ Public Oversight Authority - Ministry for National Economy of Hungary
Belgium	Belgian Audit Oversight College (CTR/CSR)	Ireland	Irish Auditing and Accounting Supervisory Authority (IAASA)
Bulgaria	Commission for public oversight of statutory auditors	Italy	Commissione Nazionale per le società e la borsa- CONSOB Ministry of Economy and Finance
Czechia	Public Audit Oversight Board	Latvia	Ministry of Finance of Latvia – Commercial Companies Audit Policy and Oversight Unit
Cyprus	Cyprus Audit Oversight Board	Lithuania	Authority of Audit, Accounting, Property Valuation and Insolvency
Croatia	Ministry of Finance of the Republic of Croatia	Luxembourg	Commission de Surveillance du Secteur Financier - CSSF
Denmark	Danish Business Authority	Malta	Accountancy Board
Slovakia	Auditing Oversight Authority - UDVA	Poland	Polish Agency for Audit Oversight- PANA
Slovenia	Agency for Public Oversight of Auditing - APOA	Netherlands	The Netherlands Authority for the Financial Markets - AFM
Spain	Instituto de Contabilidad y Auditoria de Cuentas - ICAC	Portugal	Comissão do Mercado de Valores Mobiliários - CMVM
Estonia	Estonian Auditing Activities Oversight Board	Romania	Authority for Public Oversight of the Statutory Audit Activity (ASPAAS)
Finland	Finnish Patent and Registration Office - Auditor Oversight Unit	Sweden	Swedish Inspectorate of Auditors - Revisorsinspektionen
France	Haut Conseil du Commissariat aux Comptes – H3C		

TABLE 2: Variables subject to analysis

	Variable	Description of measured variable
1. Web page	1.1. Available	POBSA available from a clearly identifiable website: The website corresponds exactly to the POBSA and is reasonably well defined
	1.2. English	Web local language + English: option of both languages: English + local language
	1.3. English similar	Information in English is sufficient and similar to that of the local language.
	1.4. Functions	Clear identification of functions of POBSA on the website
	1.5. Structure	Organisational structure of POBSA: clear identification of organisational structure of POBSA
	1.6. Regulations	Clear identification of applicable regulations
2. Register of auditors	2.1. Accessible	Easily accessible within the website. Clear and direct link.
	2.2. Basic information	Basic register information easily accessible on the website
	2.3. English	Basic register information also in English
	2.4. Search	Searches in the register can be made easily
3. Annual report	3.1. Basic: available	Latest available annual report: the latest AR is available and easily accessible on the website
	3.2. Basic: previous reports	Previous reports are available and easily found on the website
	3.3. Basic: English	the annual report is also available in english
	3.4. Basic: budget	Clear information on the POBSA's annual budget
	3.5. Basic: organisation, structure	Clear information on the POBSA's structure
	3.6. Basic: organisation: names	Clear information on the names of those responsible for the POBSA's organisation
	3.7. Content: evolution	Description of evolution of year
	3.8. Content: sector data	Basic sector data
	3.9. Content: actions: descriptive	Descriptive information on actions carried out throughout the year
	3.10. PIE No./non-PIE	PIE No. and non-PIE data
	3.11. Number of investigations/penalties	Clear numerical information of actions
	3.12. Penalty amount	Clear numerical information of penalties
4. Whistleblowing channel	4.1. Whistleblowing channel available	Easily accessible whistleblowing channel available
	4.2. Information available	Basic information on whistleblowing channel available
	4.3. Data complaints	Data on complaints received
5. Penalty records	5.1. Penalties	Clearly defined penalty records available
	5.2. Penalty details	Information included regarding the auditor or penalised company

INTRODUCTION

Auditors are key players in guaranteeing the quality of financial information and helping to strengthen the proper functioning and confidence of financial markets. They have also been essential in the standardisation of financial information and especially in the proper implementation of International Financial Reporting Standards across the European Union (Brown and Tarca, 2005).

However, in the same way that auditors monitor and guarantee the quality of financial information, it is paramount to establish mechanisms that ensure correct compliance of audit procedures by auditors themselves. The accounting scandals that took place in the early 2000s (i.e. Enron, Worldcom or Parmalat) highlighted the vulnerabilities of auditing oversight systems in force up to that time (Humphrey et al., 2009) and the need to establish more effective monitoring over audit activity.

Until the early 2000s, audit activity was self-regulated. In other words, it was the professional auditing corporations themselves that were in charge of quality assurance and disciplinary procedures for auditors. In addition, they had significant influence over the bodies responsible for issuing auditing standards. Although a self-regulatory model benefits from having the auditors' own professional experience involved in the quality assurance process, the truth is that, at the same time, this oversight model has always been strongly questioned due to its lack of independence. (Hilary and Lennox, 2005).

In 2002, with the publication of the Sarbanes-Oxley Act, the oversight model in the US undergoes a radical change, moving from a self-regulatory model to an audit oversight system through independent public bodies. Since then, many countries have decided to follow in the steps of the United States. Australia, Canada, Japan and even the European Union, with the publication of Directive 2006/43/EC, later updated with Directive 2014/56/EC and Regulation 537/2014, reinforce, among other things, the independence of inspection processes for auditors and audit firms of public-interest entities (PIE).

Despite the advantages of the new oversight model, especially with regard to independence over the activity, the truth is that its operation is subject to criticism. Like the high level of the demands made by oversight bodies, which can lead to higher compliance costs which, in turn, translates into higher audit fees (Dowling et al. 2018; Florou and Shuai, 2020, Hanlon and Shroff, 2020). While it is true that an increase in the required level of stringency in quality assurance results in improved audit quality, at the same time, it increases the tension between regulatory bodies and audit firms, the latter being questioned and forced to meet the new bureaucratic requirements of these bodies (Westermann et al., 2019). Furthermore, those opposed to this new oversight model question the professional capacity of technicians in charge of carrying out monitoring, the so-called inspectors (Dowling et al., 2018; Florou and Shuai, 2020; Hanlon and Shroff, 2020).

The lack of data regarding inspection results has severely limited the research, which has focused almost exclusively on the US, where the PCAOB does indeed publish the findings of its inspection processes. Starting in 2005, the PCAOB expanded its inspection programme to auditors of international companies listed in the US, which made it possible to analyse the effects of PCAOB inspections at the international level. Empirical evidence both within and outside the US borders highlights the positive effect of new audit quality oversight mechanisms after the launch of the PCAOB (Gramling, et al., 2011; Gipper, et al., 2020; DeFond and Lennox, 2017; Carson et al., 2017; Aobdia, 2019; Lamoreaux, 2016; Krishnan et al., 2017; Fung et al., 2017).

Evidence in Europe is very scarce. Very few bodies publish the findings of quality assurance or disciplinary processes, which has limited, over the years, the development of studies to facilitate the analysis of the effectiveness of public audit oversight systems across the European Union. Furthermore, the rate of adaptation of their oversight structures since the entry into force of Directive 2006/43/EC has been highly variable between countries.

The process of change towards the new public oversight system for statutory auditors in the EU has developed in two clear stages. An initial stage, between the years 2006-2013, in which countries made preliminary adjustments to their oversight structures, and a second period starting in 2014, where after the issue of Directive 2014/56/EC and Regulation 537/2014, countries went further and improved their oversight structures in line with new regulatory measures that seek to further strengthen existing public oversight systems.

Comparative studies carried out to date (Gisbert et. Al, 2018.; García-Osma et al. 2020) reveal differences in the level and form of implementation of EU regulations. While some countries have completely modified their previous structures, creating new ones (i.e. Belgium and Portugal), other countries have reinforced existing ones (i.e. France, Austria, Germany or Spain). In any case, the public audit oversight system in Europe is highly fragmented (García-Osma et al. 2020), lacks sufficient funding and offers very little information on the results of the monitoring.

Thus, carrying out an in-depth comparative analysis is a complex task due to the lack of clear and comparable public information between countries. As evidenced throughout this work, the structure of public documents, the form and rules of presentation, as well as the content, vary from one country to another, which makes the process of comparative analysis between countries of the three main functions of these bodies difficult: (1) regulatory, (2) supervisory and (3) disciplinary. Greater information transparency is essential to be able to measure the level of compliance with Directives and the effectiveness of current public auditor oversight models in Europe.

DIMENSION 1: Web page of the POBSAs

Variable		Description of measured variable
1. Web page	1.1. Available	POBSA available from a clearly identifiable website: The website corresponds exactly to the POBSA and is reasonably well defined
	1.2. English	Web local language + English: option of both languages: English + local language
	1.3. English similar	Information in English is sufficient and similar to that of the local language.
	1.4. Functions	Clear identification of functions of POBSA on the website
	1.5. Structure	Organisational structure of POBSA: clear identification of organisational structure of POBSA
	1.6. Regulations	Clear identification of applicable regulations

Although none of the Directives requires the POBSA to include an information web page, the truth is that it is an essential mechanism to know the way in which the public audit oversight system is structured in each country. All bodies analysed include an information web page, although the level of detailed information available varies significantly.

The web pages include in all cases, except for very specific exceptions (Croatia and Hungary), general information on the agency’s structure, its main functions and the basic regulations that govern these functions. Furthermore, in some countries the home page contains a direct link to the register of auditors or the whistleblowing channel but, as we will analyse later, this is not always the case. What can we conclude from the analysis carried out? The main conclusions drawn from analysing the content and structure of the pages for each country are listed below:

- (a) In cases where information is available in English, the accessible pages include a significantly smaller amount of information and therefore, it is hard to understand how the public audit oversight system works in each country. Only in 10 of the 27 countries analysed can it be stated that the translated page contains the same information as the page in the official language. In most countries analysed there are no exact translations of the agency’s website in English, but rather a limited version;
- (b) The legal documents that regulate the operation of the oversight system, and the information documents pertaining to the agency (i.e. annual report) are written in the official language of the country and only rarely are they translated into English;
- (c) There is no standardised information structure on matters as relevant as access to the Register of Auditors, the disciplinary regime and auditor oversight procedure, which limits the comparative study on the operation of audit oversight mechanisms in each country.

TABLE 3: Data relating to analysis of Dimension 1: information included in the web pages

		Number	%
1.1. Available	YES	25	92.6%
	NO	2	7.4%
1.2. English	YES	16	59.3%
	NO	11	40.7%
1.3 English similar	YES	10	37.0%
	NO	17	63.0%
1.4. Functions	YES	25	92.6%
	NO	2	7.4%
1.5. Structure	YES	25	92.6%
	NO	2	7.4%
1.6. Regulations	YES	25	92.6%
	NO	2	7.4%

The following recommendations can be drawn from the analysis carried out:

- (1) Given that it refers to a public oversight mechanism implemented across the EU, all websites should provide comparable information, especially with regard to quality assurance, inspection and investigation procedures. At present, this function of standardising information is carried out by the IFIAR, through the questionnaire that it distributes among each of its members.

- (2) When the public auditor oversight function has been delegated to the capital markets oversight body, it is necessary that there be a clear and defined section that facilitates understanding and access to general information relating to auditor oversight processes.
- (3) Regarding basic reference legislation which regulates oversight mechanisms in each country, this should be clearly included on the website, in its own section, and so should the annual work programmes and activity reports. We recommend that basic legislation be translated or, failing that, that the main points be included in English.
- (4) In addition, as will be analysed later, web pages should include a direct access to the register of auditors, the whistleblowing channel and penalty records.

TABLE 4: Details of data relating to analysis of Dimension 1: information included in the web pages of the bodies analysed

Variable 1 - Web Page			1.1. Available	1.2. English	1.3 English similar	1.4. Functions	1.5. Structure	1.6. Regulations
Germany	Abschlussprüferaufsichtsstelle (APAS)	Audit Oversight Body (AOB)	www.apasbafa.bund.de	NO	NO	YES	YES	YES
Austria	Abschlussprüferaufsichtsbehörde (APAB)	APAB	www.apab.gv.at	NO	NO	YES	YES	YES
Belgium	Collège de supervision des réviseurs d'entreprises (CSR) College van toezicht op de bedrijfsrevisoren (CTR)	Belgian Audit Oversight College	https://www.fsma.be/en/belgian-audit-oversight-board	YES	NO	YES	YES	YES
Bulgaria	КОМИСИЯ ЗА ПУБЛИЧЕН НАДЗОР НАД РЕГИСТРИРАНИТЕ ОДИТОРИ	Commission for public oversight of statutory auditors (CPOSA)	https://www.cposa.bg	YES	YES, but outdated	YES	YES	YES
Czechia	<u>Rada pro veřejný dohled nad auditem (RVDA)</u>	Public Audit Oversight Board (PAOB)	https://www.rvda.cz	YES	YES	YES	YES	YES
Cyprus	Αρχή Δημόσιας Εποπτείας Ελεγκτικού Επαγγέλματος	Cyprus Audit Oversight Board (CY-PAOB)	www.cypaob.gov.cy	YES	YES, but incomplete	YES	YES	YES
Croatia	Ministarstvo financija (MFIN)	Ministry of Finance of the Republic of Croatia	https://mfmin.gov.hr/	YES	YES	NO	NO	NO
Denmark	Erhvervsstyrelsen	Danish Business Authority (DBA)	https://danish-businessauthority.dk/ https://erhvervsstyrelsen.dk/	NO	NO	YES	YES	YES
Slovakia	Urad pre dohľad nad vykonom auditu (UDVA)	Auditing Oversight Authority	https://www.udva.sk/sk/urad	NO	NO	YES	YES	YES
Slovenia	Agencija za javni nadzor nad revidiranjem (ANR)	Agency for Public Oversight of Auditing APOA	https://www.anr.si/	NO	NO	YES	YES	YES
Spain	Instituto de Contabilidad y Auditoría de Cuentas - ICAC	Accounting and Auditing Institute	www.icac.gob.es	YES	YES	YES	YES	YES
Estonia	Audiitortegevuse järelevalve nõukogu (AJN)	Estonian Auditing Activities Oversight Board (EAOB)	https://ajn.ee/et	NO	NO	YES	YES	YES

Variable 1 - Web Page			1.1. Available	1.2. English	1.3 English similar	1.4. Functions	1.5. Structure	1.6. Regulations
Finland	Patentti- ja rekisterihallitus (PRH) Tilintarkastusvalvonta	Finnish Patent and Registration Office - Auditor Oversight Unit (AOU)	https://www.prh.fi/en/auditoroversight.html	YES	NO	YES	YES	YES
France	Haut Conseil du Commissariat aux Comptes (H3C)	High Council for Statutory Audit	https://www.h3c.org	NO	NO	YES	YES	YES
Greece	Επιτροπή Λογιστικής τυποποίησης και Ελέγχων (ΕΛΤΕ/ ELTE)	Hellenic Accounting and Auditing Standards Oversight Board (AOOB)	www.elte.org.gr	YES	YES	YES	YES	YES
Hungary	Könyvvizsgálói Közfelügyeleti Hatóság (KKH)	Auditors' Public Oversight Authority - Ministry for National Economy of Hungary	http://ngm-szakmaiteruletek.kormany.hu/konyvvizsgaloi-kozfelugyeleti-hatosag	NO	NO	NO	NO	NO
Ireland	Irish Auditing and Accounting Supervisory Authority (IAASA)	..	www.iaasa.ie	YES	YES	YES	YES	YES
Italy	Commissione Nazionale per le società e la borsa- CONSOB	Italian Securities and Exchange Commission	www.consob.it	YES	NO	YES	YES	YES
Latvia	Komeršabiedrību revīzijas politikas un uzraudzības nodaļa, Finanšu ministrija	Ministry of Finance of Latvia – Commercial Companies Audit Policy and Oversight Unit (CCAPOU)	https://www.fm.gov.lv/en/auditing	YES	NO	YES	YES	YES
Lithuania	Audito, apskaitos, trto vertinimo ir nemokumo valdymo tarnyba prie Finansų ministerijos (AVNT)	Authority of Audit, Accounting, Property Valuation and Insolvency	http://www.avnt.lt	NO	NO	YES	YES	YES
Luxembourg	Commission de Surveillance du Secteur Financier - CSSF	Financial Supervisory Commission	https://www.cssf.lu	YES	YES	YES	YES	YES
Malta	Accountancy Board (AB)	..	https://accountancy-board.gov.mt/	YES	YES	YES	YES	YES
Netherlands	Autoriteit Financiële Markten (AFM)	The Netherlands Authority for the Financial Markets	www.afm.nl	YES	YES	YES	YES	YES
Poland	Polskiej Agencja Nadzoru Audytowego (PANA)	Polish Agency for Audit Oversight	https://pana.gov.pl	NO	NO	YES	YES	YES
Portugal	Comissão do Mercado de Valores Mobiliários - CMVM	Portuguese Securities Market Commission	www.cmvm.pt	YES	NO, some parts only in Portuguese	YES	YES	YES, (only in Portuguese)
Romania	Autoritatea pentru Supravegherea Publică a Activității de Audit Statutar (ASPAAS)	Authority for Public Oversight of the Statutory Audit Activity	https://www.aspaas.gov.ro/	NO	NO	YES	YES	YES
Sweden	Revisorsinspektionen (RI)	Swedish Inspectorate of Auditors	https://www.revisorsinspektionen.se	YES	NO	YES	YES	YES

DIMENSION 2: Access to register of auditors

Variable		Description of measured variable
2. Register of auditors	2.1. Accessible	Easily accessible within the website. Clear and direct link.
	2.2. Basic information	Basic register information easily accessible on the website
	2.3. English	Basic register information also in English
	2.4. Search	Searches in the register can be made easily

Pursuant to Articles 15 et seq. of Directive 2006/43/EC, Member States shall ensure that statutory auditors and audit firms are registered in a public register which must include the following:

- Name, address and registration number;
- Legal form;
- Contact information, the primary contact person and, where applicable, the website address;
- Address of each office in the Member State;
- Name and registration number of all statutory auditors employed by or associated as partners or otherwise with the audit firm;
- Names and business addresses of all owners and shareholders;
- Names and business addresses of all members of the administrative or management body;
- If applicable, the membership of a network and a list of the names and addresses of member firms and affiliates or an indication of the place where such information is publicly available.

2.1. Accessible

Regarding the accessibility variable, a total of 15 countries, representing 56% of the sample, include a public register of auditors directly on the POBSA website. This is the case of Austria, Spain and Poland, among other countries. In some cases, by means of a section on the website with the name of the register of auditors or similar identification (France, Greece), in others through the specific name given to the register (the case of ROAC, in Spain) or explicit identification of the link to the professional corporation in which it is located and where it can be consulted (Bulgaria, Latvia).

However, in countries such as Germany, Belgium and Croatia, we have not found direct access to the Register from the POBSA website. In these cases, the management of the Register of auditors is the responsibility of the professional corporation and therefore, it is through the corporation's website that this information can be accessed. As indicated in the previous paragraph, this situation does not occur in all countries in which the register is managed by the auditing profession: in countries such as Bulgaria, Cyprus, Latvia and Czechia, the register of auditors is indeed managed by the auditors themselves, as indicated, but is easily accessible from the POBSA website.

In the case of Italy, the POBSA responsible for public audit oversight manages the registration of third-country auditors, while it delegates to the Ragioneria Generale dello Stato (RGS), an agency dependent on the Ministero dell'Economia e delle Finanze, the register of audit firms and individual auditors. Additionally, two countries compile register information in an independent business register (similar to the Mercantile Register in Spain). These countries are Denmark and Ireland. Finally, we were unable to locate the public register of auditors of two countries: Hungary and Finland.

TABLE 5: Details of data relating to the analysis of the level of accessibility to the Register of Auditors

2.1 Accessible	2.2. Direct access on the POBSA	Location		Link to Register
Germany	No	WPK	Professional body	https://www.wpk.de/register
Austria	Yes	APAB	POBSA	https://www.apab.gv.at/register
Belgium	No	IBR	Professional body	https://www.ibr-ire.be/fr/registre-public/belgique/reviseurs-d-entreprises
Bulgaria	Yes	IDES	Professional body	https://www.ides.bg/en/
Czechia	No	KACR	Professional body	https://www.kacr.cz/en/list-of-auditors-audit-firms
Cyprus	Yes	ICPAC	Professional body	https://www.icpac.org.cy/selk/en/practicingfirmauditors.aspx
Croatia	No	CAC	Professional body	http://www.revizorska-komora.hr/index.php/registri/pretraga.html
Denmark	Yes	CVR	Independent register	https://datacvr.virk.dk/data/
Slovakia	Yes	UDVA	POBSA	www.udva.sk/
Slovenia	Yes	ANR	POBSA	https://www.anr.si/registri/
Spain	Yes	ICAC	POBSA	https://www.icac.gob.es/buscador-roac
Estonia	Yes	AJN	POBSA	https://ajn.ee/turuosalised
Finland	..	..	..	..
France	Yes	H3C	POBSA	https://www.h3c.org/demarches-et-services/trouver-un-commissaire-aux-comptes
Greece	Yes	ELTE	POBSA	https://elte.org.gr/en/accountants-records/
Hungary	..	..	..	..
Ireland	Yes	CORE	Independent register	https://core.cro.ie
Italy	Yes	RGS / CONSOB	POBSA *	https://www.consob.it/web/consob-and-its-activities/special-register
Latvia	Yes	LZRA	Professional body	http://eng.lzra.lv/index.php
Lithuania	No	LAR	Professional body	https://lar.lt/www/new/news.php
Luxembourg	Yes	CSSF	POBSA	https://audit.apps.cssf.lu/#home
Malta	Yes	AB	POBSA	https://accountancyboard.gov.mt/Registers/RegisteredAuditFirmsPrincipals.aspx
Netherlands	Yes	AFM	POBSA	https://www.afm.nl/en/professionals/registers
Poland	Yes	PANA	POBSA	https://pana.gov.pl/firmy-audytorskie/
Portugal	Yes	CMVN	POBSA	https://web3.cmvn.pt/sdi/auditores/auditores_nacionais.cfm
Romania	Yes	ASPAAS	POBSA	https://www.aspaas.gov.ro/registrul-public-electronic/?rpe_lang=en
Sweden	Yes	RI	POBSA	https://www.revisorsinspektionen.se

* The Ragioneria Generale dello Stato is a body dependent on the Ministry with certain oversight functions. In 2012, it assumed auditor registration tasks while CONSOB manages the registration of third-country auditors.

2.2. Basic information

In accordance with Article 15 of Directive 2006/43/EC, the public register shall also contain the name and address of the competent authorities responsible for approval as referred to in Article 3, for quality assurance as referred to in Article 29, for investigations and penalties on statutory auditors and audit firms as referred to in Article 30, and for public oversight as referred to in Article 32.

We have searched for this information on the web pages of each of the auditor public registers analysed. Our conclusion regarding this variable is that practically none of the registers analysed systematically present clear and unmistakable information on:

- Competent authority in the management of the actual register;
- Authority responsible for quality assurance;
- Authority responsible for investigations and penalties;
- Authority responsible for public oversight,

Germany deserves a special mention, as the website of the register of auditors indicates, on the first page of the search engine, the names of the bodies responsible for the register, quality assurance, penalties and oversight, as well as the address of each of them. Other countries clearly identify the party responsible for the Register (France, Greece) or for both the Register and Oversight (Luxembourg), but as we have previously stated, the vast majority do not include explicit information on these matters but rather include information on applicable regulations in some of the different sections of the website.

Latvia includes a clear and concise paragraph of the information available for each auditor or company, also identifying the competent authority with regard to auditor professional training, quality assurance, oversight and penalties. This information appears in each of the individual records for each auditor.

However, this example is not extendable to other countries. As can be observed in the following table, the information published is limited and varies between countries.

TABLE 6: Details of data relating to information available on those responsible for the public register of auditors

Country	Basic information	Information on professional access to the Register	Information on the competent authority:			
			Register	Quality assurance	Investig. and penalties	Public oversight
Germany	YES	NO	YES	YES	YES	YES
Austria	YES	YES	NO	NO	NO	NO
Belgium	YES	YES	YES	YES	YES	YES
Bulgaria	NO	NO	NO	NO	NO	NO
Czechia	NO	NO	NO	NO	NO	NO
Cyprus	NO	NO	NO	NO	NO	NO

Country	Basic information	Information on professional access to the Register	Information on the competent authority:			
			Register	Quality assurance	Investig. and penalties	Public oversight
Croatia	YES	NO	YES	NO	NO	NO
Denmark	NO	NO	NO	NO	NO	NO
Slovakia	NO	NO	NO	NO	NO	NO
Slovenia	NO	NO	YES	NO	NO	NO
Spain	NO	YES	NO	NO	NO	NO
Estonia	YES	NO	NO	NO	NO	NO
Finland	..	..	..	..	..	..
France	YES	NO	YES	NO	NO	NO
Greece	YES	NO	YES	NO	NO	NO
Hungary	..	..	..	..	..	..
Ireland	NO	NO	NO	NO	NO	NO
Italy	YES	YES	YES	NO	NO	NO
Latvia	YES	NO	YES	YES	YES	YES
Lithuania	YES	YES	YES	NO	NO	YES
Luxembourg	YES	YES	YES	NO	YES	YES
Malta	YES	NO	YES	NO	NO	NO
Netherlands	YES	NO	YES	NO	NO	YES
Poland	YES	NO	YES	NO	NO	NO
Portugal	YES	NO	NO	NO	NO	NO
Romania	YES	NO	YES	NO	NO	NO
Sweden	YES	YES	YES	NO	NO	NO

From the analysis carried out, we can confirm that the register of auditors does not systematically include the information required by article 15 of Directive 2006/43/EC, although it is important to indicate that in many of the cases analysed such information can be found in other sections of the website, especially when there is direct access to the Register from the POBSA website.

2.3. English

Article 20 of the aforementioned Directive indicates that “*The information entered in the public register shall be drawn up in one of the languages permitted by the language rules applicable in the Member State concerned.*” In order to know if the different registers are accessible in a language other than the local language, that is, essentially, if they are available in English, we have checked whether the information exists in more than one language.

As indicated in Table 7, more than half of the countries do not provide access to/searches in the register of auditors in English, or such access is incomplete. The 44% of countries that provide access to the register in English include countries with English as a co-official language (Ireland, Malta). Other countries such as Germany or Luxembourg also provide full access to the register in English and the possibility of performing a search in that language.

Other countries like Austria allow searches in English, but the search results are all in German. This is also the case of Greece, which allows searches in English, but yield results partially in Greek. The case of Romania is different. The official register page is only available in Romanian, but the website engine to search for professionals and companies allows searches in English. In the case of Spain, the ICAC page clearly indicates access in English but said access was not operational at the time the data was collected.

TABLE 7: Accessibility to the register of auditors in English

Country	2.3. English	Country	2.3. English
Germany	YES	France	NO
Austria	Partial *	Greece	Partial *
Belgium	NO	Hungary	...
Bulgaria	NO	Ireland	YES
Czechia	YES	Italy	NO
Cyprus	YES	Latvia	YES
Croatia	NO	Lithuania	YES
Denmark	YES	Luxembourg	YES
Slovakia	NO	Malta	YES
Slovenia	NO	Netherlands	YES
Spain	Partial *	Poland	NO
Estonia	YES	Portugal	YES
Finland	...	Romania	Partial *
		Sweden	NO

* Partial: combines information from the register and search engine/results in English and the local language

2.4. Query

To know the operation and available information provided by each country, we have carried out a search in each of the public registers listed above. In order to find and obtain similar and comparable information of them all, the search carried out involved the same audit firm, Big4, in all cases. We have selected a multinational and representative firm to be able to search and

compare, where appropriate, information on membership of a network, possible existing penalties and other registers or jurisdictions under which the company also operates.

The format, content and accessibility of the register differ between countries, and so does the possibility of obtaining information in English. Likewise, the search engine for auditors or registered companies varies from one country to another. A vast majority of countries include a search engine that, by definition, allows access to information in the register, generally a search engine for individual auditors and companies in alphabetical order, as well as, in some cases, an additional search engine for third-country auditors and another for auditors from another EU member state. This is the case of Germany, Belgium and Portugal. Other countries only provide a search engine for companies and individual auditors, sometimes as a single search engine (Czechia, Spain and Luxembourg) or by allowing access to two different registers for both groups (Croatia and Greece).

In the specific case of Italy, CONSOB manages a register of third-country auditors, delegating the register of companies and auditors to the RGS, which allows the search for auditors in Italian, by name or by registration number.

There are two countries, Denmark and Ireland, where the register of auditors is located in a company register. In the case of Denmark, the search refers to audit firms and allows the consultation of extensive information on the company concerned: in addition to providing the basic information that we searched for all countries (presented in table 6), the Danish register provides additional information including who is responsible for auditing the company, access to financial statements and the percentage of capital in the hands of auditors. All this information is public and free of charge, although certain ensuing consultations are subject to a fee. As for the Irish register, it is a business register that allows searches, but the information is only visible subject to a fee.

It should be noted that, in the vast majority of cases, information relating to registered auditors is normally obtained through a search engine that provides either access to the list in alphabetical order or allows searches by name. In other cases, information provided by the register is presented as a downloadable spreadsheet, PDF document or similar, as is the case in Croatia, France and Lithuania.

Regarding the information provided in each search carried out, it includes contact information, the registration number and the identification of the administrators and shareholders. Information on offices open and auditors employed by them is less available, and so is the identification of the network to which they belong and of similar registers in other countries in which the firm operates.

Lastly, we should highlight that in some countries certain information, additional to that mentioned above, is also detailed. This ranges from a list of firms that audit PIEs (Austria) to a specific register on auditors penalised or discharged by said disciplinary procedure (Malta) or more detailed information on each auditor, such as the penalties received (Czechia), or auditors in training (Italy) or the result of quality assurance (Estonia).

TABLE 8: Details of information included in the register of auditors and audit firms

Panel A: Search engine, other registers and other information

Country	Search engine	Other Registers/ Jurisdictions	Other information
Germany	Companies/auditors, third countries, EU	NO	
Austria	Companies/auditors, third countries	YES	List of auditors of public-interest entities
Belgium	Companies/auditors, third countries, EU	NO	
Bulgaria	Companies and auditors	NO	
Czechia	Companies/auditors, third countries	NO	Penalties received
Cyprus	Companies and auditors	NO	
Croatia	Companies and auditors	NO	
Denmark	Companies	NO	Auditor, % capital in the hands of auditors, financial statements.
Slovakia	Companies and auditors	NO	Penalties received
Slovenia	Companies, auditors, third countries	YES	transparency report penalties received
Spain	Companies and auditors, third countries	YES	Penalty records
Estonia	Companies and auditors	NO	Penalties received resulting from quality assurance
Finland	..	..	..
France	Companies, auditors, third countries	NO	
Greece	Companies, auditors, third countries	NO	
Hungary	..	..	..
Ireland	Requires access code	NO	
Italy	RGS: companies, professionals, CONSOB: Third countries	YES	Audit trainees
Latvia	Companies, auditors, third countries	NO	
Lithuania	Companies and auditors	YES	Penalties received resulting from quality assurance
Luxembourg	Companies/ auditors, third countries, EU	YES	
Malta	Companies and auditors	YES	Non-practicing auditors, penalised auditors, expelled auditors
Netherlands	Companies and third countries	NO	Indicates if they audit PIEs
Poland	Companies and third countries	NO	
Portugal	Companies, auditors, third countries, EU	YES	
Romania	Companies, auditors, third countries, EU	NO	
Sweden	Companies and auditors	YES	

Panel B: Search engine, other registers and other information

Country	registration number	address and website	Shareholders	Administrators	Professionals	Offices	Network
Germany	YES	YES	YES	YES	YES	YES	YES
Austria	YES	YES	YES	YES	YES	NO	YES
Belgium	YES	YES	YES	YES	YES	YES	NO
Bulgaria	YES	YES	YES	NO	NO	NO	NO
Czechia	YES	YES	YES	YES	YES	NO	YES
Cyprus	YES	YES	YES	YES	NO	NO	YES
Croatia	YES	YES	YES	YES	NO	NO	YES
Denmark	YES	YES	YES	YES	YES	YES	YES
Slovakia	YES	YES	YES	YES	YES	YES	YES
Slovenia	YES	YES	NO	YES	YES	YES	YES
Spain	YES	YES	YES	YES	YES	YES	NO
Estonia	YES	YES	YES	YES	YES	NO	YES
Finland	..	..	..	..	..	..	..
France	YES	YES	YES	YES	YES	YES	NO
Greece	YES	YES	YES	YES	YES	YES	YES
Hungary	..	..	..	..	..	..	..
Ireland	YES	NO	NO	NO	NO	NO	NO
Italy	YES	YES	NO	YES	NO	NO	NO
Latvia	YES	YES	YES	YES	YES	NO	YES
Lithuania	YES	YES	YES	YES	YES	YES	YES
Luxembourg	YES	YES	YES	YES	YES	YES	YES
Malta	YES	YES	YES	YES	YES	YES	YES
Netherlands	YES	YES	YES	YES	YES	YES	YES
Poland	YES	YES	YES	YES	YES	NO	YES
Portugal	YES	YES	YES	YES	YES	NO	YES
Romania	YES	YES	YES	YES	YES	YES	NO
Sweden	YES	YES	YES	YES	YES	YES	NO

TABLE 9: Data relating to analysis of Dimension 2: Register of auditors

		Number	%
2.1. Accessible	YES	20	74.1%
	NO	7	25.9%
2.2. Basic information	YES	15	55.6%
	NO	12	44.4%
2.3. English	YES	12	44.4%
	NO	15	55.6%
2.4. Search	YES	20	74.1%
	NO	7	25.9%

As a summary of the analysis carried out in Dimension 2, Register of Auditors, 20 of the 27 POBSA analysed clearly identify a direct access to the register of auditors on their website. General and basic information about the register and those responsible for its oversight is more limited and incomplete, and in most of the cases analysed, access to the register is not available in English. Finally we have observed that, of the individual searches made in each of the 27 registers, in most cases, extensive information can be obtained about the consulted auditor.

The following recommendations can be drawn from the analysis carried out:

- (1) Clear and direct access to the register of auditors is required on the POBSA website. Regardless of the fact that in certain countries the management of the register is undertaken by the professional corporation, it is necessary for the oversight body to facilitate transparent and free access to the information included in the register.
- (2) The register must include basic information about auditors, clearly and unmistakably identifying the:
 - Competent authority in the management of the actual register;
 - Authority responsible for quality assurance;
 - Authority responsible for investigations and penalties;
 - Authority responsible for public oversight,
- (3) We also recommend including information about the registration process in the register and the main institutions involved.
- (4) Searchable information for each auditor must include minimum content with information on at least the following: registration number, contact information, administrators and networks to which they belong. We recommend the model used by some countries that detail the penalties received, such as Czechia and Lithuania.
- (5) Access to the register of auditors must be available in English, in addition to possible access in the official language. Such access must be similar in format and content.

DIMENSION 3: Annual Report

	Variable	Description of measured variable
3. Annual report	3.1. Basic: available	Latest available annual report: the latest AR is available and easily accessible on the website
	3.2. Basic: previous reports	Previous reports are available and easily found on the website
	3.3. Basic: English	the annual report is also available in english
	3.4. Basic: budget	Clear information on the POBSA's annual budget
	3.5. Basic: organisation, structure	Clear information on the POBSA's structure
	3.6. Basic: organisation: names	Clear information on the names of those responsible for the POBSA's organisation
	3.7. Content: evolution	Description of evolution of year
	3.8. Content: sector data	Basic sector data
	3.9. Content: actions: descriptive	Descriptive information on actions carried out throughout the year
	3.10. PIE No./non-PIE	PIE No. and non-PIE data
	3.11. Number of investigations/penalties	Clear numerical information of actions
	3.12. Penalty amount	Clear numerical information of penalties

As stated in the new wording of article 32 included in the Directive 2014/56/UE, “*The system of public oversight shall be transparent. This shall include the publication of annual work programmes and activity reports.*” For this reason, the next dimension subject to analysis is that which relates to the publication of an annual report by the oversight body. To this end, we have searched the website of each of the POBSAs for the publication of the annual report or similar document. As with the other dimensions, the information available varies considerably.

We have accessed the Annual Report of practically all the countries except Croatia and Romania. In the case of Croatia, these functions are assumed by the Ministry of Finance, and there is no document available that is comparable to the annual report. In the case of Romania, we have not been able to locate this information on the website of the corresponding body.

The annual report varies between the different countries, mainly depending on the type of agency: in countries in which oversight functions are assumed by a higher body (such as the AFM in the Netherlands or CONSOB in Italy) the annual report encompasses all financial market activity and audit oversight information is only one section of said report. In other cases, in addition to the POBSA annual report, a specific and independent report on oversight activity is published (Bulgaria, Portugal). Lastly, countries like Slovakia do not publish an annual report as such, but rather an annual summary document on quality assurance conclusions, and the minutes of the meetings held by the board and by the quality assurance committee.

Regarding access to the annual reports of previous years, a high percentage of POBSA allow this search, which ranges from the possibility of searching exclusively for information for the previous year (Poland) to searching for all existing reports since they began (France, Ireland, Estonia).

Regarding language, very few countries publish the annual report in a language other than the official language. In addition to Ireland and Malta, where English is the official language, Greece, Luxembourg, Spain and the Netherlands publish the annual report in English. This fact makes it difficult to analyse and compare content between them.

The next variable analysed is the existence of information relating to the agency’s budget. In accordance with Directive 2014/56/UE, article 32 states that “*The system of public oversight shall be adequately funded, with sufficient resources to initiate and conduct investigations.*” The objective therefore of the analysis of this variable refers to the transparency regarding the funding of public oversight systems.

Again, depending on the organisation of each country, this information is itemised as a settlement of the annual budget of income and expenses within the report (Austria, Spain) or as complete Financial Statements of the agency, in some cases incorporated into the annual report together with their audit report (Netherlands) or formulated and available as a separate downloadable document (Lithuania). In general terms, the financial information of the system of public oversight is diluted in the set of the activities of the POBSA as this is one of the various functions assumed, in such a way that there is no clear and comparable financial information for all countries.

Lastly, we have analysed the information on the structure and organisation of the POBSA, the composition of the management bodies and the search for the names of those responsible for them.

TABLE 10: Detail of the basic information available of the Annual Report

Country	3.1. Basic: available	3.2. Basic: previous reports	3.3. Basic: English	3.4. Basic: budget	3.5. Basic: organista-tion, struc-ture	3.6. Basic: organisation: names
Germany	2020	YES	NO	NO	YES	YES
Austria	2020	YES	NO	YES	YES	YES
Belgium	2020	NO	NO	YES	YES	YES
Bulgaria	2020	YES	NO	YES	YES	NO
Czechia	2019	YES	NO	YES	YES	YES
Cyprus	2021	NO	NO	YES	YES	YES
Croatia	NO	NO	NO	NO	NO	NO
Denmark	2020	YES	NO	NO	YES	NO
Slovakia	2020	YES	NO	NO	NO	NO
Slovenia	2020	YES	NO	YES	YES	YES
Spain	2020	YES	YES	YES	YES	NO

Country	3.7. Content: evolution	3.8. Content: sector data	3.9. Content: actions: descriptive	3.10. PIE No./non-PIE	3.11. Number of investigations/penalties	3.12. Penalty amount
Estonia	2021	YES	NO	NO	YES	YES
Finland	2020	YES	YES	YES	NO	NO
France	2020	YES	NO	YES	YES	NO
Greece	2020	YES	YES	NO	YES	YES
Hungary	2020	YES	NO	NO	YES	NO
Ireland	2020	YES	YES	YES	YES	YES
Italy	2019	YES	NO	YES	NO	NO
Latvia	2019	YES	NO	NO	YES	NO
Lithuania	2019	Yes	NO	YES	YES	NO
Luxembourg	2020	YES	YES	YES	YES	NO
Malta	2020	YES	YES	YES	YES	YES
Netherlands	2020	YES	YES	YES	YES	YES
Poland	2020	YES	NO	YES	NO	NO
Portugal	2019	YES	NO	Yes	YES	YES
Romania	NO	NO	NO	NO	NO	NO
Sweden	2020	YES	NO	YES	NO	NO

We have further analysed the content of the annual reports. Similarly to the factors of accessibility and language, we have observed significant differences in the format and content of the annual report. In general terms, the annual report or equivalent document contains descriptive information on the evolution of the sector throughout the year; data on the scope and composition of the audit activity, which ranges from ranking by turnover volume (Estonia) to the level of market concentration (Greece) or the number of new auditors registered in the year (Germany).

Information on investigation and disciplinary activity varies greatly between the different countries, and ranges from those which publish very little information (Denmark) to others which provide extensive details of the applied methodology (Slovenia) and the results obtained (Austria) or other tasks carried out in the framework of oversight work such as reviewing the auditors' transparency reports (Hungary).

TABLE 11: Detail of the information included in the Annual Report

Country	3.7. Content: evolution	3.8. Content: sector data	3.9. Content: actions: descriptive	3.10. PIE No./non-PIE	3.11. Number of investigations/penalties	3.12. Penalty amount
Germany	YES	YES	YES	NO	YES	YES
Austria	YES	YES	YES	YES	YES	YES
Belgium	YES	NO	YES	NO	YES	NO
Bulgaria	YES	YES	YES	YES	YES	YES
Czechia	YES	YES	YES	YES	YES	YES
Cyprus	YES	YES	NO	NO	NO	NO
Croatia	NO	NO	NO	NO	NO	NO
Denmark	YES	YES	YES	NO	YES	NO
Slovakia	NO	NO	YES	NO	NO	NO
Slovenia	YES	YES	YES	YES	YES	NO
Spain	YES	YES	YES	NO	YES	YES
Estonia	YES	YES	YES	NO	YES	NO
Finland	NO	NO	NO	NO	NO	NO
France	YES	YES	YES	NO	YES	NO
Greece	YES	YES	YES	NO	YES	NO
Hungary	YES	YES	YES	YES	YES	YES
Ireland	YES	YES	YES	NO	YES	NO
Italy	YES	YES	YES	NO	YES	NO
Latvia	YES	YES	YES	NO	YES	NO
Lithuania	YES	YES	YES	NO	YES	NO
Luxembourg	YES	YES	YES	YES	YES	YES
Malta	YES	YES	YES	YES	YES	YES
Netherlands	YES	YES	YES	NO	NO	NO
Poland	YES	YES	YES	NO	YES	NO
Portugal	YES	YES	YES	YES	YES	YES
Romania	NO	NO	NO	NO	NO	NO
Sweden	YES	YES	YES	NO	YES	NO

In conclusion, and as the following table summarises, the analysis of the annual report reveals significant differences in terms of access, format and content of the annual report, which is mostly not available in English and has a structure and level of detail that vary enormously between countries, making it difficult to compare the annual oversight and disciplinary activity of the corresponding POBSA.

TABLE 12: Summary of data relating to the analysis of the Annual Report

		Number	%
3.1. Basic: available	YES	25	92.6%
	NO	2	7.4%
3.2. Basic: previous reports	YES	23	85.2%
	NO	4	14.8%
3.3. Basic: English	YES	7	26%
	NO	20	74%
3.4. Basic: budget	YES	18	66.7%
	NO	9	33.3%
3.5. Basic: organisation structure	YES	20	74.1%
	NO	7	25.9%
3.6. Basic: organisation names	YES	12	44.4%
	NO	15	55.6%
3.7. Content: evolution	YES	23	85.2%
	NO	4	14.8%
3.8. Content: sector data	YES	22	81.5%
	NO	5	18.5%
3.9. Content: actions: descriptive	YES	23	85.2%
	NO	4	14.8%
3.10. PIE No./non-PIE	YES	8	29.6%
	NO	19	70.47%
3.11. Number of investigations/penalties	YES	21	77.8%
	NO	6	22.2%
3.11. Number of investigations/penalties	YES	9	33.3%
	NO	18	66.7%

The following recommendations can be drawn from the analysis carried out:

- (1) Oversight bodies must prepare a specific annual report on audit oversight activity that is independent of the other functions that the POBSA may exercise,
- (2) Said report must include:
 - a. Identification of the management bodies of the POBSA and their functions;
 - b. Identification of the people who hold the main positions of responsibility and conditions (term of office, CV);
 - c. Evolution of the audit and situation through the financial year: information on the main companies and market concentration,

- d. Summary of oversight activity throughout the year: information on procedures applied and results obtained
 - e. Budget for oversight activity and main sources of funding (fees, public funds and other)
 - f. Measurement and presentation rules for information should be standardised, in order to be able to carry out a comparative analysis of actions carried out.
- (3) We also recommend that the annual report be available in English and not only in the official language of each country.

DIMENSION 4: Whistleblowing channel

	Variable	Description of measured variable
4. Whistleblowing channel	4.1. Whistleblowing channel available	Easily accessible whistleblowing channel available
	4.2. Information available	Basic information on whistleblowing channel available
	4.3. Data complaints	Data on complaints received

Article 30.6 of Directive 2006/43/EC, in the section dedicated to reporting offences, establishes that Member States shall ensure that there are “*effective mechanisms to encourage reporting of infringements to the competent authorities*” relating to the content of the Directive or Regulation 537/2014. The Directive itself does not establish the nature of these effective mechanisms, although it establishes a series of basic requirements that must be met: (a) the procedure for reporting a complaint and subsequent follow-up, (b) the protection of the complainant’s personal data and (c) the right of defence and appeal.

The following table lists the existence or not of a whistleblowing channel for each country, the availability of data on complaints and the existence of clear information available on the procedure. The data has been summarised in Table 13.

TABLE 13: Details of data relating to the analysis of access to whistleblowing channels

Dimension 4: Whistleblowing channel	4.1. Whistleblowing channel available	4.2. Information available	4.3. Data complaints
Germany	NO	NO	NO
Austria	YES	YES	NO
Belgium	YES	YES	YES, in the annual report
Bulgaria	NO	NO	NO
Czechia	NO	NO	NO
Cyprus	YES	YES	NO
Croatia	NO	NO	NO
Denmark	YES	YES	NO
Slovakia	NO	NO	NO

Dimension 4: Whistleblowing channel	4.1. Whistleblowing channel available	4.2. Information available	4.3. Data complaints
Slovenia	NO	NO	NO
Spain	NO	NO	YES, in the annual report
Estonia	YES	YES	YES, in the annual report
Finland	YES	YES	NO
France	YES	YES	NO
Greece	NO	NO	NO
Hungary	NO	NO	NO
Ireland	YES	YES	NO
Italy	YES	YES	NO
Latvia	NO	NO	NO
Lithuania	NO	NO	NO
Luxembourg	YES	YES	NO
Malta	NO	NO	NO
Netherlands	YES	NO	NO
Poland	NO	NO	NO
Portugal	YES	YES	NO
Romania	NO	NO	NO
Sweden	NO	NO	NO

TABLE 14: Summary of data relating to the analysis of information on access to whistleblowing channels

		Number	%
4.1. Whistleblowing channel available	YES	12	44.4%
	NO	15	55.6%
4.2. Information available	YES	12	44.4%
	NO	15	55.6%
4.3. Data on complaints	YES	3	11%
	NO	24	89%

The results show that less than half of EU countries have a direct complaints mechanism that makes it possible to quickly identify cases of infractions, especially those of greater relevance. Furthermore, not all of these cases involve channels that have a simple direct access from the main page of the POBSA website. Countries in which the capital markets supervisor is, in turn, the supervisor of audit activity (for example, the Netherlands, Portugal, Luxembourg and Italy), do indeed have effective and clearly established complaints mechanisms. However, in the case of countries with POBSAs which are independent of the supervisor of financial markets, it is not always possible to find a whistleblowing channel.

In countries with an established whistleblowing channel, variable and sometimes very highly summarised information is provided on the mechanisms for protecting the confidentiality of

the complainant and, therefore, the guarantee of the procedure. Of particular note is the case of Austria, which includes a direct link to the whistleblowing channel but warns users of the lack of guaranteed confidentiality for complainants.

Regarding the number of complaints received, the information is very scarce. We have only identified two countries that collect this data in their annual report².

The following recommendations can be drawn from the analysis carried out:

1. A whistleblowing channel must be made mandatory, with direct access from the main page of each agency.
2. The whistleblowing channel must clearly reflect the procedures that guarantee the anonymity of the complainant. An example of this is the Denmark channel, which is accessible through the following link: <https://erhvervsstyrelsen.dk/whistleblowerordning>
3. A section of the annual report must be dedicated to the investigation processes that have been launched as a result of complaints received. This is the process followed by the CSR in Belgium, which in its annual reports includes the procedure followed for complaints received, the number of complaints and the investigation processes that have been opened as a result of the complaints received. The ICAC’s report on actions in Spain also provides detailed information on complaints received, resulting from subsequent investigations and the type of offence reported.

DIMENSION 5: Penalty records

Variable		Description of measured variable
5. Penalty records	5.1. Penalties	Clearly defined penalty records available
	5.2. Penalty details	Information included regarding the auditor or penalised company

Article 30.4 of Directive 2006/43/EC, in its section on the publication of penalties, requires the POBSAs to publish the administrative penalties imposed on auditors and audit firms on their website. The information must be published for a minimum period of five years. In addition, in cases in which an appeal is made against the penalties, it will also be necessary to include additional information on the status of the appeal. The publication of the penalties may be carried out anonymously under certain assumptions included in the Directive.

There is no standard penalty record system across EU countries. Each country chooses their own formula to publish the penalties and therefore they differ from country to country. As of today, as shown in Tables 15 and 16, six of the 27 countries analysed have yet to publish penalties and many of them do not have penalty records as required by the Directive, which indicates in Article 30 that the penalties must be published for a minimum period of five years. Only 14 of the 27 countries analysed have a register with easy and direct access to records of penalties imposed. Historical records are therefore not established in all countries.

² It is likely that other countries also collect this type of information, however, the absence of clear structures in the annual reports and their publication in the official languages of each country makes it hard to search for this type of data.

In addition, it should be noted that the information published for each penalty is variable. Countries like Cyprus, Romania and Luxembourg do not offer details on penalties. They only include the list of penalised auditors. Others, such as Germany, publish the penalty but not the details of the auditor or penalised company. In general, the information varies from country to country. There are also differences in the disciplinary system, although this matter is not the object of analysis in this study. In any case, given the variability in the information published and the lack of records in European countries, conducting a comparative analysis of the system of penalties in the EU would not be feasible.

TABLE 15: Details of data relating to the analysis of access to penalty records

Dimension 5: Penalty records	5.1. Access to penalties	5.2. Historical records	5.3. Details of penalties
Germany	YES	YES	YES
Austria	YES	YES	YES
Belgium	YES	NO	YES
Bulgaria	YES	NO	YES
Czechia	NO	NO	NO
Cyprus	YES	YES	NO
Croatia	NO	NO	NO
Denmark	YES	NO	YES
Slovakia	NO	NO	NO
Slovenia	YES	YES	YES
Spain	YES	YES	YES
Estonia	YES	YES	YES
Finland	YES	YES	YES
France	YES	YES	YES
Greece	YES	NO	YES
Hungary	NO	NO	NO
Ireland	YES	NO	YES
Italy	YES	NO	YES
Latvia	NO	NO	NO
Lithuania	YES	YES	YES
Luxembourg	YES	YES	NO
Malta	YES	YES	YES
Netherlands	YES	YES	YES
Poland	YES	YES	YES
Portugal	NO	NO	NO
Romania	YES	NO	NO
Sweden	YES	YES	YES

TABLE 16: Summary of data relating to the analysis of information on the existence of penalty records

		Number	%
5.1. Access to penalties	YES	21	77.8%
	NO	6	22.2%
5.2. Historical records	YES	14	51.9%
	NO	13	48.1%
5.3. Details of penalties	YES	18	66.7%
	NO	9	33.3%

The following recommendations can be drawn from the analysis carried out:

- (1) Similarly to the register of auditors or the whistleblowing channel, access to penalty records must be streamlined and direct through the main pages of the POBSA. At this time, only 14 of the 27 countries analysed have easy and historical access to records of penalties imposed.
- (2) The information that must be published regarding penalties must be further defined. More specifically, it should include: (i) the auditor or penalised audit firm; (ii) the penalty date; (iii) the penalty type and amount, in the case of monetary penalties; (iv) a summary of the reason for the penalty and (v) the corrective mechanisms, if any, that have been put in place to correct the penalised non-compliance.
- (3) As stated in the Directive, penalty records should provide access to the penalties of the previous five years. But that is not always the case. Some countries only keep the information relating to the previous year.
- (4) Also, the disciplinary system should be more standardised. Although it is not the object of this study, it should be noted that penalties differ significantly between countries, especially in relation to monetary penalties, which are subject to the regulations of each country.

CONCLUSIONS

Although most of the bodies publish the information required in European regulations, the truth is that the data is not comparable between countries. The document structure, the form of presentation of information or content, differ significantly between Member States, making the process of comparative analysis of the three main functions of these bodies difficult: (a) regulatory; (b) supervisory (c) disciplinary.

This document includes a series of recommendations for each of the dimensions analysed, which are then summarised in three lines of action. These are determining factors in achieving a greater degree of comparability of the information, which will ultimately enable more effective measurement of Member States' compliance with the Directives, and therefore, of the level of implementation of public auditing oversight models.

Line of action 1: Public information channels and access to public registers of auditors and penalties.

All oversight bodies should have similar structures on their web pages to allow the POBSA's operating structure, procedures and actions to be compared.

In addition, the agency's main page should include direct access to the register of auditors and audit firms, to penalty records and whistleblowing channels. Regarding searchable information on each auditor in the register, minimum content should be included and access should be similar in format to facilitate comparability.

In those cases in which audit oversight falls on the capital markets oversight body, there must be a clear and differentiated section on the page, which is equivalent to an independent page.

In addition, with a view to facilitating understanding of the oversight system in each country, the development of all documentation both in the language of the country and in English should be promoted.

Line of action 2: Audit oversight: inspection procedures, investigation and disciplinary mechanisms.

The POBSAs should make their inspection procedures and the results thereof, public.

The lack of information on procedures and their results makes it difficult to compare them in matters as basic as the coverage rate in the inspections and investigations carried out. Namely, the number of auditors or audit firms (or audit assignments) that have successfully passed a quality assurance on the total number of audited entities, whether or not they are PIEs.

The same applies to investigation procedures and disciplinary procedures. There is little information about investigation processes, their duration and the resulting disciplinary procedure, and what exists is difficult to compare. It is not possible to compare between countries the number of penalties imposed on the number of audit firms or auditors that have been monitored throughout the year. In short, all the information from both the POBSA annual reports and other information sources have different measurement and presentation rules, which makes their comparative analysis impossible and therefore, makes it hard to identify those systems that are working better than others. Good evidence of this is the annual report published by the CEAOB on the activities of all EU POBSAs, which is full of exceptions.

Regarding the analysis of inspection and investigation procedures, the function of standardising the information is currently carried out by the IFIAR, through the questionnaire that it distributes among each of its members.

Line of action 3: Periodic Public Information

Although practically all countries analysed comply with the requirement set forth in Article 32 of the Directive, regarding the obligation to “publish work programmes and annual activity reports”, the truth is that periodic public information that is presented is hardly comparable between countries. The structures, information they include, and measurement and presentation rules are different, and therefore, it is difficult to carry out a comparative analysis that makes it possible to assess the effectiveness of the systems implemented in each country. Also, all information should be available in English. At this time, the annual reports are published in the official language of each country.

As is recommended in the section dedicated to the annual report, it should include minimum and comparable information for all countries, which in turn should be sent to the CEAOB for supervision and monitoring of the operation of systems of public oversight in Europe.

In order to quantify compliance with information requirements in each country, Table 17 shows the results of the level of compliance with each of the dimensions analysed in this study, in each of the sample countries. In addition, the result of the overall level is represented in the following graph, where countries have been ordered from highest to lowest compliance.

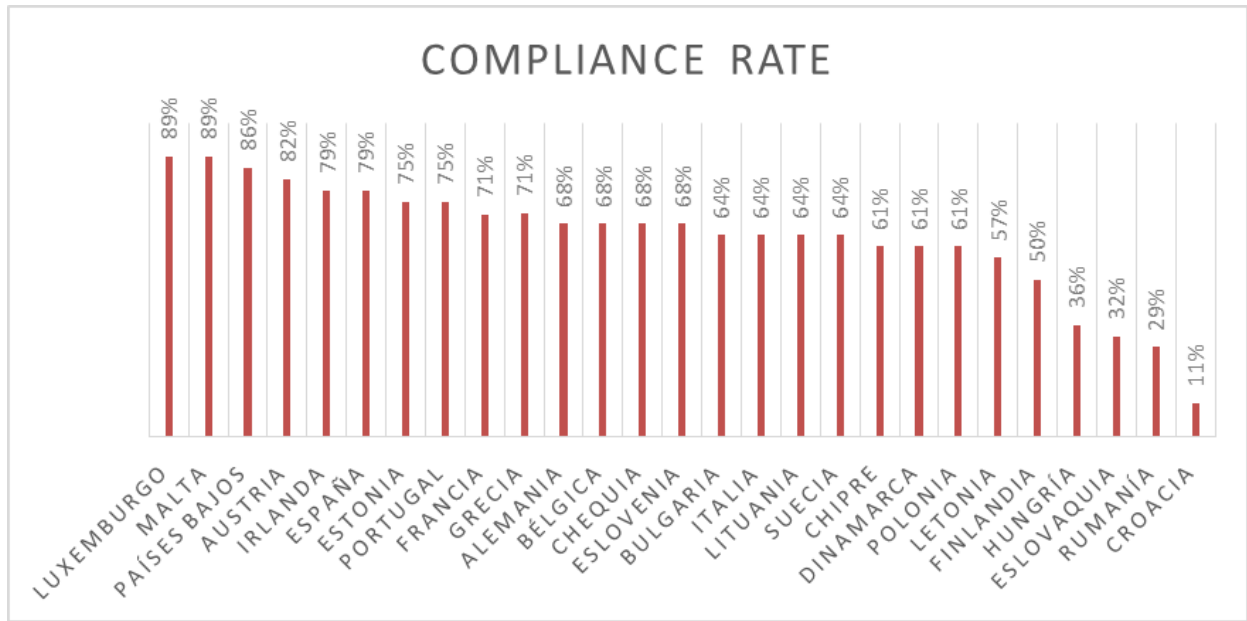
Luxembourg, Malta and the Netherlands reach rates of compliance with the requirements analysed close to 90%. Austria, Ireland, Spain, Estonia and Portugal are slightly behind, with compliance rates above 75% for the items analysed. Hungary, Slovakia, Romania and Croatia are at the bottom in terms of meeting the information requirements established by the European Directive, with compliance rates well below 50%. The rest of the countries analysed are in a range between 50% -69%. Countries such as Cyprus, Denmark, Poland, Latvia, and Finland, reach moderate compliance rates of between 50% and 61%. Bulgaria, Italy, Lithuania and Sweden achieve 64% compliance, while Germany, Belgium, Czechia and Slovenia reach rates of 69%, close to those of France and Greece (71%).

Although overall, most Member States comply with the information requirements established in European regulations, the main problem with the information available is the lack of comparability thereof. As stated previously, the analysis of the effectiveness of the mechanisms implemented in the field of audit oversight over the last decade, requires public information of all bodies to be more standardised.

TABLE 17: Compliance rate by country

Countries	Dimension 1	Dimension 2	Dimension 3	Dimension 4	Dimension 5	Average
Germany	66.7%	75.0%	75.0%	0.0%	100%	67.9%
Austria	66.7%	75.0%	91.7%	66.7%	100%	82.1%
Belgium	83.3%	50.0%	58.3%	100%	66.7%	67.9%
Bulgaria	83.3%	25.0%	83.3%	0.0%	66.7%	64.3%
Czechia	100%	50.0%	91.7%	0.0%	0.0%	67.9%
Cyprus	83.3%	50.0%	50.0%	66.7%	66.7%	60.7%
Croatia	33.3%	25.0%	0.0%	0.0%	0.0%	10.7%
Denmark	50.0%	75.0%	58.3%	66.7%	66.7%	60.7%
Slovakia	66.7%	50.0%	25.0%	0.0%	0.0%	32.1%
Slovenia	66.7%	50.0%	83.3%	0.0%	100%	67.9%
Spain	100%	50.0%	83.3%	33.3%	100%	78.6%
Estonia	66.7%	75.0%	66.7%	100%	100%	75.0%
Finland	83.3%	0.0%	33.3%	66.7%	100%	50.0%
France	66.7%	75.0%	66.7%	66.7%	100%	71.4%
Greece	100%	75.0%	75.0%	0.0%	66.7%	71.4%
Hungary	16.7%	0.0%	75.0%	0.0%	0.0%	35.7%
Ireland	100%	50.0%	83.3%	66.7%	66.7%	78.6%
Italy	83.3%	50.0%	58.3%	66.7%	66.7%	64.3%
Latvia	83.3%	100%	58.3%	0.0%	0.0%	57.1%
Lithuania	66.7%	75.0%	66.7%	0.0%	100%	64.3%
Luxembourg	100%	100%	91.7%	66.7%	66.7%	89.3%
Malta	100%	100%	100%	0.0%	100%	89.3%
Netherlands	100%	100%	75.0%	66.7%	100%	85.7%
Poland	66.7%	75.0%	58.3%	0.0%	100%	60.7%
Portugal	83.3%	75.0%	91.7%	66.7%	0.0%	75.0%
Romania	66.7%	75.0%	0.0%	0.0%	33.3%	28.6%
Sweden	83.3%	75.0%	58.3%	0.0%	100%	64.3%

ILLUSTRATION 1: Chart of compliance rate by each sample country



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