

REPORT

Workstream Legal Recognition

Contact Audit Profession

Main conclusions of the meeting with Accountancy Europe.

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The main conclusions, ideas and insights are the following ones:

1.- Accountancy Europe:

- Accountancy Europe unites 51 professional organizations [<https://www.accountancyeurope.eu/members>] from 35 countries that represent 1 million qualified accountants, auditors and advisors. Accountancy Europe is in the EU Transparency Register. See their Constitution [<https://www.accountancyeurope.eu/wp-content/uploads/Accountancy-Europe-Constitution-181212.pdf>]

2.- What distinguishes auditors from other finance professionals?

Auditors are:

- A regulated profession with a reserve of activity.
- Qualified by, and registered with, the 51 professional bodies united in Accountancy Europe.
- Bound by international ethical standards based on 5 principles (integrity, objectivity, professional competence and due care, confidentiality and professional behaviour) resulting in a need to take the public interest into account
- Susceptible to complaints for not meeting these standards which can lead to sanctions
- Required to follow continuous professional development to keep their expertise cutting-edge
- Bound by international quality standards for their accounting and auditing activities

3.- Auditors are a regulated profession with a reserve of activity.

- One of their foundations for Auditors for being a regulated profession is the reference to the concept that **contributes to the well-being of society**.
- Auditors have a strong relationship between been a regulated profession and those three pillars, referred to (i) Syllabus, (ii) CPD and (iii) the Code of Conduct.

4.- Directive 2006/43/EC [In force] about Auditors and their role.

- The conditions for the approval of persons responsible for carrying out the statutory audit are laid down in the DIRECTIVE 2006/43/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 17 May 2006 on statutory audits of annual accounts and consolidated accounts, amending Council Directives 78/660/EEC and 83/349/EEC and repealing Council Directive 84/253/EEC (Text with EEA relevance) (OJ L 157, 9.6.2006, p. 87)
- Amended by: 2006L0043 — EN — 16.06.2014 — 003.001 — 1
- ► M1 Directive 2008/30/EC of the European Parliament and of the Council of 11 March 2008
- ► M2 Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013
- ► M3 Directive 2014/56/EU of the European Parliament and of the Council of 16 April 2014

5.- Council Directive 91/674/EEC [In Force], about Actuaries and their role.

<https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX%3A31991L0674>

The DIRECTIVE 2006/43/EC mentions the Council Directive 91/674/EEC of 19 December 1991 [Amended by:

on the annual accounts and consolidated accounts of insurance undertakings
(91/674/EEC)
(OJ L 374, 31.12.1991, p. 7)

► M1 Directive 2003/51/EC of the European Parliament and of the Council of 18 June 2003

► M2 Directive 2006/46/EC of the European Parliament and of the Council of 14 June 2006]

on the annual accounts and consolidated accounts of insurance undertakings which requires that the annual accounts or consolidated accounts be audited by one or more persons entitled to carry out such audits.

The current Council Directive 91/674/EEC of 19 December 1991 (in force) says:

- Whereas in the calculation of life assurance provisions use may be made of actuarial methods customarily applied on the market or accepted by the insurance-monitoring authorities; whereas those methods may be implemented by any **actuary** or expert in accordance with the conditions which may be laid down in national law and with due regard for the **actuarial principles** recognized in the framework of the present and future coordination of the fundamental rules for the prudential and financial monitoring of direct life assurance business;

Article 59

Life assurance provision

1. The life assurance provision shall in principle be computed separately for each life assurance contract. Member States may, however, permit the use of statistical or mathematical methods where they may be expected to give approximately the same results as individual calculations. A summary of the principal assumptions made shall be given in the notes on the accounts.

2. The computation shall be made annually **by an actuary** or other specialist in this field on the basis of recognized actuarial methods.