

TOPICAL ISSUES OF AUDIT REGULATION IN THE REPUBLIC OF BELARUS

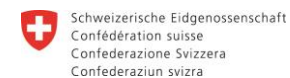
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Chairperson, Standing Commission for Budget and Finance, Chamber of Representatives
National Assembly of the Republic of Belarus

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Advancing Audit Quality Assurance System: Trends and Opportunities



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STATE REGULATION OF AUDIT

State regulation of audit is carried out by **the President of the Republic of Belarus, Council of Ministers of the Republic of Belarus, National Bank of the Republic of Belarus, and the Ministry of Finance of the Republic of Belarus.**

Assurance of compliance by audit firms and self-employed auditors with the audit legislation is carried out by **the National Bank of the Republic of Belarus and the Ministry of Finance of the Republic of Belarus.**

STATE REGULATION OF AUDIT

Ministry of Finance of the Republic of Belarus



Implements common state audit policy

Issues audit regulations

Conducts performance assessment auditor qualification certificate and for an auditor to have their qualification validated

Keeps auditor-related records

Assures compliance with audit legislation

National Bank of the Republic of Belarus



Sets qualification requirements to auditors which provide audit services in banks, non-bank lending and financial institutions, bank groups, and bank holdings

Issues regulations related to audits in banks, non-bank lending and financial institutions, bank groups, and bank holdings

Exercises other audit-related powers as per the Audit Law of the Republic of Belarus

Enhanced Role of Audit Associations



ASSOCIATION OF AUDIT FIRMS



UNION OF CERTIFIED AUDITORS AND ACCOUNTANTS



ASSOCIATION OF PROFESSIONAL AUDITORS



AUDIT ASSOCIATION FUNCTIONS

- ✓ **Represents its members' interests in the governmental, public, and international organizations**
- ✓ **Establishes internal audit rules binding on its members**
- ✓ **Develops recommendations regarding the audit rules implementation and other audit-related matters**
- ✓ **Provides audit-related methodological support to audit firms and self-employed auditors**
- ✓ **Is engaged in the external assurance of quality of audit firms and self-employed auditors which are the audit association members**



Legal and Regulatory Framework for Audit in the Republic of Belarus

Audit Law of the Republic of Belarus No. 56-Z of 12 July 2013

**Resolution of the Council of Ministers of the Republic of
Belarus regarding Selected Issues of Audit No. 1098 of 18
December 2013**

**35 national audit rules based on the International Standards
on Auditing**

Other audit-related regulations

Audit Law of the Republic of Belarus of 12 July 2013

Audit firm requirements



At least five staff auditors in the audit firm
For whom the firm is their main employment.

**Manager is an auditor who provided audit services for at least
two years**

- ✓ **The list of audit firms is available on the web-site of the
Ministry of Finance (www.minfin.gov.by)**

Statutory audit of financial statements prepared as per the IFRS

CAN ONLY BE CONDUCTED BY AN AUDIT FIRM

**Audit firm
requirements**



**At least two staff auditors with
special training in the IFRS**



**Audit information available on
their web-site**

Auditor Qualification Certificate Performance Assessment

Resolution No. 14 of 14 February 2018 of the Ministry of Finance of the Republic of Belarus on Selected Matters of Auditor Qualification Certificate Performance Assessment and invalidation of some resolutions of the Ministry of Finance of the Republic of Belarus or their selected structural elements

***Will take effect on 1 January 2019**



Regulation on the Audit Qualification Commission



Regulation on the Qualification Examinations Held by the Audit Qualification Commission



Auditor Qualification Certificate Qualification Examinations Programme

- ✓ **Audit**
- ✓ **Accounting and accounting statements**
- ✓ **International Standards on Auditing**
- ✓ **International Financial Reporting Standards**
- ✓ **Taxes, charges (duties), and taxation**
- ✓ **Legal regulation of entrepreneurial activities, civil and employment relations**
- ✓ **Economic activity analysis**

AUDITOR QUALIFICATION VALIDATION

**Auditor is obliged
to have their qualification validated
at least once every two years
starting from the year following the year of obtaining
auditor qualification certificate**

*** Article 24, paragraph four
of Audit Law of the Republic of Belarus No. 56-Z of 12 July
2013**



Audit Oversight Challenges



Audit Oversight Challenges

Lack of Registry of Audit Firms and Self-Employed Auditors

Lack of effective measures to hold audit firms and self-employed auditors accountable for breach of audit procedures

Lack of skilled human resources



SOLUTIONS

Draft Law of the Republic of Belarus on Amendments to the Audit Law of the Republic of Belarus



Implementation of the international standards on auditing as technical regulations in the Republic of Belarus



Establishment and maintenance of the registry of audit firms, self-employed auditors, and auditors



Strengthened external audit quality assurance and measures to hold audit firms and self-employed auditors accountable for violation of the audit legislation of the Republic of Belarus



Draft Law of the Republic of Belarus on Amendments to the Audit Law of the Republic of Belarus

Has amended Article 5 of the Audit Law of the Republic of Belarus

whereby the Council of Ministers of the Republic of Belarus together with the National Bank of the Republic of Belarus shall establish a procedure for implementation of the international standards on auditing issued by the International Federation of Accountants as technical regulations in the Republic of Belarus.



Draft Law of the Republic of Belarus on Amendments to the Audit Law of the Republic of Belarus

Has introduced new Article 5.1. State Registry

Which determines the procedure for entering audit firm, self-employed auditor, and auditor data in the State Registry and grounds for a decision to deny entering such data in the State Registry or deleting it from the State Registry.

Audit firms not entered in the State Registry will be prohibited from providing audit services.

Liability for non-compliance with the requirement has been introduced.



Draft Law of the Republic of Belarus on Amendments to the Audit Law of the Republic of Belarus

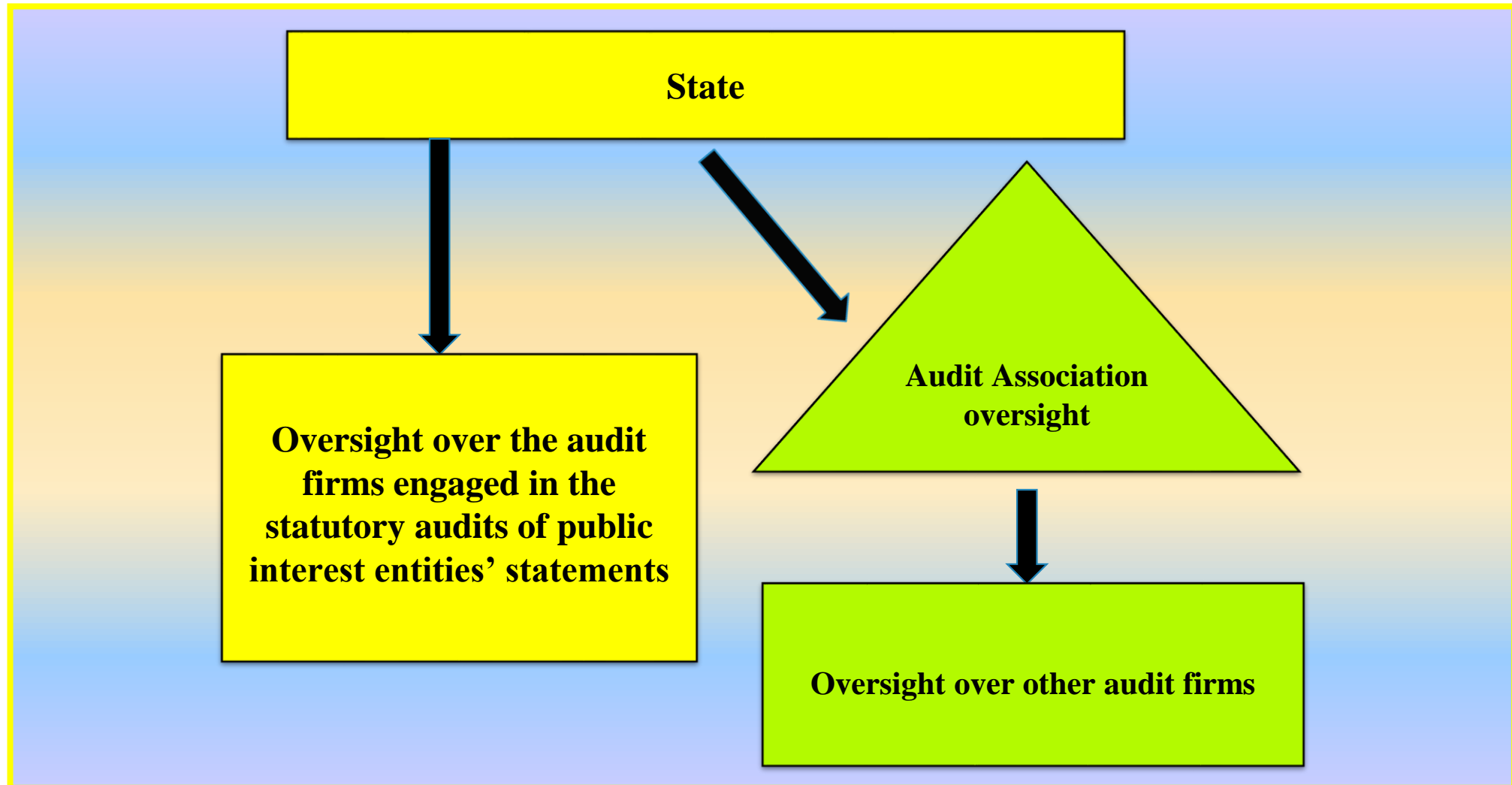
Has introduced new Article 8 Audit Association, which determines the legal status, functions, and obligations of the Audit Association.

As per the draft Law, the Audit Association is a non-profit organization based on the membership of audit firms and self-employed auditors.

Membership in the Audit Association is mandatory for the audit firms and self-employed auditors engaged in statutory audits.

Audit Association is obliged to establish specialized bodies of the Audit Association engaged in the audit firms and self-employed auditors quality assurance and assurance of compliance by the Audit Association members with the audit legislation requirements, Audit Association internal audit rules, Code of Professional Ethics of Auditors, and consideration of cases regarding disciplinary actions against the Audit Association members.

Audit Oversight





Amendments planned to be introduced to the Code of Administrative Offences of the Republic of Belarus

Introduce liability in the form of administrative penalties for:

- **Audits conducted by an audit firm manager of which does not hold auditor qualification certificate;**
- **Breach of requirements to the number of audit firm auditor staff**
- **Audits conducted by an audit firm involving employees who are not the audit firm staff;**
- **Violation of the national audit rules and the International Standards on Auditing; and**
- **Other.**

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Audit Section


THANK YOU

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Governance

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Strengthening Auditing and Reporting in
the Countries of the Eastern Partnership

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