



IFIAR 2018 Member Profile – ANR

<p>1. Jurisdiction</p>	<p>1.1 Insert the name of the jurisdiction in English:</p> <p>Slovenia</p>
<p>2. Member¹</p>	<p>2.1 Insert the name of the Member, both in the local language and in English:</p> <p>Agencija za javni nadzor nad revidiranjem (ANR)/Agency for Public Oversight of Auditing (APOA)</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>Postal address: Cankarjeva cesta 18, SI-1000 Ljubljana, Slovenia E-mail: info@anr.si Phone number: +386 1 620 85 50 Website: www.anr.si</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>The APOA is an independent body established in 2008 under the Auditing Act (ZRev-2) in accordance with the European Union’s Directive on Statutory Audits, i.e. a parliamentary act regulating the audit profession in Slovenia.</p> <p>The APOA is directly responsible for public oversight of the audit profession and audit regulation as well as appraisal profession and regulation in Slovenia.</p> <p>According to the Auditing Act, the APOA is responsible for the oversight of:</p> <ol style="list-style-type: none"> 1. the adoption of auditing rules (auditing standards, ethical professional standards, auditing quality control standards) and for defining the hierarchy of auditing rules which are not regulations; 2. training for obtaining the professional title of certified auditor; 3. issue of licences to provide audit services and carry out the tasks of a certified auditor, and the registration of statutory third-country auditors and audit firms; 4. continuing education of certified auditors;

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>5. ensure the quality of the audit work of certified auditors and audit firms. The APOA makes decisions on supervisory procedures of the quality of work of audit firms, certified auditors and certified appraisals and impose measures of supervision.</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 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 members of the Agency's Council of Experts are:</p> <ul style="list-style-type: none"> - Ms. Mojca Majič, M.Sc., director of the Agency for Public Oversight of Auditing (President of the Council of Experts), - Ms. Anka Čadež, deputy director of the Securities Market Agency, - Ms. Katja Lautar, Ph.D., Head of Department for General Government Analysis and Coordination of Economic Policies at the Ministry of Finance, - Mr. Iztok Kolar, Ph.D., professor at Faculty of Economics and Business – University of Maribor, - Ms. Tamara Jerman, M.Sc., head of internal audit at Petrol d.d., - Mr. Luka Kocina, assistant director at the internal audit department at the Bank of Slovenia, - Ms. Barbare Mörec, Ph.D., professor at Faculty of Economics – University of Ljubljana, - Ms. Darja Trček, head of internal audit department at the Ministry of the Economics, Development and Technology. <p>All members 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>

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>A person with the title of independent expert who possesses appropriate knowledge related to auditing may be appointed Director of the Agency and a member of the Expert Council. The person must also:</p> <ul style="list-style-type: none"> - have completed at least a second level economic or law study program pursuant to the law governing higher education or have an education in the field of economics or law that is at least equivalent to this level; - have worked on the theoretical or practical fields of accounting, auditing, finance or law for at least eight years; - not be employed at the professional body and not be a member of any of the professional body 's bodies; - for at least three years prior to appointment, did not carry out statutory audits, did not hold voting rights in an audit company, was not a member of the management board or management body of an audit company and was not employed at an audit company or otherwise associated with one; - has not been convicted of a crime against property or an economic crime that has not yet been expunged from the record. <p>Holding office as the Director of the Agency and a member of the Expert Council is incompatible:</p> <ul style="list-style-type: none"> - with the function of member of the management or supervisory bodies of a bank, insurance company, stock brokerage company, management company and all other companies subject to statutory audits; - with a function in the bodies of political parties, state bodies, and local authorities; - with the performance of profitable activities, except for pedagogical and scientific research work if such an activity was incompatible with carrying out the independent public oversight of auditing.
	<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>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><input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>N/A</p> <hr/> <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 with the title of independent expert who possesses appropriate knowledge related to auditing may be appointed Director of the Agency and member of the Expert Council. The person must also:</p> <ul style="list-style-type: none"> - have completed at least a second level economic or law study programme pursuant to the law governing higher education or have an education in the field of economics or law that is at least equivalent to this level; - have worked in the theoretical or practical fields of accounting, auditing, finance or law for at least eight years; - not be employed at the Institute and not be a member of any of the Institute's bodies; - for at least three years prior to appointment, did not carry out statutory audits, did not hold voting rights in an audit company, was not a member of the management board or management body of an audit company and was not employed at an audit company or otherwise associated with one; <p>has not been convicted of a crime against property or an economic crime that has not yet been expunged from the record.</p>
	<p>3.7 Other than the governing body, are members of the profession involved in the Member’s organization (e.g., in a management or inspection function)?</p> <p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</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>Funding for carrying out the APOA's tasks is primarily provided from the state budget. Ministry of finance prepares budget of the APOA based on planned labor costs and costs of services/material. APOA’s employees are civil servants, which salaries are determined by the law. The APOA is not</p>



	<p>financed from audit firms, except for imposing supervisory measures in accordance with the fee schedule.</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>See point 4.1.</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> <hr/> <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 checked="" type="checkbox"/> Through Oversight</p> <p>Directly for PIEs Through Oversight for other entities</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>Quality assurance reviews are mostly carried out by reviewers of the Slovenian Institute of Auditors (the professional body) who are non-practitioners employed by the professional body.</p> <p>The APOA has not only overseen the operations of the professional body but has assumed the ultimate responsibility and decision making-power. This means the APOA has itself direct operational powers and responsibilities in relation to the audit profession.</p> <p>In Auditing Act is a set of safeguards in place to ensure that review performed by the professional body is unbiased and rigorous. Probably the most important safeguard in this respect is that the APOA has been assigned a comprehensive oversight function. This function extends to the system as a whole, as well as to the performance of individual quality control reviews. In carrying out such supervision members of the APOA can participate in any review performed by the professional body. The APOA may itself also perform supervision of the quality of auditing by certified auditors and audit firms.</p> <hr/> <p>5.3 Please describe with an appropriate level of detail the requirements and practices regarding the frequency of inspections:</p> <p>Supervisions of the quality of work are mandatory for all sole</p>



	<p>practitioners and audit firms that carry out audits. The supervision cycle is three years for audit companies carrying out statutory audits of entities whose securities are traded on the regulated securities market of any EU Member State and six years for all other audit firms.</p>
<p>6. Audit and Financial Market</p>	<p>6.1 Provide the number of audit firms subject to inspections. Include an indication of the number of public interest audits (PIEs) and other audits that fall under the Member’s oversight or mandate.</p> <p>Number of audit firms: 50 Number of PIE audit firms: 14 Number of PIE audits: 70 Number of other statutory audits of individual financial statements: 1.572</p> <p>6.2 What are the sizes and market shares of each of the largest audit firms in the Member’s jurisdiction?</p> <p>BIG 4 share in 2016: 66 % (PWC 9 %, Deloitte 15 %, EY 23 %, KPMG 18 %)</p>
<p>7. Main Other Responsibilities of the Member <u>within</u> the area of Audit Oversight</p>	<p>7.1 Please indicate whether the Member has responsibility for tasks other than Inspections within the area of Audit Oversight:</p> <p><input checked="" type="checkbox"/> Registration/Licensing <input checked="" type="checkbox"/> Audit and/or Ethics Standard Setting <input checked="" type="checkbox"/> Permanent Education of Auditors <input checked="" type="checkbox"/> Enforcement <input checked="" type="checkbox"/> Other: training for obtaining the professional title of certified auditor</p> <p>7.2 If the Member has the responsibility for <u>Registration/Licensing</u>, please indicate whether this responsibility is undertaken directly or through oversight of Registration/Licensing 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 procedure applied, as well as the role of the Member in these procedures.</p> <p>Registration/licensing is performed by the professional body – Slovenian Institute of Auditors (hereinafter SIA). The majority of SIA’s body responsible for registration, audit and ethics standard setting, permanent and initial education consist of the practitioners.</p> <p>APOA supervises the licencing/registration procedures by reviewing the documentation based upon SIA issued licences. APOA may also annul decisions made by SIA.</p>



	<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>IFAC’s publications (ISA, Code of Ethics) apply directly according to the Auditing Act. The issuance of other auditing rules is responsibility of SIA, which must obtain APOA’s consent to those rules.</p>
	<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>Permanent education is performed by SIA based upon APOA’s consent. APOA reviews the content of lectures and may recommends improvements.</p>
	<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 Oversight</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>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>Training for obtaining the professional title of certified auditor is</p>



	<p>performed by the SIA based upon APOA's consent. APOA reviews the content of lectures and may recommends improvements.</p>
<p>8. Main Other Responsibilities of the Member <u>outside</u> the area of Audit Oversight</p>	<p>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> <p>APOA does not perform supervision of financial reporting or securities regulation.</p>
<p>9. Major Events and Activities</p>	<p>9.1 Describe any recent major events and activities:</p> <p>N/A</p>