

COMMISSION FOR PUBLIC OVERSIGHT OF STATUTORY AUDITORS

ANNUAL WORKING PROGRAMME FOR 2009

I. Priorities of the activity of the Commission for 2009

1. Institutional development;
2. Administrative capacity building;
3. Control activity;
4. Cooperation with the EC bodies and EU member states;
5. Ensuring transparency and publicity of the activity of the Commission.

II. Implementation of priorities

1. Institutional development

Main objective: Development of normative framework, structure and conditions for the efficient functioning of the Commission as a body of public oversight of statutory auditors.

	<i>Activities</i>	<i>Deadline</i>
1.1.	Development of normative framework regulating the activity of the Commission 1.1.1. drafting and adopting the necessary internal normative documents; 1.1.2. adopting rules and procedures for control activity	January –March 2009 April 2009
1.2.	Providing structure for the efficient functioning of the Commission 1.2.1. organization of the Commission’s sessions – requirements to the materials submitted and draft-decisions; 1.2.2. mechanism for tracing and reporting the results of the decisions taken; 1.2.3. interaction with ICPA and the Financial Supervision Commission	permanent permanent permanent

COMMISSION FOR PUBLIC OVERSIGHT OF STATUTORY AUDITORS

1.3.	Structuring of specialized and general administration of the Commission 1.3.1. structural and personnel strengthening of the general and specialised administration in compliance with the staff schedule and the Regulation for the activity of the Commission; 1.3.2. recruitment competition for the appointment of inspectors in the specialized administration; 1.3.3. drafting and approval of internal plans and operational rules of the directorates; 1.3.4. drafting and approval of job descriptions.	February 2009 January 2009 May 2009 March 2009
1.4.	Material foundation 1.4.1. equipment of working premises in the building at 22 Serdika street; 1.4.2. lease and equipment of premises for regional inspectors; 1.4.3. establishment of reliable information system.	February 2009 May 2009 February 2009

2. Building of administrative capacity of competent inspectors

Main objective: Professional training of inspectors for performing oversight of the activity of statutory auditors.

	<i>Activities</i>	<i>Deadline</i>
2.1	Training of inspectors and experts of the specialized administration 2.1.1. development and approval of an inception specialized training for inspectors and experts; 2.1.2. conducting specialized professional training of inspectors. Securing lecturers, venues and training materials; 2.1.3. report on the results of the training based on the tests, interviews and	January 2009 February–April 2009 May 2009

COMMISSION FOR PUBLIC OVERSIGHT OF STATUTORY AUDITORS

	practical cases; 2.1.4. identifying needs of complementary training during the year.	November 2009
2.2.	Practical training of inspectors 2.2.1. participation in performing „pilot reviews“; 2.2.2. discussion of the results of „pilot reviews“; 2.2.3. approving measures for competence enhancement of the inspectors.	May – September 2009
2.3.	Securing conditions for self-education and self-training 2.3.1. provision of technical literature; 2.3.2. up-dating library.	permanent
2.4.	Development of a project under Priority II. Human Resources management, sub-priority 2.2. Competent and efficient state administration under Operational programme “Administrative capacity”	April – June 2009
2.5.	Drafting methodology for exercising oversight of the activity of statutory auditors.	March - November

3. Control activity

Main objective: Exercising control on the implementation of the methodology on the quality of audit activity of statutory auditors.
Implementation of the Annual Plan for Control activity

	<i>Activities</i>	<i>Deadline</i>
3.1.	Approval of the proposed by ICPA: 3.1.1. methodologies for defining the amount of working hours appropriate for quality and efficient completion of the independent financial audit; 3.1.2. the rules and the procedures for carrying out quality assurance	February – May 2009

COMMISSION FOR PUBLIC OVERSIGHT OF STATUTORY AUDITORS

	<p>reviews of the activity of the statutory auditors, the persons involved in the reviews, as well as the annual plan and the budget necessary for carrying out reviews;</p> <p>3.1.3. contents, organisation, rules and procedures for conducting the candidates' exams for getting a diploma as a certified public accountant;</p> <p>3.1.4. rules for organising and conducting continuing training of the candidates for certified public accountants;</p> <p>3.1.5. rules and procedures for conducting in Bulgarian language the exams on Bulgarian commercial, taxation and insurance legislation for persons who have acquired audit capacity in a member state of EU, or in a state within European economic community;</p> <p>3.1.6. the amount of fees due for quality assurance reviews of their audit activity;</p> <p>3.1.7. remuneration for the persons carrying out quality assurance reviews</p>	
3.2.	<p>Quality control of the activity of statutory auditors.</p> <p>3.2.1. drafting instructions for the organization and coordination of the activity concerning quality assurance reviews;</p> <p>3.2.2. preparation of samples of working documents (ordinance for a review, enquiry, report format etc.);</p> <p>3.2.3. practical testing of the control activity performed. Conclusions and recommendations for improvement of documents.</p>	<p>May 2009</p> <p>May 2009</p> <p>July 2009</p>
3.3.	<p>Organisation and Control on the implementation of the Annual plan and Budget for performing the reviews.</p>	<p>permanent</p>
3.4.	<p>Carrying out investigations upon received warnings and proposals by interested persons regarding alleged contraventions on behalf of statutory auditors, as well as in other cases upon its discretion.</p>	<p>permanent</p>

COMMISSION FOR PUBLIC OVERSIGHT OF STATUTORY AUDITORS

4. Cooperation with the EC bodies and EU member states

	<i>Activities</i>	<i>Deadline</i>
4.1.	Establishing mechanisms for cooperation and exchange of information with the correspondent competent bodies of EC and systems for oversight of independent financial audit in EU member states 4.1.1. participation in the EGAOB; 4.1.2. establishment of professional contacts with the correspondent bodies in other EU member states; 4.1.3. research of good practices of oversight activities.	permanent

5. Transparency and Publicity of the Commission

Main objective: Ensuring transparency of the activity of the Commission and free access of all the interested parties to the results of its control activity.

	<i>Activities</i>	<i>Deadline</i>
5.1.	Web site of the Commission 5.1.1. Preparation of a project of web site of the Commission 5.1.2. Assignment of web site elaboration in Bulgarian and English language;	March 2009 March - May 2009
5.2.	Organising a round table “The Role of Public oversight of statutory auditors for protecting public interest”	May 2009
5.3.	Informing the public for the activity of the Commission 5.3.1. Organising publishing of interviews and articles in the specialized	permanent

COMMISSION FOR PUBLIC OVERSIGHT OF STATUTORY AUDITORS

	editions and daily media, incl. electronic media 5.3.2.Preparation of press-releases 5.3.3.Preparation of informational materials for the activity of the Commission (in Bulgarian and English)	
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Note: The Annual plan and Budget for Inspections are an integral part of this Programme.

The Programme was approved at the session of the Commission with a decision № 11, Protocol № 3 dated 10th February 2009.