



# THE ROLE OF THE CHAMBER OF FINANCIAL AUDITORS OF ROMANIA (CAFR)

22 OCTOBER 2024



3rd POB Forum



BUCHAREST





CAMERA AUDITORILOR FINANCIARI  
DIN  
ROMÂNIA

## ABOUT CAFR

■ The **Chamber of Financial Auditors of Romania** was established in **1999** by the **Government Emergency Ordinance no. 75** and is the **competent authority** in charge of *organizing, coordinating and overseeing financial audit activities* in Romania, *other than statutory audits*.

■ The Chamber's **mission** is to build, on a solid ground, the **identity and public recognition of the Romanian financial audit profession**, having as main objective the **sustainable development of the profession**, in accordance with **national legislation, international auditing standards** and the **Code of Ethics** for professional Accountants issued by the *International Federation of Accountants (IFAC)*.

3<sup>rd</sup> POB Forum



BUCHAREST





## CAF R OBJECTIVES

- To continuously develop the Romanian financial audit profession by serving the public interest and ensuring that CAF R members adhere to the highest professional and ethical standards established at European and international level.
- To represent the financial auditing profession both nationally and internationally, promoting the professional interests of its members to public institutions and relevant national and international professional organizations.
- To ensure that audit services provided in Romania are of the highest quality by continually enhancing the quality assurance system and ensuring that members annually meet their CPD requirements.
- To consistently strive to create the necessary conditions for CAF R members to practice their profession as financial auditors with independence and integrity.
- To maintain ongoing communication with CAF R members to effectively understand and answer their needs, thereby supporting the delivery of high-quality audit services that meet client expectations.
- To actively promote best practices in the field, improving the quality of financial audit services and identifying trends in both the Romanian and international audit markets, advising financial auditors on how to respond appropriately.





## CAFR ACTIVITIES

- Assistance services for members (collection of annual fees, issuance of the annual visa, reporting, etc.)
- Continuous professional development
- Quality control inspections (for activities carried out by CAFR members, other than statutory audits)
- Networking opportunities (organization of national and international conferences, congresses, round tables, working parties on relevant topics, etc.)
- Professional publications (2 professional journals, newsletters, best practice guides, translation of international handbooks, brochures with sample exam questions).
- Representing the profession at national and international level.



# CAFR Regional Offices

- √ Facilitating the fulfillment of members' obligations,
- √ Receiving application files from candidates to various exams,
- √ Assistance in completing the annual CPD program and other reporting requirements,
- √ Maintaining regular contact with members at the local level.



**Cluj Office**  
(North-West  
Development  
Region)

**Braşov Office**  
(Central  
Development  
Region)

**Iaşi Office**  
(East North-East  
Development  
Region)

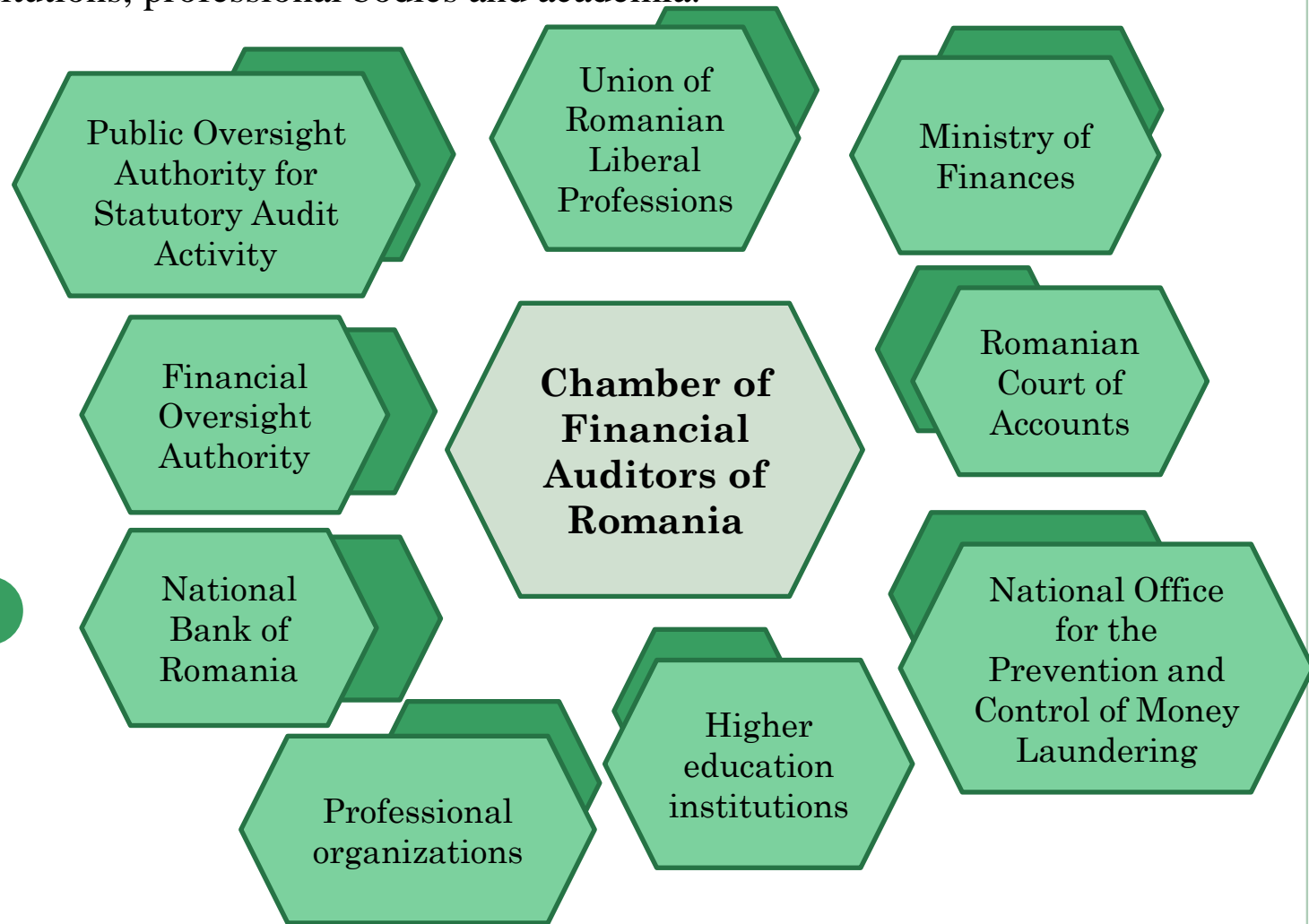
**Timișoara  
Office**  
(Western  
Development  
Region)

**CAFR  
BUCHAREST**

**Constanța  
Office**  
(East South-East  
Development  
Region)

# Inter-institutional Cooperation

At internal level, CAFR has ongoing cooperation relations with State institutions, professional bodies and academia.



# CAFR International Activity

CAFR is member of the following international organizations:

- **International Federation of Accountants (IFAC),**
- **Accountancy Europe,**
- **Professional Accountancy Education Europe (PAEE),**
- **European Federation of Accountants and Auditors for SMEs (EFAA),**
- **Accountancy Professional Strategic Forum (APSF) & Quality Assurance Network (QAN),**
- **International Association for Accounting Education and Research (IAAER).**



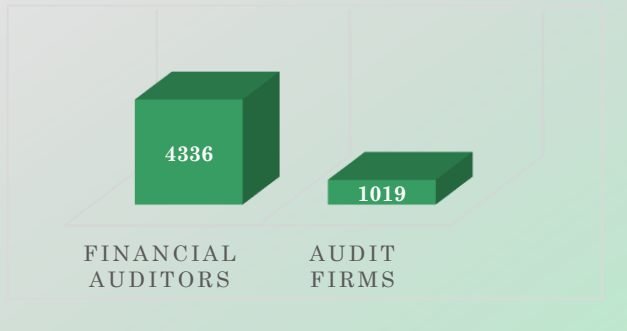
## International bilateral agreements:

- ACCA
- ICAEW
- Scotland
- AICPA & CIMA
- Cyprus
- Republic of Srpska
- ACAP Republic of Moldova
- Bulgaria
- Lithuania
- Hungary
- Azerbaijan

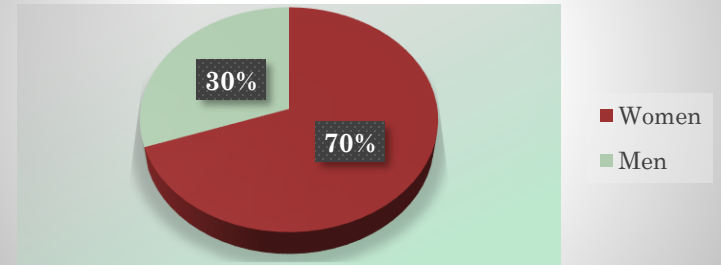


# OVERVIEW OF CAFR MEMBERSHIP

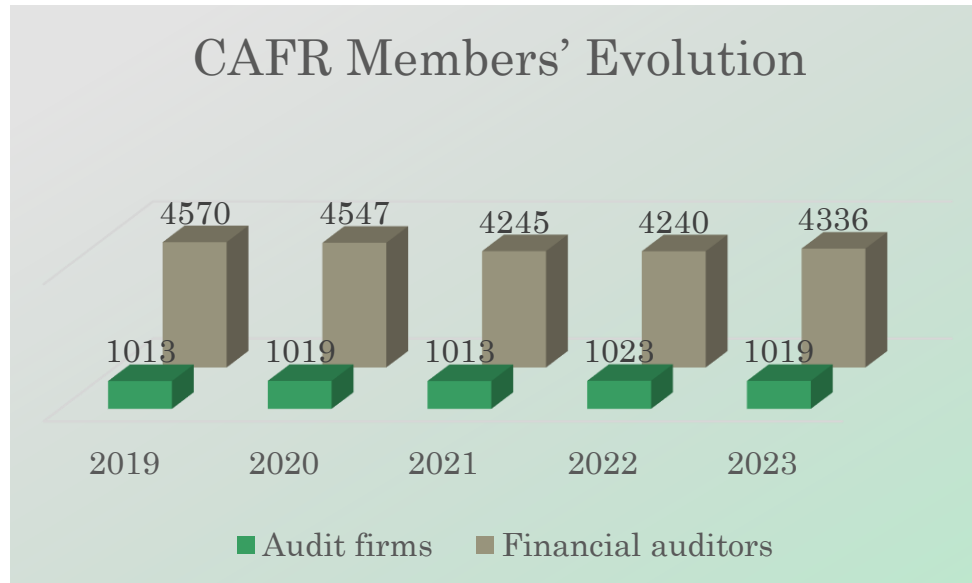
## CAFR MEMBERSHIP



## STRUCTURE OF CAFR MEMBERS



## CAFR Members' Evolution





## Cooperation with the public interest oversight board (ASPAAS)

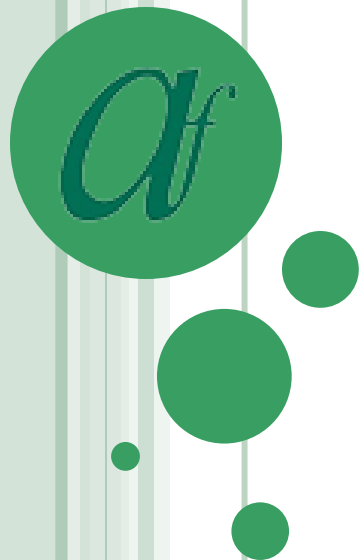
**Activities delegated to CAFR** (as per law 162/2017 on the statutory audit of annual financial statements and annual consolidated financial statements):

**Organization of the continuous professional development program** – first delegated in 2020, subsequently renewed

**Organization of the professional competence exam**  
- first delegated in 2021, subsequently renewed

**Organization of test for access to practical training** - first delegated in 2020, subsequently renewed

**Translation of the Code of ethics and International Standards on Auditing** - first delegated in 2021, subsequently renewed



# Activities delegated to the Chamber by ASPAAS

## The annual CPD Program for financial auditors

- Organized by CAFR on its **e-learning platform**, accessible to all financial auditors by username & password
- The proposed topics of the annual CPD program are submitted by CAFR to ASPAAS and agreed upon
- In its proposals, CAFR takes into account courses **suggested by financial auditors, topics relevant for the profession** (newly adopted national regulations or applicable international standards) as well as **proposals from the CAFR quality inspectors**, based on their quality control findings.



# Activities delegated to the Chamber by ASPAAS

## The annual CPD Program for financial auditors

The annual CPD program is approved by ASPAAS and applicable to all financial auditors, depending on their status (active or non-active members) and the engagements they carry:

- **Annual mandatory CPD courses: 20 hrs active /10 hrs non-active auditors**
- **Auditors of PIEs: shall carry out 8 additional CPD hrs**
  - Online courses, available 24 hours /24; starting with 2024 interactive courses available (on Zoom)
  - The Chamber sends to ASPAAS the record of members who have completed their annual professional training (no of hours completed).



# Activities delegated to the Chamber by ASPAAS



## The professional competence exam

- Organized by CAFR for all trainees having completed 2 years of practical training, based on the Norms issued by ASPAAS
- ASPAAS oversees the organization of the exam carried out by CAFR
- Before each exam session, the dates of exam-related activities are agreed upon with ASPAAS
- ASPAAS approves the composition of various committees involved in the exam (subject drafting committee, grading committee, appeals committee)

- Exam sessions

- **April – May 2021**
- **May – June 2023**
- **November 2024**

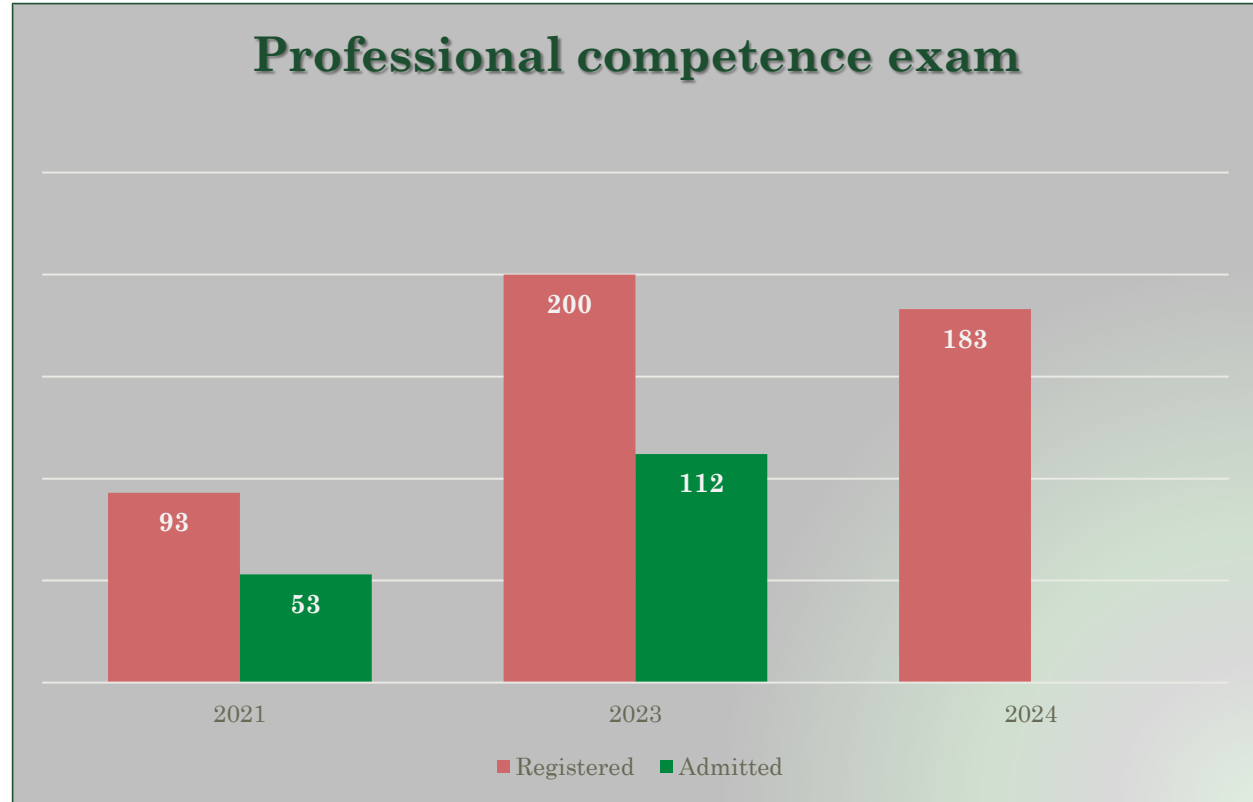


-   **Online exam** – hosted on the examination platform of the Academy of Economic Studies of Bucharest

- The exam consists of two tests:

- **Test 1** (eliminary) consists of both multiple-choice questions and open-ended (synthesis) questions
- **Test 2** only consists of open-ended questions (case studies)

## Activities delegated to the Chamber by ASPAAS

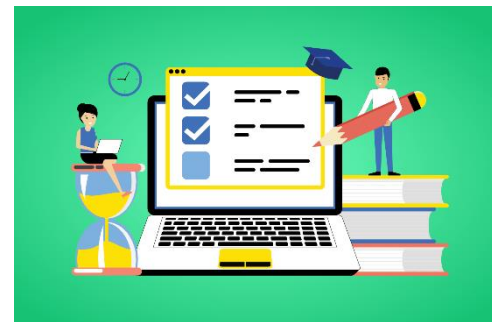




## Activities delegated to the Chamber by ASPAAS

### The test for access to practical training

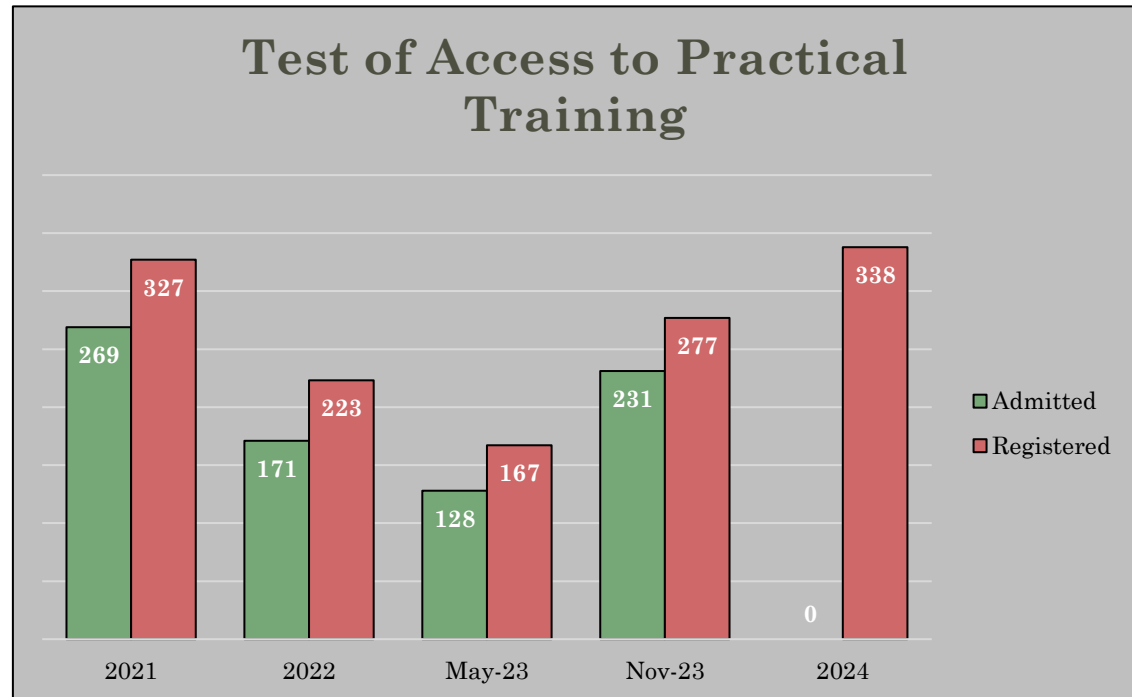
- Organized by CAFR for all university graduates who wish to be admitted to the 3 years of practical training, based on the Norms issued by ASPAAS
- ASPAAS oversees the organization of the access test carried out by CAFR
- Before each test session, the dates of test-related activities are agreed upon with ASPAAS
- ASPAAS approves the composition of various committees involved in the test (subject drafting committee, grading committee, appeals committee)

- Access test sessions
  - **November 2021**
  - **September 2022**
  - **May 2023 and November 2023**
  - **October 2024**



-   **Online exam** – hosted on the examination platform of the Academy of Economic Studies of Bucharest
- The test consists of 1 examination - multiple-choice questions

## Activities delegated to the Chamber by ASPAAS



# Activities delegated to the Chamber by ASPAAS

## Translation - Code of Ethics and International Standards on Auditing

- In 2022, CAFR carried out two complex projects:

1. Translation and publication of the **Handbook of International Quality Control, Auditing, Review, Other Assurance, and Related Services Pronouncements, (IAASB Handbook)** and
2. Translation and publication of the **International Code of Ethics for Professional Accountants (IESBA Handbook)**.

Both handbooks were adopted by Order of the ASPAAS President and became effective for all financial audits carried out in Romania.





## Activities delegated to the Chamber by ASPAAS

In 2024, CAFR carried out the translation and publication of the **International Code of Ethics for Professional Accountants (IESBA Handbook)**, 2023 edition.

The 2023 Code of Ethics was adopted by Order of the ASPAAS President and is applicable to all Romanian financial auditors.

- The translation and review activities calendar was approved by ASPAAS
- ASPAAS reviewed the final translation and agreed upon the list of key terms



## Quality Assurance System

**The Monitoring, Control, Research and Professional Competence Department** is the specialized structure within the Chamber, responsible for quality control reviews of financial audit engagements, other than statutory audits and other assurance engagements performed by financial auditors, members of the Chamber.

### Human resources involved:

- Head of Department
- 3 senior inspectors
- 3 inspectors

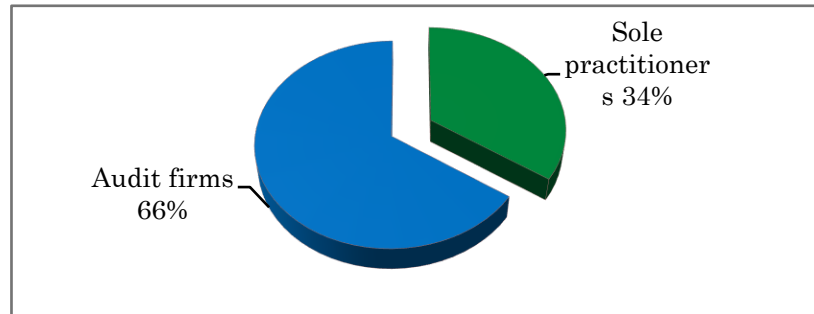
All are financial auditors, members of the profession.

The Monitoring Department conducts **regular inspections** to assess whether auditors are complying with relevant laws, professional standards and ethical requirements.

If deficiencies are found during inspections, CAFR may recommend corrective actions or impose disciplinary measures. The Department performs **follow-up inspections**.

# Quality Assurance System

In 2023, The Monitoring Department carried out 151 quality control inspections of the work performed by 99 audit firms and 52 sole practitioners.



Grade	Audit firms		Sole practitioners		Total 2023	
	number	%	number	%	number	%
A	75	76%	19	37%	94	62%
B	8	8%	13	25%	21	14%
C	0	0%	2	4%	2	1%
D	0	0%	0	0%	0	0%
Subtotal	83	84%	34	65%	117	77%
No grade	16	16%	18	35%	34	23%
<b>Total</b>	<b>99</b>	<b>100%</b>	<b>52</b>	<b>100%</b>	<b>151</b>	<b>100%</b>



## Compliance with International Standards



International Standards on Auditing (ISAs)

International Standards on review engagements (ISRE)

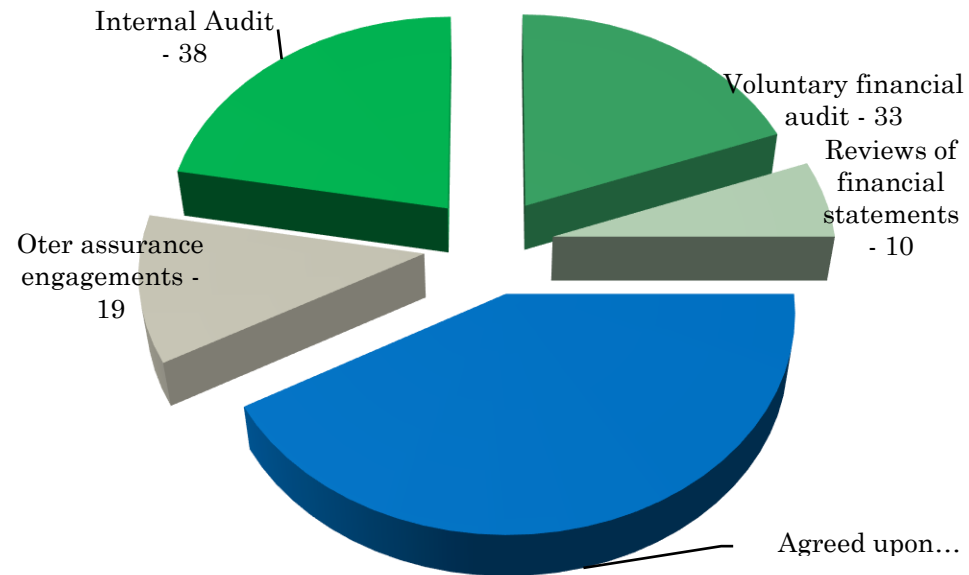
International Standards on assurance engagements (ISAE)

International Standards on related services (ISRS)

International Code of Ethics for Professional Accountants

## Types of engagements

In 2023, financial auditors carried out different types of engagements, other than statutory audits.



## Scope of Quality Control Inspections

- I. Scope of the contracts/letters of engagement – compliance with ISAs
- II. Review of annual reports submitted to CAFR – no. of engagements, revenues, compliance with specific regulations of the Chamber
- III. Compliance with continuous professional development regulations
- IV. Assessment and implementation of internal quality control system
- V. Documentation of audit files – compliance with ISAs and specific guidelines
- VI. Assessment of procedures regarding anti-money laundering laws



**Thank you for your attention!**

**Chamber of Financial Auditors of Romania**

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