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The Commission for Public Oversight of Statutory Auditors (CPOSA) continues to maintain its cooperation with the Institute of Chartered Accountants of England and Wales (ICAEW).

Intentions for future meetings and initiatives with the aim of exchanging best practices and tools towards establishing a risk based approach for carrying out inspections for quality control, emerged after the successful workshop on Quality Control of Audit Services in February 2011 with lecturers from ICAEW.

In this regard, in Sofia on May 18th 2012 the Bulgarian Institute of Certified Public Accountants and the Commission for Public Oversight of Statutory Auditors held a workshop devoted to a risk-based approach regarding quality assurance reviews.

Lecturer of the seminar was Nick Reynolds - Reviews Expert, "Quality Assurance" Directorate of ICAEW. Representatives and inspectors of CPOSA, as well as representatives of the Managing Board and the Council for Quality Control of Audit Services of the Institute of Certified Public Accountants.

The risk-based approach of ICAEW regarding the choice of audit firms and files for reviews was presented. The frequency of visits when choosing audit firms was examined, focusing on the moment that the risks are tracked in the history of previous visits; an assessment of those identified through the information gathered from annual returns, as well as internal and external sources.

Regarding the choice of audit files, there was a discussion related to the number of files for review, selected areas of audit risk stemming from a general review of financial statements and those for which more attention is paid - financial services, maintenance and customer services. The adopted approach allows them to identify significant deficiencies in the audit work and to reach risk balance in regard to the size of the firm, the public interest, and the audit team.

An interactive discussion was formed during which questions from the profession were raised in regard to inspections for quality control and the views of the representatives of ICAEW coming from their experience were being looked for.

Representatives of the Institute of Certified Public Accountants and the Commission for Public Oversight of Statutory Auditors introduced the existing rules and procedures for carrying out quality assurance reviews of the activity of statutory auditors - frequency, procedures

for the selection of audit engagements - to the lecturer of ICAEW.

In connection to the forthcoming development and application of the risk-based approach the proposals of the Commission regarding the choice of a statutory auditor and specialized auditing enterprise, as well as engagements for inspections were presented. Additionally, sample criteria for identifying the level of risk in the activity of statutory auditors and specialized auditing enterprises regarding the implementation of audit engagements as well as the weight related to identifying the final assessment were adopted.

For the purposes of feedback and acquaintance the lecturer was provided with indicators for identifying the level of risk in the activity of a statutory auditor and for the choice of an audit engagement; as well as a proposal for a questionnaire about compliance with the requirements of the Code of Ethics for Professional Accountants. The proposals of the Commission were discussed, the opinions received were regarded as constructive and will be taken into account when reviewing and finalizing the criteria for determining the risk