

IFIAR 2021 Member Profile – AOBA

1. Jurisdiction	1.1 Insert the name of the jurisdiction in English: AUSTRIA
2. Member¹	<p>2.1 Insert the name of the Member, both in the local language and in English:</p> <p>Abschlussprüferaufsichtsbehörde (APAB) Audit Oversight Body of Austria (AOBA)</p> <hr/> <p>2.2 Include relevant contact information, including postal address, telephone numbers, a link to the website and other relevant information:</p> <p>Brucknerstraße 8/6 1040 Vienna Austria Tel.: +43 1 503 12 18 Email: behoerde@apab.gv.at Website: http://www.apab.gv.at</p> <hr/> <p>2.3 Include the basis for establishment of the Member, as well as the legislation or regulations which provide the Member the authority/mandate with respect to audit regulation. Please describe with an appropriate level of detail the mission and responsibilities of the Member with respect to audit regulation:</p> <p>Regulation (EU) No 537/2014 Abschlussprüfer-Aufsichtsgesetz (APAG)</p> <p>The AOBA is an autonomous administrative authority, acting free from instructions under legal supervision of the Austrian Minister of Finance. Its responsibilities with respect to audit regulation include (according to § 4 APAG):</p> <ul style="list-style-type: none"> • Quality assurance reviews for non-PIE statutory auditors and audit firms • Inspections according to Art 26 of the Regulation (EU) No 537/2014 with PIE auditors and audit firms

¹ In the case where there are two or more regulators from the same jurisdiction that have been approved according to Section 2.3 of the IFIAR Charter, they together are considered as one Member. In that case, regulators are requested to include information for both organizations in the Member Profile.

	<ul style="list-style-type: none"> • Registration of statutory auditors and audit firms • Investigations of auditors, audit firms or PIEs • Imposition of sanctions in case of breaches of the Austrian Audit Oversight Act or Regulation (EU) No 537/2014 • Approval of professional principles, standards for internal quality assurance and auditing standards • Control of the continuing education of statutory auditors • Supervision of market quality and competition in the audit market for PIEs according to Art 27 of the Regulation (EU) No 537/2014 <p>2.4 Have there been any major changes to the Member’s organization or to the governing legislation since completing last year’s Member Profile?</p> <p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>If yes, please describe these changes with an appropriate level of detail:</p>
<p>3. Governing Body Composition and members</p>	<p>3.1 Describe with an appropriate level of detail the current composition of the Member’s governing body, including the ratio between Board members who are independent from the audit profession and those who are not². The audit profession includes, for example: audit firms, professional accountancy bodies and bodies or entities associated with the audit profession.</p> <p>The AOBA governing body consists of the managing board and the supervisory board.</p> <ul style="list-style-type: none"> • 2 managing board members, appointed by the Austrian Federal Government for a period of 5 years. Both board members are independent of any other audit profession. • 4 supervisory board members – the chairwoman and 2 further members appointed by the Minister of Finance, 1 member appointed by the Minister of Science, Research and Economic Affairs. <p>AOBA managing board members:</p> <ul style="list-style-type: none"> · Peter Hofbauer, Speaker of the Board, CPA (Austria) · Michael Komarek, Member of the Board, CPA (Austria) <p>AOBA supervisory board members:</p>

² An individual is independent of the profession even if he is a CPA, Chartered Accountant, or holder of another equivalent qualification, as long as this individual is not employed by or affiliated to a registered audit firm, nor employed by or affiliated to of a professional accountancy body, nor employed by or affiliated to bodies or entities associated with the audit profession.

	<ul style="list-style-type: none"> · Dr. Nadine Wiedermann-Ondrej (Chairwoman) · Mag. Christine Sumper-Billinger (Vice-Chairwoman) · Prof. DI Mag. Friedrich Rödler · Mag. Dr. Matthias Tschirf
	<p>3.2 What are the eligibility criteria / requirements and composition requirements for the members of the governing body?</p> <p>Members of the managing board must not be active or have been active during the past three years in the audit profession but have fundamental knowledge in a relevant field such as auditing, accounting or law. At least one of the members of the managing board must be certified public accountant (§ 6/3 APAG).</p> <p>Members of the supervisory board must not be active or have been active during the past three years in the audit profession and must work or have worked in a relevant field such as accounting, finance or jurisprudence (§ 9/2 APAG).</p>
	<p>3.3. Is each member of the governing body independent from the audit profession? The audit profession includes, for example: audit firms, professional accountancy bodies and bodies or entities associated with the audit profession.</p> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>
	<p>3.4 If the answer to question 3.3 is “No”, is the majority of the members of the governing body non-practitioner?</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p style="text-align: right;">N/A</p>
	<p>3.5 If the answer to question 3.3 is “No”, which safeguards are in place to provide for the Member’s overall independence from the audit profession?</p> <p style="text-align: right;">N/A</p>
	<p>3.6 Is there a restriction or recusal process that is applicable to members of the governing body of the Member who are current or former auditors/practitioners?</p> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Does this include a “cooling-off” period for former auditors?</p> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>

	<p>If yes to either of the above, please describe:</p> <p>Members of the governing bodies have to respect a cooling-off period of 3 years of any audit profession. The federal minister of finance must dismiss a member of the governing bodies if there is an important reason, in particular, if the subsequent occurrence that a requirement for appointment was not given.</p>
	<p>3.7 Other than the governing body, are members of the profession involved in the Member's organization (including in any inspections, committee or panel role)?</p> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If yes, please describe their role with an appropriate level of detail, including the ratio between those who are independent and those who are not in the relevant function and whether such role includes decisional or control authority:</p> <p>The Quality Control Commission ('Qualitätsprüfungskommission' – QPK) is the AOBA's advisory board in the field of non-PIE external quality assurance reviews and consists of seven members and seven substitute members appointed by the auditor's professional associations (Kammer der Steuerberater und Wirtschaftsprüfer – 4 members, minimum 3 of them must be certified public accountants, Vereinigung Österreichischer Revisionsverbände and Sparkassen-Prüfungsverband, together 3 members, minimum 2 of them must be certified public accountants). The members are appointed by the supervisory board for a period of 4 years. The advisory board is strictly barred from any PIE auditor oversight activity including inspections and investigations with supervised auditors or audit firms.</p>
<p>4. Funding Arrangements</p>	
<p>4. Funding Arrangements</p>	<p>4.1 Describe the main funding arrangements of the Member, including the setting and approval of the budget and the fees, if any:</p> <p>The managing board must determine the annual budget until August 31 of the current financial year, which has to be approved by the supervisory board until October 31.</p> <p>Statutory auditors and audit firms contribute to the funding of the AOBA based on the amount of PIE audits carried out during the past year and the amount of fees generated out of these PIE audits.</p> <p>In addition, the auditor's national professional associations and the Republic of Austria contribute to the funding of the AOBA with a fixed sum per annum defined in the APAG.</p>

	<p>4.2 Is the funding free from undue influence by the profession?</p> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please describe with an appropriate level of detail the safeguards in place to prevent undue influence by the profession:</p> <p>The AOBA is an independent authority working free from instructions of any kind (except legal supervision of the Minister of Finance). All activities carried out in the public interest financed by public funds, only the system of external quality assurance controls is transparently funded by the profession.</p>
<p>5. Inspection System</p>	<p>5.1 Does the Member have the responsibility for recurring inspections of audit firms undertaking audits of public interest entities (PIEs)?</p> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>
	<p>5.2 Is this responsibility undertaken directly or through oversight of inspection conducted by another organization?</p> <p><input checked="" type="checkbox"/> Directly <input type="checkbox"/> Through Oversight</p> <p>The AOBA consists of the governing body, the head of administration and two working groups:</p> <p>Group A is the department for "Inspections and Investigations" with inspectors employed on a full-time basis. They must have an appropriate professional education and relevant experience in statutory audit and financial reporting combined with specific training on quality assurance reviews.</p> <p>Group B ("Legal Affairs, International Affairs and Quality Assurance") consists of legal counsels in charge for enforcement and execution of peer-to-peer quality reviews at non-PIE audit firms.</p> <p>The AOBA must inform the auditor/audit firm one week prior the inspection. At the end of every inspection the inspector must prepare a report which shall contain the main conclusion and recommendations of the quality assurance review. The findings and conclusions on which recommendations are based shall be communicated to and discussed with the inspected auditor/audit firm before finalising the report.</p> <p>If through oversight of another organization, please describe with an appropriate level of detail the other organization, its relation to the Member, its role, and the arrangements for oversight:</p>

	<p>The AOBA maintains the public register of statutory auditors and audit firms. The digital register is accessible online (http://www.apab.gv.at/register).</p> <p>Statutory auditors and audit firms have to provide all necessary information and documents to the AOBA in order to be listed in the register (§§ 52 et seq. APAG).</p> <hr/> <p>7.3 If the Member has the responsibility for <u>Audit and/or Ethics Standard Setting</u>, please indicate whether this responsibility is undertaken directly or through oversight of Audit and/or Ethics Standard Setting conducted by another organization?</p> <p><input type="checkbox"/> Directly <input checked="" type="checkbox"/> Through Oversight</p> <p>If directly, please describe the responsibility with an appropriate level of detail. If through oversight, please indicate the name of the other organization and its composition (i.e. whether practitioners from the audit profession are involved in decision-making). Also give a description of the powers of the other organization and procedures applied, as well as the role of the Member in these procedures.</p> <p>Audit/Ethics Standard Setting is carried out by the auditor’s professional associations; however, the AOBA needs to agree to the professional standards (§ 57 APAG).</p> <hr/> <p>7.4 If the Member has the responsibility for <u>Permanent Education of Auditors</u>, please indicate whether this responsibility is undertaken directly or through oversight of Permanent Education of Auditors conducted by another organization?</p> <p><input type="checkbox"/> Directly <input checked="" type="checkbox"/> Through Oversight</p> <p>If directly, please describe the responsibility with an appropriate level of detail. If through oversight, please indicate the name of the other organization and its composition (i.e. whether practitioners from the audit profession are involved in decision-making). Also give a description of the powers of the other organization and procedures applied, as well as the role of the Member in these procedures.</p> <p>The Permanent Education of Auditors is carried out by the auditor’s professional associations. Statutory auditors must provide the necessary proofs of their permanent education to the AOBA (§ 56 APAG).</p> <p>In 2017, the AOBA published a guideline concerning the scope of the continuing education of statutory auditors.</p>
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	<p>7.5 If the Member has the responsibility for <u>Enforcement</u>, please indicate whether this responsibility is undertaken directly or through referral to other organization(s)?</p> <p><input checked="" type="checkbox"/> Directly <input type="checkbox"/> Through Referral</p> <p>If through referral, please indicate the name of the other organization and its composition (i.e. whether practitioners from the audit profession are involved in decision-making). Also give a description of the enforcement powers of the other organization and procedures applied, as well as the role of the Member in these procedures.</p> <p>The AOBA is the first instance administrative penal authority and therefore entitled to carry out investigations and impose sanctions in case of the breach of the APAG or the Regulation (EU) No 537/2014.</p> <p>Sanctioning powers include (§ 62 APAG):</p> <ul style="list-style-type: none"> • A notice requiring the auditor or audit firm responsible for the breach to cease the conduct and to abstain from any repetition of that conduct • A public statement, published on the AOBA's website, that indicates the nature of the breach • A temporary prohibition, of up to three years' duration, banning the statutory auditor, the audit firm or the key audit partner from carrying out statutory audits and/or signing audit reports • A declaration that the audit report does not meet the legal requirements • A temporary prohibition, of up to three years' duration, banning a member of an audit firm or a member of an administrative or management body of a PIE from exercising functions in audit firms or PIEs • The imposition of administrative pecuniary sanctions between EUR 400 and EUR 350.000 <p>The Austrian Federal Administrative Court decides on appeals against decisions of the AOBA.</p> <hr/> <p>7.6 If the Member has the responsibility for other tasks within the area of Audit Oversight, please describe with an appropriate level of detail:</p> <p>The AOBA is monitoring the quality and competition in the national market for audit services for PIEs according to Art 27 of the Regulation Nr. 537/2014</p>
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8. Main Other Responsibilities of the Member <u>outside</u> the area of Audit Oversight	8.1 Please describe with an appropriate level of detail whether the Member has responsibility for tasks outside the area of audit oversight such as Supervision of Financial Reporting or Securities Regulation: <p style="text-align: center;">N/A</p>
9. Major Events and Activities	9.1 Describe any recent major events and activities: <p>The AOBA is currently investigating a national second tier PIE-audit firm, namely TPA Wirtschaftsprüfung GmbH, as an accounting scandal occurred at the audited Commerzialbank Mattersburg, a regional bank. The regional bank is now insolvent.</p>