

STATUS AND DEVELOPMENT OF AUDITING IN THE REPUBLIC OF BELARUS

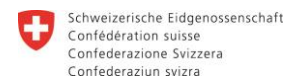
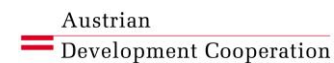
Accounting, Reporting, and Audit Regulation Directorate
Ministry of Finance of the Republic of Belarus

25 October 2017

Vienna, Austria



STAREP is co-funded by:





Auditing Legislation

- Auditing Law of the Republic of Belarus No. 56-3 of 12 July 2013
- Resolution of the Council of Ministers of the Republic of Belarus No. 1098 of 18 December 2013 Regarding Selected Matters of Auditing
 - ISA-based National Auditing Rules



Application of the International Standards on Auditing

Amendments to implement the International Standards on Auditing as technical regulations in the Republic of Belarus are expected to be introduced to Auditing Law of the Republic of Belarus No. 56-3 of 12 July 2013



State Regulation of Auditing

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

Compliance with auditing legislation by audit firms and self-employed auditors is assured by the National Bank of the Republic of Belarus and the Ministry of Finance of the Republic of Belarus.



Strengths of the Recent Audit Reform

- Enhanced role of auditor associations
- More stringent requirements to audit firms and self-employed auditors
- Broader grounds for cancellation of an auditor qualification certificate



Enhanced Role of Auditor Associations

Audit firms and self-employed auditors can establish auditor associations.

Auditor associations are authorized to:

Represent the association members' interests in the state, public, and international organizations;

Establish internal auditing rules binding on the association members;

Exercise external control over the quality of audit firms and self-employed auditors which are the auditor association members.

There are the following auditor associations in the Republic of Belarus: Audit Firms' Association, Union of Certified Auditors and Accountants, and Association of Professional Auditors.



More Stringent Requirements to Audit Firms and Self-Employed Auditors

An audit firm's staff should comprise at least five auditors for whom the firm is the main place of work.

Auditor who provided audit services as an audit firm employee and/or self-employed auditor for at least two years can be appointed as audit firm head.

Audit firm engaged in the statutory audits of annual financial statements prepared as per the IFRS should have on its staff at least two auditors with special IFRS-related training.



Broader Grounds for Cancellation of an Auditor Qualification Certificate

- Non-compliance with the independence and confidentiality principles
- Breach of the qualification confirmation requirement
- Engagement in the entrepreneurial activities other than auditing and provision of professional services
- Failure to provide all the information/documents necessary to inspect compliance with auditing legislation
- Established facts of systemic (twice or more over twelve consecutive months) of violation of the auditing legislation



Oversight-Related Challenges

- No registry of audit firms and self-employed auditors
- No effective audit firms' and self-employed auditors' liability for breach of audit procedures
- Lack of skilled staff



Possible Support by the CFRR to Resolve the Challenges

- Re-allocate oversight responsibilities among the audit regulators
- Enhance audit firms' and self-employed auditors' liability for breach of audit procedures
- Strengthen the requirements to audit firms engaged in audits of financial statements prepared as per the IFRS

The background is a low-poly, faceted orange pattern. The facets are irregular polygons of various sizes and shades of orange, ranging from light to dark, creating a textured, crystalline appearance. The overall color palette is monochromatic, centered around the orange spectrum.

Thank you!