

IFIAR 2021 Member Profile – CyPAOB

1. Jurisdiction	1.1 Insert the name of the jurisdiction in English: Cyprus
2. Member¹	2.1 Insert the name of the Member, both in the local language and in English: Αρχή Δημόσιας Εποπτείας Ελεγκτικού Επαγγέλματος (ΑΔΕΕΛΕΠ) Cyprus Public Audit Oversight Board (CyPAOB)
	2.2 Include relevant contact information, including postal address, telephone numbers, a link to the website and other relevant information: 56 Makariou Avenue & 1-3 Demofontos str, Lamda Tower, 2 nd floor 1075 Nicosia, Cyprus Tel.: +357 22284800 +357 22284810, +357 22284806 Fax: +35722284898 Email: info@cypaob.gov.cy Website: www.cypaob.gov.cy
	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: The Cyprus Public Audit Oversight Board (the “CyPAOB”) has been established under the provisions of the new National Auditor Law of 2017 (L. 53 (I)/2017)” which was voted on 02 June 2017. The CyPAOB is directly responsible for the public oversight of audit firms and the audit profession in Cyprus. Specifically, it has the ultimate responsibility for the oversight of: (a) the approval and registration in the Register of the statutory auditors and of the statutory audit firms; (b) the adoption of standards on professional ethics, internal quality control of statutory audit firms as well as auditing; and

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.

	<p>(c) continuing education, quality assurance and investigative and disciplinary systems.</p> <hr/> <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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If yes, please describe these changes with an appropriate level of detail:</p> <p>The Chairwoman of CyPAOB Mrs Rea Georgiou has resigned from her duties on January 8th, 2021 and we expect the appointment of a new Chairman. In addition, another member of the Board has resigned and we are expecting the appointment of a new Member.</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>Board of the CyPAOB:</p> <ul style="list-style-type: none"> • Chairman: We expect the appointment of a new Chairman • Vice Chairman: Mr Andreas Zachariades. General Manager of the Ministry of Labor, Welfare and Social Insurance • Member of the Board: Ms Demetra Kalogerou- Chairwoman of the Cyprus Securities and Exchange Commission • Member of the Board: Mr Phidias Pilides- resigned we expect appointment of New Member • Member of the Board: Mr Christos Karoulas- Deputy Commissioner of the Tax Department of Cyprus Government • Member of the Board: Mr Constantinos Messios-Lawyer • Member of the Board: Mrs Viki Aristidou- Tax Department of Cyprus Government <p>All Board members are appointed from the Council of Ministers and are independent from the audit profession.</p> <hr/> <p>3.2 What are the eligibility criteria / requirements and composition requirements for the members of the governing body?</p> <p>As described in article 6 of the National Auditor's Law L.53(I)/2017, the CYP AOB shall be independent from statutory auditors and audit firms and the Chairman and the members of the CyPAOB Board, shall comprise of</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.

	<p>persons of highest moral standards, of recognised standing and honesty, each of which is a non-practitioner with knowledge of issues related to statutory audit. So, it is evident from the above that our Auditors Law does not permit the appointment of audit practitioners on its Board.</p> <p>The term “non-practitioner” means a natural person who, for at least three years before his/her appointment as Chairman or member of the Public Audit Oversight Board, has not carried out statutory audits, has not held voting rights in an audit firm, has not been a member of the board of directors or of the management body of an audit firm and has not been employed by or otherwise associated with an audit firm.</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>A person has to have at least three years cooling off period before his/her appointment as a member of the Board. Specifically, he/she must not carried out statutory audits, must not held voting rights in an audit firm, must not been a member of the board of directors or of the management body of an audit firm and must not been employed by or otherwise associated with an audit firm.</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 type="checkbox"/> Yes <input checked="" 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>
4. Funding Arrangements	<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 Auditor Law of 2017 provides that the CyPAOB is adequately funded by a government grant equal to 20% of the total budget of the year and the rest 80% will be funded by the professional bodies, audit firms and PIE auditor.</p> <p>CyPAOB’s budget is approved by the Council of Ministers and the Parliament of Cyprus.</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 funding fee as well as the pricing policy is provided in the law and can only be amended by a change in the legislation.</p>
5. Inspection System	<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 CyPAOB is responsible, through its Audit Quality Review Team for inspecting auditors of public interest entities. A report on each firm is issued at the completion of the inspection. Letter reports on all audits reviewed are issued to the audit firm.</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>5.3 Please describe with an appropriate level of detail the requirements and practices regarding the frequency of inspections:</p>

