

# DAY 1: Registration of auditors, continuing professional development and the role of the APOA

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# APOA's tasks regarding registration and licencing (According to Auditing Act)

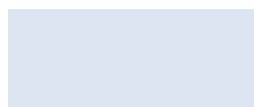
1. Defines the **professional competencies** and **compulsory experience** required to perform the tasks of certified auditors.

2. **Organises professional training, carries out examinations** of professional competence, and **issues certificates** regarding professional competence for the performance of the tasks of certified auditors

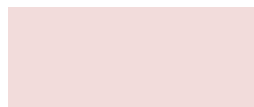
3. **Issues licences** to carry out the tasks of certified auditors, **performs the registration** of statutory auditors, audit companies, third country auditors and third country audit entities

4. **Maintains registers** of certified auditors, audit companies and third country audit entities and publishes acts on sanctions

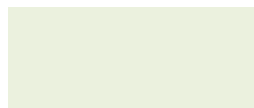
5. **Organises continuing education** of certified auditors (continuing professional development: CPD)



APOA



DELEGATED TO THE SLOVENIAN INSTITUTE OF AUDITORS



PERFORMED BY DIFFERENT EDUCATIONAL INSTITUTIONS

# CONDITIONS FOR OBTAINING A CERTIFICATE REGARDING PROFESSIONAL COMPETENCE

APOA defines the **professional competencies** and **compulsory experience** required to perform the tasks of certified auditors.

- ✓ APOA published *Rules on the conditions to obtain a certificate for performing the tasks of a certified auditor and on compulsory practical training (certificate of expertise)*:
  - **Conditions for enrolment in education for obtaining a certificate of professional knowledge** (person who has finished University or is still a student in last two years, knowledge of Slovenian language)
  - **Conditions for obtaining a certificate of expertise** (successfully completed the education programme and passed all exams and has completed the practical training)
  - **Conditions for statutory auditors:** have to pass 6 exams in Slovenian language (Slovenian accounting standards, Tax law and corporate taxation, Commercial law and company law, Civil law and commercial contracts, Bankruptcy law and insolvency proceedings, Labor and social law).

1. After new acquired competence, first thing APOA had to decide whether initiate (continue) a programme in Slovenian language: research among auditors / audit companies about the interest; BIG4 usually send their staff to ACCA programme, local audit firms to Slovenian programme
2. Programme: 2 years, 13 subjects & exams, 190 hours of lectures
3. Being performed by **Slovenian Institute of Auditors (SIA)**:
  - ❑ Public tender
  - ❑ Contract signed between APOA and SIA for the duration of 6 years
  - ❑ SIA has a long tradition in initial education of auditors
  - ❑ APOA (APOA expert commission) still has an important role in defining the content of subjects, lecturers; in case of any disagreements with students, APOA is the responsible authority
  - ❑ APOA is actively involved with its lecturers, in the subjects of auditing
3. In practice: The beginning : 2020 (13 candidates applied), 2021 (5)

The Agency's expert commission adopted and confirmed:

- ✓ detailed content of education program
- ✓ rules on conducting examinations
- ✓ rules and instructions for the preparation and defence of the final thesis (diploma)
- ✓ education implementation plan
- ✓ price list of education
- ✓ implementation of the education program in 2020

## □ New require in the Auditing Act 2019:

- ✓ The practical training must be provided by key audit partners
- ✓ Practical training should be substantively relevant and should mainly cover the auditing of individual and consolidated accounting statements
- ✓ Practical training should be conducted and documented in accordance with rules written by the Agency

## □ Rules:

- ✓ Purpose: for the candidate to be professionally and practically trained for the work of a certified auditor; to apply theoretical knowledge in practice
- ✓ Candidate may begin practical training before, during or after the education
- ✓ Candidate must notify the Agency that he has started the practical training
- ✓ **Lasts three years: 1,200 hours per year and at least 3,600 hours in a three-year period**
- ✓ Annual report to the Agency on practical training

APOA issues a licence to carry out the tasks of a certified auditor if a person meets **the following conditions**:

- ✓ has completed at least a second level study programme
- ✓ has a minimum of **five years of work experience**, with a minimum of **three years of experience in auditing** (in the last 6 years period)
- ✓ has completed **practical training** and **passed the examination** of professional competence
- ✓ has not had a licence for carrying out the tasks of a certified auditor **withdrawn** in the past or at least five years have elapsed since
- ✓ has **not been convicted of a crime** against property crime or an economic crime
- ✓ has a high level of active knowledge of the **Slovenian language**
- ✓ submits a request to APOA with evidence of meeting all conditions (+ payment of 100 EUR according to the tariff)

- the issuance of the license is decided by the expert council of APOA
- entry of the new certified auditor into the register
- the licence valid **three years** from the date of issue.
- The validity of the licence can be renewed every three years at the request, if **auditor undergoes additional professional training**



To ensure disclosure, transparency and to protect the interests of users, APOA maintains the following registers:

- register of certified auditors (188)
  - register of audit companies (47)
  - register of third country audit entities (none requests so far)
- Competence since the new Auditing Act in 2019 (before that, registers were maintained by SIA)
  - The register is in **the electronic form** and published on the website of the Agency (public tender for the provider, very demanding and time consuming process)
  - The register is divided into two parts:
    - **the public part of the register**, which is publicly accessible to natural persons and business entities on the website: [AUDIT COMPANIES](#), [CERTIFIED AUDITORS](#)
    - **the business part of the register**, which is accessible only to the Agency

- Agency keeps and manages registers in electronic form
- external IT provider (public tender)
- huge engagement of the whole team to develop electronic register, which also includes:
  - on-line reporting of audit firms,
  - conducting completed CPD of each certified auditor,
  - sanctions and other important data of each person
- certified auditors and audit companies have access to their data in the register and can change it directly (but the change is valid after the admin confirmation)
- All registered subjects are responsible for their data in the register to be correct

Auditing Act specifies the data, that can be kept in the registers

**The register of certified auditors** contains the following data:

- name and surname, address and registration number
- name, address, website and registration number of the audit company or organisation, where the certified auditor is employed or associated with as a partner
- all other registrations of a certified auditor with the competent authorities of other Member states
- the date of issue of the licence
- sanctions

# The register of audit companies contains

Auditing Act specifies the data, that can be kept in the registers

## The **register of audit companies** contains:

company name and registered office	identification and registration number
legal form	contact data for the audit company and primary contact person, website
address of each office in a Member State	name and registration number of all certified auditors employed in or associated with the audit company
names, surnames and business addresses of all owners or shareholders	names, surnames and business addresses of all members of the management board or management body
an indication of membership in a network and a list of the names and addresses of all members or affiliated companies or denotation of locations where such data can be publicly accessed	all other registrations of the audit company with the competent authorities of other Member States and as a third-country audit entity, including the name of the registration authorities and registration number
measures of inspections imposed.	

## **STATUTORY AUDITORS (EU COUNTRIES):**

- pass 6 exams in Slovenian language (Slovenian accounting standards, Tax law and corporate taxation, Commercial law and company law, Civil law and commercial contracts, Bankruptcy law and insolvency proceedings, Labor and social law);
- issue a licence to become certified auditor

## **THIRD COUNTRY AUDITORS (UK – ACCA!)**

- under the condition of reciprocity (!), the Agency issues a slovenian license to an auditor from a third country if he proves to the Agency that he meets the requirements equivalent for Slovenian certified auditors
- Slovenia and UK have started the communications about the process regarding the mutual recognition of audit qualifications

- CPD is a continuous additional professional training of certified auditors after obtaining a license and is mandatory for maintaining the licence and renewing it.
- It is also important for protection of public interest, provision of high quality services for clients and other stakeholders and strengthening public confidence in auditing services
- The starting point for determining the scope and method of CPD is the **International Education Standard 7 - Continuing Professional Development (Revised)**, issued by the IFAC in February 2018
- Professional competence is the ability to perform a certain task in accordance with the standard. It goes beyond knowledge of principles, standards, concepts, facts and procedures; it is about integrating and using the acquired basic knowledge, technical qualifications, professional skills and professional values, ethics and behaviour.

- The licence is valid for three years from the date of issue.
- at the request, the validity of the licence is extended for another three years by APOA, if auditor has completed CPD
- certified auditor is obliged to complete **at least 120 hours of CPD in three years**, during the period of validity of the existing licence
- CPD is divided into education marked A, B or C:
  - ✓ **A seminars** cover more demanding areas of auditing and accounting: by attending these seminars, the certified auditor must complete at least half of the required CPD or at least 60 hours. At least six hours in the field of auditing and **at least 12 hours**: six hours in the field of accounting must be completed by attending seminars **each year**.
  - ✓ **B seminars** are organised by educational institutions with the consent of the Agency for the implementation of the annual education program
  - ✓ **C seminars** are the rest of the seminars

# ... continuing professional development: CPD

<i>Label</i>	<i>Field of education</i>	<i>Organizer or source</i>
<b>A</b>	More demanding areas of <ul style="list-style-type: none"> <li>• Auditing</li> <li>• Accounting</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Agency for Public Oversight of Auditing</b></li> <li>• <b>Slovenian Institute of Auditors</b></li> </ul>
<b>B</b>	<ul style="list-style-type: none"> <li>• Auditing</li> <li>• Accounting</li> <li>• Valuation</li> <li>• Law</li> <li>• Financial analysis</li> <li>• Information technology and computer systems</li> <li>• Taxes</li> </ul>	<ul style="list-style-type: none"> <li>• Educational institutions with the consent of the Agency for the implementation of the annual education program</li> <li>• Audit companies that also organize training for external participants and have obtained prior approval from the Agency for the implementation of the annual training program</li> </ul>
		<ul style="list-style-type: none"> <li>• Publishing professional papers</li> </ul>
<b>C</b>	<ul style="list-style-type: none"> <li>• Auditing</li> <li>• Accounting</li> <li>• Valuation</li> <li>• Law</li> <li>• Financial analysis</li> <li>• Information technology and computer systems</li> <li>• Taxes</li> </ul>	<ul style="list-style-type: none"> <li>• Educational institutions</li> <li>• Audit firms (internal training)</li> </ul>



- Exceptions and special rules:
  - extra hours for lecturers: three times the number of hours for each hour of lectures
  - longer absence
- A list of trainings (with the code A or B) and a link to the organizer of the training is published on the APOA website:  
A: <https://www.anr.si/izobrazevanje/dodatno-izobrazevanje/oznaka-a/>  
B: <https://www.anr.si/izobrazevanje/dodatno-izobrazevanje/oznaka-b/>
- auditor must prove his participation in the trainings / seminars with a certificate of participation and the programme of seminar
- Agency has developed an **on-line platform** (within the register) for keeping the records of CPD of each certified auditor
- certified auditors report and enter the data of completed CPDs themselves

