

# 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>
<b>1.1.</b>	<b>Development of normative framework regulating the activity of the Commission</b> 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
<b>1.2.</b>	<b>Providing structure for the efficient functioning of the Commission</b> 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

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<b>1.3.</b>	<b>Structuring of specialized and general administration of the Commission</b> 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
<b>1.4.</b>	<b>Material foundation</b> 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>
<b>2.1</b>	<b>Training of inspectors and experts of the specialized administration</b> 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

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	practical cases; 2.1.4. identifying needs of complementary training during the year.	November 2009
<b>2.2.</b>	<b>Practical training of inspectors</b> 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
<b>2.3.</b>	<b>Securing conditions for self-education and self-training</b> 2.3.1. provision of technical literature; 2.3.2. up-dating library.	permanent
<b>2.4.</b>	<b>Development of a project under Priority II. Human Resources management, sub-priority 2.2. Competent and efficient state administration under Operational programme “Administrative capacity”</b>	April – June 2009
<b>2.5.</b>	<b>Drafting methodology for exercising oversight of the activity of statutory auditors.</b>	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>
<b>3.1.</b>	<b>Approval of the proposed by ICPA:</b>  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

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	<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>	
<b>3.2.</b>	<p><b>Quality control of the activity of statutory auditors.</b></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>
<b>3.3.</b>	<p><b>Organisation and Control on the implementation of the Annual plan and Budget for performing the reviews.</b></p>	<p>permanent</p>
<b>3.4.</b>	<p><b>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.</b></p>	<p>permanent</p>

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### 4. Cooperation with the EC bodies and EU member states

	<i>Activities</i>	<i>Deadline</i>
<b>4.1.</b>	<b>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</b> 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>
<b>5.1.</b>	<b>Web site of the Commission</b> 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
<b>5.2.</b>	<b>Organising a round table “The Role of Public oversight of statutory auditors for protecting public interest”</b>	May 2009
<b>5.3.</b>	<b>Informing the public for the activity of the Commission</b> 5.3.1. Organising publishing of interviews and articles in the specialized	permanent

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	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 10<sup>th</sup> February 2009.**