



IFIAR 2019 Member Profile – ANR

1. Jurisdiction	<p>1.1 Insert the name of the jurisdiction in English:</p> <p>Slovenia</p>
2. Member ¹	<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>
	<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>
	<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 the 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:</p> <ol style="list-style-type: none"> 1. the adoption of auditing rules (e. g. auditing standards, ethical professional standards, audit quality control standards); 2. providing training for obtaining the professional title of certified auditor and continuing education of certified auditors; 3. registration and licencing of statutory auditors and audit firms; 4. inspections and enforcement procedures against audit firms, statutory auditors and appraisals.

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>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>According to legislative changes in December 2018, APOA became a single competent authority for audit oversight in Slovenia.</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 APOA’s Council of Experts are:</p> <ul style="list-style-type: none"> - Ms. Mojca Majič, M.Sc., director of the APOA (President of the Council of Experts), - Ms. Anka Čadež, representative of the Securities Market Agency, - Ms. Tamara Jerman, M.Sc., representative of the Slovenian Institute of Auditors, - Ms. Katja Lautar, Ph.D., representative of the Ministry of Finance, - Mr. Iztok Kolar, Ph.D., representative of the Faculty of Economics and Business – University of Maribor, - Mr. Luka Kocina, representative of the Bank of Slovenia, - Ms. Irena Kos, representative of the Insurance Supervision Agency, - Ms. Barbare Mörec, Ph.D., representative of the Faculty of Economics – University of Ljubljana, - Ms. Darja Trček, representative of the the Ministry of Economics, Development and Technology. <p>All members are independent from the audit profession.</p> <p>3.2 What are the eligibility criteria / requirements and composition requirements for the members of the governing body?</p> <p>A person with the title of independent expert who possesses appropriate knowledge related to auditing may be appointed Director of the APOA 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

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>education in the field of economics or law that is at least equivalent to this level;</p> <ul style="list-style-type: none"> - 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 APOA's Director 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, if such an activity is or could be incompatible with carrying out the independent public oversight of auditing or interests of the APOA.
	<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>
	<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 APOA 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; - has not been convicted of a crime against property or an economic crime that has not yet been expunged from the record.
	<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>
<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.</p> <p>From 2019 on the APOA will be partially financed from audit firms for APOA’s supervisory activities in accordance with the fee schedule.</p> <hr/> <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 type="checkbox"/> Through Oversight</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> <hr/> <p>5.3 Please describe with an appropriate level of detail the requirements and practices regarding the frequency of inspections:</p> <p>Supervision of the audit quality is mandatory for all audit firms and statutory auditors. The regular supervision cycle is three years for audit firms carrying out statutory audits of public interest entities and six years for all other audit firms. In case of detected increased risks inspections are performed more frequently.</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: 52 Number of PIE audit firms: 9 Number of PIE audits: 66 Number of other statutory audits of individual financial statements: 1.500</p> <hr/> <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 2017: 66 % (PWC 13 %, Deloitte 17 %, EY 20 %, KPMG 16 %)</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 statutory auditor, market monitoring.</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 checked="" type="checkbox"/> Directly <input 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>The APOA is responsible for the registration of statutory auditors and audit firms, including third country auditors, as well as the maintenance of the registration lists.</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 checked="" type="checkbox"/> Directly <input 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 the APOA.</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 checked="" type="checkbox"/> Directly <input 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 APOA is responsible for organizing continuous professional trainings for statutory auditors.</p> <hr/> <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>The APOA is responsible for investigations conducted on statutory auditors and audit firms. The Expert Council may adopt sanctions against audit firms, statutory auditors and members of management, supervisory body or audit committee of PIEs.</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 APOA is responsible for organizing trainings for obtaining the professional title of statutory auditor.</p> <p>The APOA is responsible for market monitoring of PIE statutory audits as set out under Article 27 of the EU Regulation 537/2014.</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>