



**Improving Audit Quality in Western Balkans Countries  
Through Regional Cooperation  
Investigation & Sanctioning**

REPARIS for SMEs  
Vienna 16-17 May 2023

**Public Oversight Board  
Albania Case**

# Investigation & Enforcement provisions

The competent body for imposing disciplinary measures is the **POB**.

- ✓ **Warning** with a note in the public register;
- ✓ **Fines**;
- ✓ **Temporary suspension**, not longer than five years;
- ✓ **Permanent removal** from the public register, which prohibits practicing the profession permanently.

POB applies the Regulation No. 4 of 29.03.2018 “For Investigation and procedures on enforcement”, amended;

- ✓ detailing the procedures for initiating and reviewing disciplinary violations, determining the amount of fines and charging cases of statutory auditors or audit firms with the obligation to cover the costs of disciplinary proceedings.

# Investigation & Enforcement provisions (Fines)

- A fine from 50,000 – 100,000 lek is imposed, if the statutory auditor has requested his deregistration with the intention of starting a new activity and has started practicing his new activity in contrary to the professions' ethical and moral interests, before the Registration Committee has made a decision, within the period provided in the regulation approved according to the article 29 of the statutory audit law

# Investigation & Enforcement provisions (Fines)

- Fine that varies from 50,000 – 200,000 lek is imposed, if at the end of the quality assurance review process, it is concluded that the audit engagement was not made in accordance to the international auditing standards and with the requirements of this law and other sub-laws.

# Investigation & Enforcement provisions (Fines)

- Fine that varies from 50,000 – 150, 000 is imposed if the information and documentation requested from the responsible quality assurance authorities is not provided accordingly.
- Fine that varies from 100,000 – 500,000 lek is imposed, if a poor or wrong judgment over the financial statements audited results as a consequence of not following the audit rules and procedures.
- Fine that varies from 50, 000 – 150,000 lek is imposed, if the requirements of the article 34 (breach of Confidentiality and professional secrecy) of the audit law.
- Fine that varies from 50,000 – 100,000 lek is imposed, if the annual report presented to statutory auditors' professional body contains confidential information that is not true.

# Investigation & Enforcement provisions (Temporary suspension)

Temporary suspension measures are applied when:

- In cases when violations provided in point “4”, “5”, “7”, and “8” above are violated more than twice;
- the statutory auditor is at the same time practicing another profession conflicting to the statutory auditor’s profession;
- Acceptance of the audit engagement is performed without following the appointment procedures, defined in the statutory audit law and in charter regulations or statute;
- it is verified that the audit report is not based in any documentation that is part of the audit file.
- at the end of the quality assurance evaluation the results are “poor”.
- significant noncompliance between the annual declaration of the time, according to the engagements made and the time available calculated, considering declared employees and associates and, as well as non-declaration of the associates and employees.

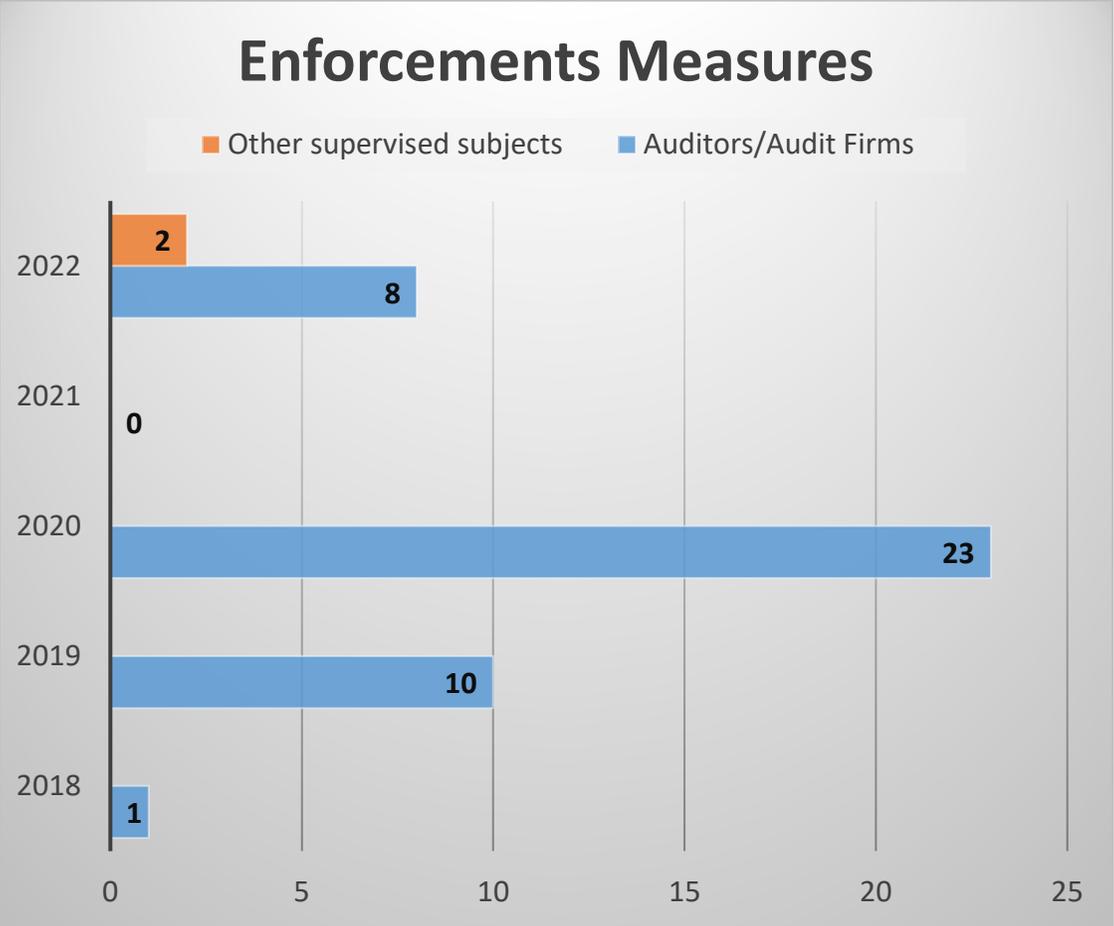
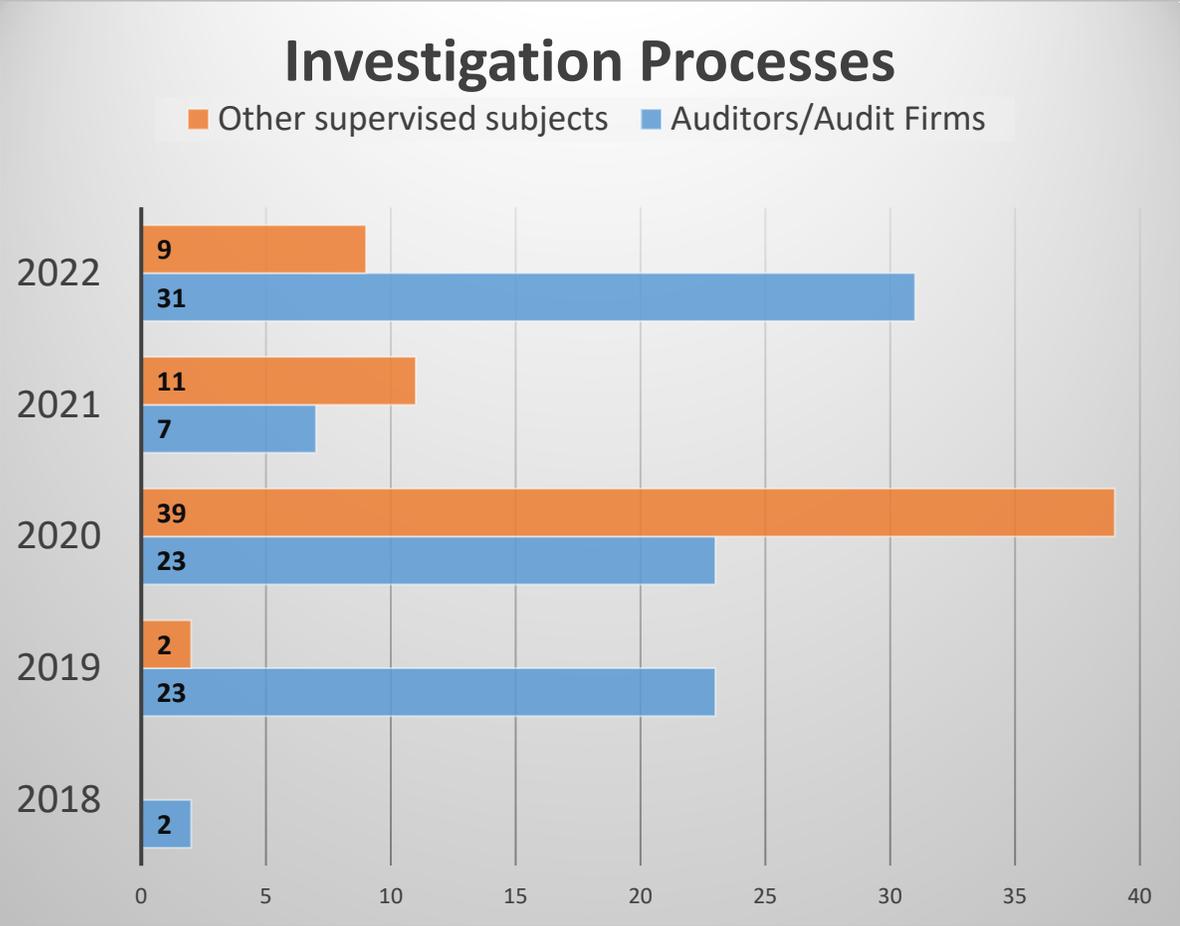
# Investigation & Enforcement provisions (Permanent Removal)

- audit services of financial statements are based, to a large extent, in the results of periodic reviews of summarized financial statements and internal audit that are performed by the statutory auditor or audit firm;
- statutory auditors and audit firms involved in providing quality assurance services to the financial statements prepared for the purposes of the client, when the latter are informal and different from the financial statements for general purposes.
- violations defined in point 6, and violations defined in point 9 in this article are repeated more than twice.
- the temporary suspensions is associated with additional sanctions that prohibit the statutory auditor to be appointed in the Steering Council of professional organizations or other institutions defined in this law. The suspension might be general or limited in one or more categories of companies or services.

# Measure notification

- Are notified to the party
- Are published in the Public Register in the Statutory Auditor/Audit Firm Section

# Investigation processes & Enforcement factsheet 2018 – 2022



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