



WIRTSCHAFTSPRÜFERKAMMER

Chamber of
Public Accountants

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Charter for Quality Assurance

(§ 57c WPO)

As of 21st June 2016
which came into force on 8th September 2016
(BAnz AT 07.09.2016 B1)

Please note that the English translation of the Charter for Quality Assurance
is for informational purposes only.

The original German text of the Charter for Quality Assurance is the authoritative version.

Specific Terms and Abbreviations

Deutsch	Abbreviation (if applicable)	English	Remarks
Auftragsbezogene Qualitätssicherung		Engagement-related quality control review	Quality control measures applied at engagement level prior to engagement completion, including consultation, review of the additional auditor's report and engagement quality control review
Berufssatzung für Wirtschaftsprüfer und vereidigte Buchprüfer	BS WP/vBP	Professional Charter for Professional Accountants in Public Practice ¹	
Betriebswirtschaftliche Prüfung		General audit and assurance engagement	
Bundesanzeiger	BAnz	Federal Gazette	
Gemischte Praxis		Hybrid audit firm	Audit firm that conducts statutory audits of financial statements of public interest entities as well as of non-public interest entities
Genossenschaftsgesetz	GenG	Cooperative Act	
Handelsgesetzbuch	HGB	Commercial Code	
Wirtschaftsprüferordnung	WPO	Public Accountants Act	

¹ The Term "Professional Accountant in Public Practice" comprises Wirtschaftsprüfer (German Public Accountants/Auditors) and vereidigte Buchprüfer (Sworn Auditors).

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Part 1
Registration as a Quality Assurance Reviewer
as well as Revocation and Termination of the Registration

1. Section
Prerequisites for Registration as a Quality Assurance Reviewer

§ 1
Activity in the Area of Statutory Audits

¹A prerequisite for registration as a quality assurance reviewer of Professional Accountants in Public Practice is the activity in the area of statutory audits which were performed during the last three years before making the application. ² All activities which are performed in the area of statutory audits by a Professional Accountants in Public Practice shall be recognised.

³These also include the measures for engagement-related quality control review (§ 48 BS WP/vBP) as well as other professional activities related to statutory audits.

§ 2
Specific Training in Quality Assurance Review

(1) ¹The specific training of a quality assurance reviewer as a further prerequisite for registration comprises the Policies for Internal Quality Control (§ 55b WPO) as well as the Policies for Quality Assurance Reviews (§§ 57a ff. WPO). ²These rules are further substantiated by the charters, technical rules or by directions from the Commission for Quality Assurance.

(2) ¹The specific training in quality assurance review (knowledge about quality assurance review) is obtained through participation in a training event offered or approved by the Commission for Quality Assurance. ²This training event must cover at least sixteen training units of 45 minutes each and has the following contents:

1. The quality assurance review system
2. The requirements for the quality assurance reviewer
3. The quality control system of the audit firm as subject of a quality assurance review
4. Conduct of the quality assurance review
5. The reporting on the conducted quality assurance review.

(3) ¹On request the Commission for Quality Assurance confirms to the organizer of a training event, that the training event fulfils the requirements according to Section 2 Sentence 2. ²It may request inspection of the event materials from the organizer of a training event and may participate in the training event at any time. ³At least one lecturer of a training event must be a quality assurance reviewer.

(4) The application for registration must take place within three years of the participation in the training event.

2. Section Proceedings for Registration as a Quality Assurance Reviewer and for Revocation

§ 3 Registration

¹The registration takes place by means of written or electronic application to the Commission for Quality Assurance. ²The Commission for Quality Assurance has to register the applicant when a sole practitioner fulfils the requirements according to § 57a Section 3 Sentence 2 and 3 WPO. ³A Professional Accountant in Public Practice who is not a sole practitioner has to be registered when he² fulfils the requirements according to § 57a Section 3 Sentence 2 WPO. ⁴Professional firms must fulfil the requirements according to § 57a Section 3 Sentence 4 WPO. ⁵A Cooperative audit association must fulfil the requirements according to § 63f Section 2 Sentence 1 GenG. ⁶The requirements for registration must be fulfilled at the time of making the application.

§ 4 Evidence of Fulfilment of Requirements for Registration

(1) ¹Professional Accountants in Public Practice must keep evidence of the activity in the area of statutory audits as well as in training in quality assurance review. ²Facts known to the Chamber of Public Accountants do not require keeping of evidence.

(2) ¹Evidence of activity in the area of statutory audits can be produced through submission of a certificate from the employer of the applicant. ²If the applicant is a sole practitioner, the assurance that he has been active in the area of statutory audits is sufficient. ¹The Commission for Quality Assurance can demand suitable, additional evidence.

² For sake of simplification hereafter only the male form is used.

(3) ¹Training of the quality assurance reviewer in the quality assurance review has to be evidenced to the Commission for Quality Assurance. ²The evidence can be delivered by submitting a certificate proving the recognition of the specific training event, the objective of the training and the duration of the participation. ³The evidence can be provided in the form of a block certificate of the organizer, which shall be sent directly to the Commission for Quality Assurance.

(4) ¹Cooperative audit associations shall keep the evidence about the right to conduct audits awarded to them for at least the last three years. ²This should normally take place through submission of certificates of awarding the right to conduct audits according to § 63a GenG. ³Furthermore, suitable evidence shall be submitted that a person registered as a quality assurance reviewer is appointed as a member of the board of directors or as a special representative according to § 30 BGB (§ 63f Section 2 Sentence 1 Number 2 GenG).

§ 5

Revocation and Termination of the Registration

(1) ¹Registration as a quality assurance reviewer shall be revoked when the prerequisites for registration as a quality assurance reviewer are no longer fulfilled. ²It is particularly to be revoked in cases of § 57a Section 3a WPO, when

1. The entry of the sole practitioner or the professional firm as a statutory auditor according to § 57a Sentence 6a Sentence 2 WPO has been deleted,
2. The quality assurance reviewer has, in the last three years, been no longer active in the field of statutory audits,
3. An uncontestable disciplinary measure according to § 68 Section 1 Sentence 2 Number 2 to 6 WPO has been imposed which would make him ineligible as a quality assurance reviewer, or
4. The quality assurance reviewer cannot produce any evidence according to § 6 Section 3.

(2) ¹Professional Accountants in Public Practice registered as quality assurance reviewers inform the Commission for Quality Assurance about changes to Section 1 Sentence 2 Number 2. ²The Commission for Quality Assurance can demand evidence from quality assurance reviewers about the activity in the area of statutory audits.

(3) Entry of registration as a quality assurance reviewer in the public register shall be deleted after existence of the prerequisites from § 39 Section 2 WPO.

(4) Registration as a quality assurance reviewer expires when the appointment as Professional Accountant in Public Practice or recognition as a professional firm expires.

3. Section Specific Training Obligation and Proceedings for Evidence

§ 6

Scope and Contents of the Specific Training Obligation

(1) ¹The specific training obligation according to §§ 43 Section 2 Sentence 4, 57a Section 3a Sentence 2 Number 4 WPO is fulfilled by a quality assurance reviewer when he participates in a pertinent training event of the Commission for Quality Assurance or in another pertinent training events approved by the Commission for Quality Assurance as a listener or leads it as a lecturer. ²The training obligation is fulfilled when the quality assurance reviewer participates in at least 24 training units of 45 minutes each within three years. ³The training should be spread over the three years. ⁴The subject of the training is to gain knowledge of the current legal, statutory and technical requirements on the subject and the conduct of the review. ⁵The training obligation of a quality assurance reviewer is also fulfilled by his activity as a member of the Commission for Quality Assurance.

(2) ¹On request the Commission for Quality Assurance confirms to the organizer of a training event, that the training event fulfils the requirements according to Section 1 Sentence 4. ²§ 2 Section 3 Sentence 2 applies accordingly for a training event. ³At least one lecturer of a specific training event must be a quality assurance reviewer.

(3) Fulfilment of the training obligation shall be verified according to § 4 Section 3 every three years.

Part 2

Notification of the Activity as a Statutory Auditor and Selection of the Quality Assurance Reviewer

§ 7

Notification

(1) ¹Professional Accountants in Public Practice and professional firms have to notify the concrete intention of the activity as a statutory auditor pursuant to § 316 HGB to the Commission for Quality Assurance. ²The notification shall take place at the latest two weeks after acceptance of the engagement (§ 57a Section 1 Sentence 2 WPO). ²This is only necessary when the entry of the audit firm has not yet taken place according to § 38 Number 1 Letter h or Number 2 Letter f WPO.

(2) ¹The notification must contain details about the nature and scope of the activity according to § 57a Section 2 Sentence 2 WPO. ²It shall be stated whether statutory audits according to § 316 HGB or such audits within the meaning of § 319a Section 1 Sentence 1 HGB and whether general audit and assurance engagements commissioned by the Federal Financial Supervisory Authority are to be conducted (nature of the audits). ³The probable number of audits to be conducted annually, the size classes of the companies to be audited according to § 267 HGB and their legal forms as well as the financial years to be audited shall be stated (scope of the audits). ⁴In as far as it can be estimated, also the expected numbers of hours spent on annual audits, the number of Professional Accountants in Public Practice performing the audits and the number of branch offices as well as any membership in networks shall be reported.

(3) ¹Significant changes to the nature and scope of the audit work after notification according to Section 1 shall also be reported. ²The first acceptance and completion of audits of companies within the meaning of § 319a Section 1 Sentence 1 HGB are always significant within the meaning of Sentence 1. ³Otherwise the significance of changes according to the concrete circumstances of the audit firm and the effects of the changes on the quality control system is to be assessed.

§ 8

Selection of the Quality Assurance Reviewer

(1) ¹According to § 57a Section 6 Sentence 1 WPO the audit firm to be reviewed shall submit up to three proposals for quality assurance reviewers to the Commission for Quality Assurance. ²The proposals shall contain the following details:

1. The name of the quality assurance reviewers,
2. In the case of professional firms, the responsible Professional Accountant in Public Practice according to § 57a Section 3 Sentence 5 WPO in combination with § 14 Sentence 2 as well as
3. The certificate of independence according to § 57a Section 6 Sentence 2 WPO.

³The proposals should arrive at the Commission for Quality Assurance at least four weeks before the assignment by the audit firm to be reviewed.

(2) The Commission for Quality Assurance shall reject proposals when reasons exist for exclusion according to § 57a Section 4 Sentence 2 WPO.

(3) The Commission for Quality Assurance can reject proposals when there are concrete indications that orderly conducting of the quality assurance review, including the reporting, will not be achieved.

(4) ¹The Commission for Quality Assurance, according to § 57a Section 6 Sentence 3 WPO, shall announce the rejection within four weeks after submission of the proposals by the person to be reviewed. ²The four-week time period according to Sentence 1 begins with the full submission of documentation according to § 8 Section 1 and § 11.

(5) If more than six months pass between the arrival of the proposals and the assignment, a new certificate of independence is to be submitted.

§ 9

Nomination of the Quality Assurance Reviewer by the Commission for Quality Assurance

(1) ¹According to § 57a Section 6 Sentence 5 WPO the Commission for Quality Assurance nominates a quality assurance reviewer when the audit firm to be reviewed has respectively submitted in two rounds of proposals one or up to three quality assurance reviewers who were all rejected by the Commission for Quality Assurance according to § 57a Section 6 Sentence 3 WPO.

§ 10

Reasons for exclusion of the Quality Assurance Reviewer

(1) ¹Professional Accountants in Public Practice or professional firms must not, according to § 57a Section 4 Sentence 1 WPO, conduct a quality assurance review when equity, financial or personal interests or other circumstances which could give rise to apprehension of bias (§ 49 Second Alternative WPO) exist or have arisen in the three years before the assignment. ²If a Professional Accountant in Public Practice or a professional firm is a member of a network within the meaning of § 319b Section 1 Sentence 3 HGB, § 319b HGB shall be used appropriately. ³According to § 57a Section 4 Sentence 2 WPO reciprocal reviews are also not allowed.

(2) ¹An equity interest exists if the quality assurance reviewer holds shares in the audit firm to be reviewed or in a company associated with the audit firm to be reviewed. ²This also applies vice versa. ³Persons with whom the quality assurance reviewer jointly practices his profession must also not hold any shares within the meaning of Sentence 1. ⁴If a professional firm is assigned to conduct a quality assurance review, its legal representative and the persons responsible for conducting the quality assurance review as well as members of a Supervisory Board must not hold any shares within the meaning of Sentence 1. ⁵If the professional firm is a legal person, this also applies to a shareholder who holds 20 percent or more of all of the voting rights available to the shareholders. ⁶If the professional firm is a partnership this applies to each shareholder.

(3) ¹A financial interest exists if the quality assurance reviewer, from his professional activity for the audit firm to be reviewed, including the associated companies, generates more than 30 percent of his total income. ²A financial interest also exists for granted or received loans as well as pension commitments.

(4) ¹Personal interests in particular exist when the quality assurance reviewer is a legal representative, a member of the Supervisory Board or an employee of the audit firm to be reviewed or of a company associated with it. ²If the quality assurance reviewer jointly practices his profession with other persons these persons also must not have such personal interests. ³If a professional firm is the quality assurance reviewer this applies to the legal representative and the persons who are responsible for conducting the quality assurance review, as well as to members of a Supervisory Board. ⁴If the professional firm is a legal person, this also applies to a shareholder who holds 20 percent or more of the voting rights available to the shareholders. ⁶If the professional firm is a partnership then this applies to each shareholder.

(5) ¹An apprehension of bias particularly exists when the quality assurance reviewer as well as, when this is a professional firm, members of the Supervisory Board or the shareholders mentioned in Section 4 Sentence 4 and 5, are involved beyond any review and advisory activity in setting up of the quality control system of the audit firm to be reviewed. ²Furthermore, an apprehension of bias exists when the quality assurance reviewer and the audit firm to be reviewed conduct joint audits and the share of the audit fees levied by the quality assurance reviewer was not insignificant. ³The insignificance is, in particular, not the case when the ratio of the revenues from joint audits to the total revenues of the quality assurance reviewer in one year is greater than 10 percent.

(6) ¹A reciprocal review is the case when audit firms assign each other to conduct a quality assurance review. ²This is also the case when more than two audit firms assign each other in a ring to perform the quality assurance review (ring review), except in a case where, also from the point of view of an objective third party, there is no apprehension of bias. ³Furthermore, there is an apprehension of bias when the audit firm to be reviewed has performed an audit of the annual financial statement of the quality assurance reviewer. ⁴The reason for exclusion no longer exists when, in the meantime, the quality assurance reviewer has had his quality assurance review performed by another quality assurance reviewer.

§ 11

Certificate of Independence

(1) ¹According to § 57a Section 6 Sentence 2 WPO, proposals made in accordance with § 57a Section 6 Sentence 1 WPO and § 8, are to be accompanied by a certificate of independence for each proposed quality assurance reviewer in which he should declare, according to § 57a Section 4 Sentence 3 WPO, that no reasons for exclusion or any other conflicts

of interest between him and the audit firm to be reviewed exist or have existed in the last three years before his assignment. ²It must contain the details stated in the appendix to this charter. ³The certificate of independence must not be older than six months upon arrival of the proposals at the Commission for Quality Assurance. ⁴If a professional firm is proposed as a quality assurance reviewer, the certificate of independence shall be signed by the quality assurance reviewer responsible according to § 14 Sentence 2.

(2) ¹If the quality assurance reviewer and the audit firm to be reviewed conduct joint audits or if they have done this in the last three years before the assignment, this shall also be reported in the certificate of independence. ²A percentage shall be quoted concerning the ratio of the respective share of the fees received from the joint audits to the total revenues of the quality assurance reviewer in the previous year.

Part 3

Official Order to conduct a Quality Assurance Review and Risk Analysis

§ 12

Official Order to conduct a Quality Assurance Review

(1) ¹The official order to conduct a quality assurance review by the Commission for Quality Assurance requires a preceding risk analysis. ²An official order to conduct a quality assurance review is based on the principle of proportionality

1. After evaluation of a reviewer's report (Section 2),
2. After the notification according to § 57a Section 1 Sentence 2 and 3 WPO (Section 3).
3. As required (Section 4).

(2) ¹The official order to conduct a quality assurance review according to § 57a Section 2 Sentence 6 WPO should take place after completing the evaluation of the reviewer's report. ²If the evaluation of the reviewer's report by the Commission for Quality Assurance is completed without any measures within the meaning of § 57e Section 2 WPO, the deadline for the subsequent quality assurance review is established upon conclusion of the evaluation, otherwise the deadline is established with adoption of the measures.

(3) ¹After a notification according to § 7, the Commission for Quality Assurance issues the official order to conduct a quality assurance review. ²In cases of a first-time notification according to § 7, for audit firms which have not yet had their quality control system reviewed, a quality assurance review is required at the latest after three years.

(4) If the Commission for Quality Assurance obtains information, after issuing an official order to conduct a quality assurance review, about any matters which justify the setting of a different deadline for a quality assurance review, it can revoke its initial official order with effect for the future and replace it by a new official order.

§ 13

Risk Analysis

(1) ¹The basis for the risk analysis of the Commission for Quality Assurance are, in particular, the results of the latest quality assurance review, the nature and scope of the statutory audits conducted according to § 316 HGB and the general audit and assurance engagements commissioned by the Federal Financial Supervisory Authority as well as the structure of the audit firm (e.g. the nature, number and complexity of the statutory audits to be conducted in the future according to § 316 HGB, legal forms of the entities to be audited and their size classes according to § 267 Section 1 to 3 HGB, the number of Professional Accountants in Public Practice conducting audits and the employees working in the audit department, outsourcing of audit services as well as the number of branch offices and membership in a network). ²The current conditions of the audit firm and the environment it operates in are to be taken into account.

(2) ¹Regarding the results of the latest quality assurance review, the Commission for Quality Assurance shall particularly take into account the deficiencies found in the quality control system and the existence of major inabilities to obtain audit evidence or other such insights. ²If there are no such matters the subsequent quality assurance review shall be performed six years after submission of the reviewer's report at the latest.

Part 4

Conduct of a Quality Assurance Review

§ 14

Notifications to the Commission for Quality Assurance

¹The Commission for Quality Assurance shall be informed in writing or electronically, without delay, about the issuance of the assignment to conduct a quality assurance review by the assigning audit firm, specifying the name of the quality assurance reviewer, the expected begin of the review and the review period. ²When assigning a professional firm with the conduct of a quality assurance review, information about the Professional Accountant in Public Practice responsible for the quality assurance review shall be provided. ³Termination of the engagement on important grounds according to § 57a Section 7 WPO as well as changes concerning the conduct of the quality assurance review shall also be reported immediately to the Commission for Quality Assurance.

§ 15

Participation of the Commission for Quality Assurance in Quality Assurance Reviews

- (1) Members of the Commission for Quality Assurance, according to § 57e Section 1 Sentence 6 WPO, in agreement with the Auditor Oversight Body, may participate in quality assurance reviews, in particular in final meetings, and may also have the working papers of the quality assurance reviewer submitted to them.
- (2) ¹An intended participation shall be reported to the audit firm to be reviewed as soon as possible. ²The quality assurance reviewer shall be informed about this.

§ 16

Policies for the Conduct of a Quality Assurance Review

- (1) ¹The quality assurance review, including the reporting, must be suitable and adequate according to § 57a Section 5b WPO. ²Amongst other things, the nature, number and complexity of the audits as well as the structure of the audit firm are of special importance.
- (2) ¹Subject of the quality assurance review is the quality control system actually implemented in the audit firm. ²The adequacy and effectiveness of the quality control system are to be assessed with regard to the complexity of the conducted statutory audits and audits commissioned by the Federal Financial Supervisory Authority as well as the structure of the audit firm.
- (3) The quality assurance review serves to assess whether regulations of the quality control system, in particular based on the pertinent rules of professional practices (WPO, professional charter and technical rules), the independence requirements, the quantity and quality of the resources used as well as the charged remuneration, are adequate and effective.
- (4) Professional Accountants in Public Practice are required to cooperate in the course of the quality assurance review according to § 57d Sentence 1 WPO.
- (5) If findings are made as part of a quality assurance review which are qualified as deficiencies, these should generally be eliminated by applying preventive measures according to § 57e Section 2 WPO for the future.

§ 17

Review Planning

(1) ¹A quality assurance review shall be based on a proper planning while observing the legal regulations, charters and technical rules as well as a risk-based review approach. ²The review planning must ensure an appropriate review process while observing the general principle of proportionality (§ 16 Section 1). ³A prerequisite for a review adequate to the circumstances of the audit firm is that the quality assurance reviewer acquires sufficient knowledge about the actual economic and legal environment the audit firm operates in.

(2) ¹A quality assurance review shall be planned and conducted in such a way that the quality assurance review risk is reduced to the point where the quality assurance reviewer can issue an appropriate review opinion. ²The quality assurance review risk comprises the quality risk and the detection risk. ³The quality risk may arise from the fact that the quality control system does not provide reasonable assurance of complying with the legal regulations and technical rules for conducting statutory audits according to § 316 HGB and is therefore not suitable to prevent significant errors occurring in the engagement processing or to discover and correct them. ⁴The detection risk may arise from the fact that deficiencies in the quality control system are not discovered.

(3) ¹The basis for the review planning is not only the structure of the legal entity to be reviewed, but also the environment the audit firm operates in according to Section 1 Sentence 3, the documentation of the quality control system, the latest quality assurance reviewer's report, a requirements fulfilment report or special review report, the correspondence with the Chamber of Public Accountants with reference to the quality control system and also publicly accessible sources (e.g. the Federal Gazette etc.). ²The available documentation shall be evaluated to see whether it contains indications of specific quality assurance risks which must be reflected in the review planning. ³It is of particular significance for the review planning whether and how the audit firm reacted to findings regarding the quality control system after the last quality assurance review or monitoring.

(4) ¹The quality assurance reviewer has to develop a review strategy and, based upon that, develop a review program with the review procedures to be performed. ²The review procedures and the sample size shall be planned in such a way that the requirements of the individual specific review area and the structure of the reviewed audit firm are taken into account.

(5) ¹During the planning and the conduct of the quality assurance review as well as during the development of individual review procedures, the quality assurance reviewer shall consider materiality aspects. ²Indications for materiality arise from the requirements of the WPO, the BS WP/vBP and the technical rules as well as from the structure of the audit firm. ³The quality assurance reviewer shall exercise professional judgement when determining materiality.

§ 18

Conduct of a Quality Assurance Review

¹The quality assurance review must be suitable and adequate regarding the scope and complexity of the activity of the reviewed audit firm. ²Firstly, the quality assurance reviewer shall obtain an overview of the design of the quality control system and the internal controls. ³In order to assess the adequacy and effectiveness he must perform tests of design and tests of controls to an appropriate degrees. ⁴The findings shall be assessed subsequently whether they constitute deficiencies in the quality control system, inability to obtain sufficient appropriate audit evidence or individual findings. ⁵In the case of individual findings, he must further assess whether they are of considerable significance. ³Identified deficiencies shall furthermore be assessed whether they are significant within the meaning of § 57a Section 5 Sentence 4 WPO.

§ 19

Review of the Organization of the Audit Firm

¹The review of the audit firm's organization is performed by reviewing documentation, observing work processes and interviewing the audit firm's management and employees. ²The review procedures shall enable the quality assurance reviewer to conclude that nothing has come to his attention that causes him to believe that the quality control system of the audit firm does not comply with the legal and statutory requirements. ³Review of the audit firm's organization extends in particular to

1. The independence, impartiality and avoidance of apprehension of bias,
2. The confidentiality,
3. The acceptance, continuation and early termination of engagements.
4. The employee development, education and continuing professional development,
5. Handling of complaints and allegations,
6. The quantity and quality of the means and the personnel deployed as well as
7. The charged remuneration.

§ 20

Review of the Engagement Processing

(1) ¹Subject of the review of the engagement processing is compliance with the rules of professional practice. ²Basis for the review are the policies and procedures used for engagement processing in the audit firm to be reviewed. ³For this purpose the quality assurance reviewer shall, in particular, acquire information about the risk-based audit approach of the audit firm to be reviewed and assess its adequacy, above all with a view to the nature and complexity of the audits as well as the structure of the audit firm.

(2) ¹In order to assess the effectiveness of the policies and procedures for engagement processing, engagement reviews are to be conducted to an appropriate degree. ²The basic population of the engagements consists of the statutory audits conducted in accordance with § 316 HGB since the last quality assurance review and general audit and assurance engagements commissioned by the Federal Financial Supervisory Authority. ³ Part of the basic population can be engagements which had not been completed at the point in time of the quality assurance review, in as far as there is not a sufficient number of completed engagements available and these are needed for the assessment of the adequacy or effectiveness of the quality control system.

(3) ¹The quality assurance reviewer self-responsibly determines the number and nature of engagements to be included in the sample. ²The engagement reviews are to be selected under consideration of risk aspects (e.g. public interest, nature of the engagement, the need for specific knowledge and experience). ³If the quality assurance reviewer has previously assessed that the monitoring is effective he shall take this into account during determination of the sample. ⁴An effective monitoring can, however, not replace one's own review of engagements since a monitoring is part of the quality control system of the audit firm to be reviewed.

(4) ¹The engagement review takes place on the basis of the reporting and the working papers. ²The quality assurance reviewer shall become familiar to a sufficient degree with the subject of the engagement to be assessed. ³Within an engagement review emphasis shall be placed upon the areas exposed to risks. ⁴The quality assurance reviewer should, in particular, engage in identification and assessment of the most significant risks as well as with the reaction to the most significant risks by the audit firm to be reviewed, including the respective documentation in the audit file. ⁵When findings have been made, the quality assurance reviewer shall assess whether and to what degree the sample shall be extended with regard to these findings.

(5) ¹The basis for the review of an engagement are the additional report of the auditor, the files kept and the working papers. ²If these do not provide a fair presentation of the activity it must initially be assumed that the respective activity was not performed. ³This can be refuted by further explanations of the audit firm on the basis of critical examinations. ⁴Merely the oral explanation of the audit firm to be reviewed that the activity was performed is not sufficient to assume that the respective work was actually performed. ⁵The reasons why the quality assurance reviewer comes to the conclusion that the respective activity was performed are to be documented by the quality assurance reviewer separately in his working papers and a report about this is to be prepared.

(6) In the case of a significant time gap occurring between completion of the quality assurance review and submission of the reviewer's report to the Commission for Quality Assurance, the quality assurance reviewer shall make sure that his explanations in the reviewer's report are still valid.

§ 21

Review of the Monitoring

The review of the monitoring comprises the adequacy of the regular cycle of the monitoring, the qualification of the monitoring person employed, their professional skepticism shown during the monitoring, the adequacy of the scope of the monitoring and its performance as well as taking into account the results of the monitoring to adjust the quality control system.

§ 22

Assessment of Review Findings

(1) ¹The quality assurance reviewer shall assess the review results (§ 57a Section 5 Sentence 2 WPO). ²On the basis of all findings that are not insignificant, the adequacy and effectiveness of the quality control system is to be assessed according to § 55b WPO, in particular with reference to compliance of the pertinent rules of professional practice, the independence requirements, the quantity and quality of the means and the personnel as well as the charged remuneration (§ 57a Section 2 Sentence 3 WPO). ⁴The findings must be assessed as to whether they constitute deficiencies in the quality control system or individual findings. ⁵In the case of individual findings, the quality assurance reviewer must further assess whether they are of any considerable significance each.

(2) ¹A deficiency in the quality control system exists, if one or more findings are made which could possibly, with a reasonable degree of certainty, lead to the respective professional services not being performed in accordance with legal and statutory requirements. ²It is sufficient in this context, if the risk of a negative impact is apparent.

(3) ¹A significant deficiency in the quality control system exists if the requirements upon the quality control are not fulfilled in definable parts or the identified deficiencies make the quality control system appear inadequate and ineffective. ²This means that the deficiency according to an objective assessment leads to the specific risk that the respective professional services of the audit firm, which are subject to the quality assurance review, are not provided in accordance with legal and statutory requirements. ³A significant deficiency may also exist if there are a large number of minor deficiencies and the quality assurance reviewer concludes that these accumulated deficiencies represent a specific risk.

(4) ¹An inability to obtain sufficient appropriate audit evidence exists if the quality assurance reviewer cannot assess the quality control system in its entirety or partly. ²This may, in particular, be the case if not all information and documentation which the reviewer considers to be necessary are made available. ³In this case the quality assurance reviewer should perform alternative review procedures.

(5) ¹The quality assurance reviewer shall assess whether individual findings are of considerable significance. ²These exist in particular when during the review of the engagement processing, it is identified that no reasonable assurance was achieved in important specific audit areas or the quality assurance reviewer identifies specific indications of significant errors in the financial reporting during the quality assurance review. ³The assessment shall be justified in the reviewer's report. ⁴As far as individual findings are not of considerable significance, they are to be documented in the working papers.

§ 23

Review Opinion

(1) ¹If no significant deficiencies in the quality control system were discovered by the quality assurance reviewer, he shall declare that nothing has come to his attention that causes him to believe that the quality control system of the audit firm does not comply with the legal and statutory requirements and can ensure with reasonable assurance that orderly processing of statutory audits according to § 316 HGB and of general audit and assurance engagements commissioned by the Federal Financial Supervisory Authority, is achieved. ²The declaration according to Sentence 1 is to be qualified if the quality assurance reviewer has discovered a significant deficiency in definable parts of the quality control system. ³An adverse opinion shall be issued if the significant deficiencies make the quality control system appear inadequate and ineffective. ⁴A qualified or adverse opinion must be justified.

³ Example wordings are attached to this charter as an appendix to § 23.

(2) ¹A review opinion shall report about any inability to obtain sufficient appropriate audit evidence. ²A qualified opinion or an adverse opinion due to any inability to obtain sufficient appropriate audit evidence is not provided for in § 57a Section 5 Sentence 5 WPO.

§ 24

Documentation of the Quality Assurance Review

The quality assurance reviewer shall document his review planning, review procedures and assessments in such a way that a knowledgeable third party is able to understand the activities within a reasonable period of time.

Part 5

Reviewer's Report and Measures of the Commission for Quality Assurance

§ 25

Reviewer's Report

(1) ¹The reviewer's report is usually the most important basis for decision making by the Commission for Quality Assurance. ²It is to be designed in such a way that the Commission for Quality Assurance is able to understand the assessment of the review result according to § 57a Section 5 Sentence 2 Number 5 WPO of the quality assurance reviewer within a reasonable period of time. ³The reviewer's report shall be created in an unambiguous, clear and comprehensive format according to the legal and technical rules.

(2) ¹The reviewer's report shall have the following structure:

1. Addressees,
2. Engagement and subject of the engagement,
3. Information about the audit firm,
4. Description of the main components of the implemented quality control system according to § 55b Section 2 WPO,
5. Nature and scope of the quality assurance review,
6. Measures taken as result of deficiencies identified in the previous quality assurance review,
7. Assessment of the review findings
 - a. Deficiencies and significant deficiencies,
 - b. Inability to obtain sufficient appropriate audit evidence and individual findings which are of considerable significance,

8. Recommendations for remediation of identified deficiencies,
9. Review opinion.

²The reviewer's report must also contain information required by the Commission for Quality Assurance in order to determine the timing of the next quality assurance review on the basis of a risk analysis according to § 13.

(2) ¹The details in the reviewer's report regarding the nature and scope of the quality assurance review must contain explanations about the acquired understanding of the quality assurance reviewer regarding the audit firm to be reviewed, about the risk assessment of the quality assurance reviewer and about the review procedures planned and conducted on this basis. ²This enables the Commission for Quality Assurance to understand the review strategy and the risk-based selection of the review procedures as well as to understand the findings and the conclusions drawn by the quality assurance reviewer.

(3) ¹If deficiencies in the quality control system or inability to obtain sufficient appropriate audit evidence were identified the quality assurance reviewer shall name them and offer suggestions on how to eliminate them. ²It shall also be stated whether any major inability to obtain sufficient appropriate audit evidence exists which leads to an inability to assess the quality control system as a whole. ³If alternative review procedures were performed, these shall be reported. ⁴The reporting must enable the Commission for Quality Assurance, if necessary, to decide on deletion of the entry as a statutory auditor according to § 38 Number 1 Letter h or Number 2 Letter f WPO (§ 57a Section 6a Sentence 2 Number 2 and 3 WPO). Individual findings of considerable significance shall be reported separately.

(4) ¹The reviewer's report shall be signed by the responsible quality assurance reviewer. ²It shall be sent to the Commission for Quality Assurance and the reviewed audit firm.

§ 26

Evaluation of the Reviewer's Report

(1) ¹The evaluation of the reviewer's report by the Commission for Quality Assurance extends to whether it is in line with the principles of orderly reporting, whether the findings justify the assessment of the quality assurance reviewer and whether indications exist that the quality assurance review was not conducted according to the legal regulations, charters and technical rules. ²If significant inability to obtain sufficient appropriate audit evidence or significant deficiencies within the meaning of § 57a Section 6a Sentence 2 Number 2 and 3 WPO were identified, the reviewed audit firm shall submit its own statement about the result of the quality assurance review to the Commission for Quality Assurance without delay upon receipt of the reviewer's report at the Commission for Quality Assurance. ³The statement from the reviewed audit firm shall be included in the evaluation of the reviewer's report.

⁴As part of the evaluation the Commission for Quality Assurance may request further information and documentation from the quality assurance reviewer and from the reviewed audit firm. ⁵The reviewed audit firm is to be given the opportunity to comment before the adoption of measures according to § 57e Section 2 Sentence 5 WPO.

(2) ¹The Commission for Quality Assurance can offer a hearing to the quality assurance reviewer and the reviewed Professional Accountant in Public Practice or the Key Audit Partner/Engagement Partner at the professional firm, who have the right to apply for a hearing. ²The hearing can also be attended by a commissioned member of the Commission for Quality Assurance.

§ 27

Measures

(1) ¹The measures of the Commission for Quality Assurance should achieve adequacy and effectiveness of the quality control system of the reviewed audit firm as well as orderly conduct of the quality assurance review. ²If deficiencies in the quality control system of the reviewed audit firm exist or in the case of a breach of §§ 57a to 57d WPO and this charter, the Commission for Quality Assurance may:

1. Issue requirements to eliminate the deficiencies,
2. Officially order a special review,
3. Delete the entry according to § 57a Section 6 Sentence 2 WPO.

(2) If requirements to eliminate the deficiencies have been issued by the Commission for Quality Assurance, the reviewed audit firm shall produce a requirements fulfilment report according to § 57e Section 2 Sentence 1 Half-Sentence 2 WPO in accordance with § 28; the obligation to produce a requirements fulfilment report is an integral part of the requirement.

(3) ¹In order to verify elimination of deficiencies in the quality control system, for clarifying matters and to eliminate deficiencies in the conduct of a quality assurance review, a special review can be officially ordered. ²If a special review is officially ordered, the audit firm to be reviewed shall submit suggestions for possible quality assurance reviewers to the Commission for Quality Assurance according to § 57a Section 6 Sentence 1 and 2 WPO. ³The Commission for Quality Assurance has the rights and duties in this procedure from Part 2. ⁴This is not applicable if the audit firm to be reviewed has also assigned the quality assurance reviewer who has conducted the quality assurance review with the special review. ⁵The audit firm to be reviewed shall comply with the reporting obligations according to § 14 after the engagement is assigned. ⁶In a special review the Commission for Quality Assurance also has the rights according to § 15. ⁷After completion of the special review, the special reviewer shall submit, without delay, the special reviewer's report to the Commission for Quality As-

urance, at the latest by the deadline for the special review. ⁸The Commission for Quality Assurance can determine that another quality assurance reviewer shall be assigned to conduct the special review. ⁹This occurs when the quality assurance review was not conducted in accordance with §§ 57a to 57d WPO and this charter or there is apprehension of bias with the previous quality assurance reviewer.

(4) ¹According to § 57e Section 3 Sentence 1 WPO a penalty payment may be imposed when requirements placed upon the reviewed audit firm to eliminate deficiencies in the quality control systems are not fulfilled or a special review was not conducted. ²According to § 57d Sentence 3 WPO a penalty payment cannot be imposed when the reviewed audit firm has not fulfilled its obligation to cooperate according to § 57d Sentence 1 WPO.

(5) ¹The entry of the activity as a statutory auditor according to § 316 HGB is to be deleted according to § 57a Section 6a Number 2 and 3 WPO if a significant inability to obtain sufficient appropriate audit evidence or significant deficiencies were discovered which make the quality control system appear inadequate and ineffective. ²The deletion can also take place when the reviewed audit firm does not implement the measures imposed despite the repeated imposition of fines.

(6) ¹All measures of the Commission for Quality Assurance are directed to the reviewed audit firm. ²This also applies when the quality assurance reviewer violates §§ 57a to 57d WPO and this charter. ³In this case it is the obligation of the reviewed audit firm to ensure that the violation is eliminated.

§ 28

Requirements Fulfilment Report

(1) ¹The requirements fulfilment report shall be submitted to the Commission for Quality Assurance without delay after fulfilment of the requirement by the reviewed audit firm, at the latest upon expiry of the period assigned to fulfil the requirements. ²If fulfilment of the requirement(s) is reviewed in the form of a special review, the duty to produce a requirements fulfilment report is considered as fulfilled when the special review report meets the requirements of a requirements fulfilment report.

(2) The requirements fulfilment report has the following contents:

1. Reference to the legal duty to report,
2. Reference to the issued requirement,
3. Presentation of implementation of the requirements,
4. A self-declaration.

Part 6
Oversight of the Quality Assurance Reviewer

§ 29
Oversight by the Commission for Quality Assurance

¹The Commission for Quality Assurance is responsible for the preventive oversight of the quality assurance reviewers (§ 57e Section 1 Sentence 5 Number 4 WPO). ¹Subject of the oversight is whether the quality assurance reviewer complies with the legal requirements and the rules of professional practice when conducting quality assurance reviews (§ 57a Section 7 WPO). ³If breaches of the legal and statutory requirements are identified, the Commission for Quality Assurance can instigate measures to eliminate these (§ 57e Section 7 Sentence 2 WPO). ⁴The measures must be proportionate and directed at preventing the identified breaches in the future. ⁵During the evaluation of the proportionality, the severity of the identified breach as well as the nature and number of previous complaints shall be taken into account.

Part 7
Information Obligation and Activity Report

§ 30
Information to be provided to the Board of Directors

(1) ¹If the Commission for Quality Assurance becomes aware on the basis of a quality assurance review of matters which may justify the revocation of the appointment as a Professional Accountant in Public Practice or the licensing as a professional firm, the Board of Directors of the Chamber of Public Accountants shall be informed. ²The information obligation exists for all grounds for revocation.

(2) ¹The Commission for Quality Assurance informs the Board of Directors of the Chamber of Public Accountants when, after a quality assurance review, initiation of disciplinary proceedings be considered. ²This may be the case when during a quality assurance review the findings of breaches of professional law are so significant that a disciplinary sanction within the meaning of § 68 Section 1 Sentence 2 WPO is necessary besides from measures of the Commission for Quality Assurance to eliminate the deficiency (requirements, a special review, deletion of the entry as a statutory auditor) and appears appropriate.

§ 31
Preparation of an Annual Report
about the Results of the Quality Assurance Reviews

(1) ¹The Commission for Quality Assurance annually creates an activity report in which, in particular, the results of the quality assurance reviews conducted are presented anonymously. ²The presentation of the results is based, amongst other things, on a statistical evaluation of the reviewer's reports, whereby the total number of quality assurance reviews conducted and their results are stated in the report. ³Furthermore the Commission for Quality Assurance reports on statistical data concerning quality assurance reviews which have been conducted.

(2) ¹In the activity report the most commonly identified deficiencies are also shown whereby details are provided about which deficiencies led to requirements being issued and in which cases special reviews were officially ordered. ²It shall also be reported on the results of these measures.

(3) It shall be reported about proceedings which were submitted to the Board of Directors of the Chamber of Public Accountants for professional evaluation.

(4) Furthermore the activity report shall contain details about meetings of the Commission for Quality Assurance, that is about their number, about important topics discussed as well as about significant decisions concerning the system of quality assurance.

(4) ¹The activity report shall be addressed to the Auditor Oversight Body. ²Furthermore, the Board of Directors and the Advisory Board of the Chamber of Public Accountants receive it for information purposes. ³After the Auditor Oversight Body has approved the activity report it is published on the Internet.

Part 8
Cooperation with the Auditor Oversight Body

§ 32
Coordination with the Auditor Oversight Body

(1) ¹In order to fulfil its tasks according to § 66a Section 3 WPO, apart from the annual activity report of the Commission for Quality Assurance (§ 31), the Auditor Oversight Body receives invitations to meetings of the Commission for Quality Assurance and its decision-making committees as well as the agenda and attachments. ²The Auditor Oversight Body is entitled, according to § 66a Section 3 Sentence 2 WPO, to participate in discussions of oversight issues during the meetings of the Commission for Quality Assurance or one of its decision-making committees. ³If the Auditor Oversight Body requires further evidence and repre-

sentations from the quality assurance reviewer, it is supported by the Commission for Quality Assurance.

(2) The Auditor Oversight Body shall be informed about future quality assurance reviews which have been reported to the Commission for Quality Assurance

(3) ¹The Commission for Quality Assurance can, according to § 57e Section 1 Sentence 6 WPO, in agreement with the Auditor Oversight Body, participate in quality assurance reviews and also have the working papers of the quality assurance reviewer submitted to them. ²In order to create agreement the Commission for Quality Assurance informs the Auditor Oversight Body about its intention to participate in a quality assurance review.

(4) If the Commission for Quality Assurance intends to delete an entry according to § 57a Section 6a Sentence 2 WPO, it should submit the procedure beforehand to the Auditor Oversight Body.

§ 33

Conduct of a Quality Assurance Review of Professional Accountants in Public Practice and Professional Firms which are also Statutory Auditors of Public Interest Entities (Hybrid Audit Firms)

(1) ¹An audit firm is considered to be a hybrid audit firm when, apart from conducting statutory audits mentioned in Part 2, it is also a statutory auditor of companies within the meaning of § 319a Section 1 Sentence 1 HGB or was this in the past and it can be expected that it will be engaged again in the future. ²Part 4 also applies for a quality assurance review of hybrid audit firms as far as sections 3 to 5 do not contain any deviating regulations.

(2) ¹The official order to conduct a quality assurance review for a hybrid audit firm should take place in coordination with the official order for an inspection according to § 62b Section 1 Sentence 1 WPO. ²For this purpose the Commission for Quality Assurance informs the Auditor Oversight Body about the time limit by which the subsequent quality assurance review shall be conducted. ³During coordination the significance of the audits of public interest entities within the meaning of § 319a Section 1 Sentence 1 HGB in relation to other statutory audits according to § 316 HGB of the audit firm in question shall be taken into account. ⁴The interests of the audit firm shall be taken into account when setting the time limit.

(3) The transparency reports, the inspection report submitted by the audit firm (§ 62b Section 3 Sentence 2 WPO) and the associated correspondence with the Auditor Oversight Body shall also be considered in the audit planning according to § 17 for hybrid audit firms.

(4) ¹On the basis of the current inspection report, the quality assurance reviewer will exclusively assess for hybrid audit firms, according to § 57a Section 5a Sentence 3 WPO, the effectiveness of the quality control system for statutory audits of entities which are not of public interest within the meaning of § 319a Section 1 Sentence 1 HGB, and the general audit and assurance engagements commissioned by the Federal Financial Supervisory Authority. ²If the quality assurance reviewer does not find any significant deficiencies in the effectiveness of the quality control system he shall submit the declaration according to § 23 with reference to the audits mentioned in Sentence 1⁴.

(5) ¹For these audit firms the reporting according to § 57a Section 5a Sentence 5 WPO shall consider the special characteristics of the subject of this quality assurance review. ²The areas named in Article 26 Section 6 of the Regulation (EU) No. 537/2014 (§ 57a Section 5a Sentence 2 WPO) are not subject of the report. ³By derogation from § 25 Section 2 Number 4 the quality control system according to § 55b Section 2 WPO is not to be described. ⁴The reviewer's report shall be sent to the Commission for Quality Assurance, to the reviewed audit firm and to the Auditor Oversight Body. ⁵In the case of hybrid audit firms the Commission for Quality Assurance only decides about measures for the effectiveness of the quality control system for audits of companies which are not of public interest within the meaning of § 319a Section 1 Sentence 1 HGB.

Part 9

Final Provisions

§ 34

Definitions and Use of Regulations from the Charter

(1) Professional firms within the meaning of this charter are audit firms and firms of sworn auditors.

(2) ¹This charter applies to the Cooperative Audit Office of Associations of Savings and Clearing Banks accordingly. ²A Cooperative Audit Office of an Association of Savings and Clearing Banks shall be registered as a quality assurance reviewer when the prerequisites according to § 57h Section 2 Sentence 2 WPO are fulfilled. ³§ 27 applies with the provision of § 57h Section 1 Sentence 3 WPO.

(3) ¹The regulations of this charter apply to Cooperative Audit Associations accordingly.

⁴ Example formulations are attached to this charter as an appendix to § 33.

§ 35**Effective Date/Abrogation**

²To become effective the Charter for Quality Assurance requires the approval of the Federal Ministry for Economic Affairs and Technology in cooperation with the Federal Ministry of Justice and Consumer Protection, and becomes effective on the day after announcement in the Federal Gazette. ²Upon coming into force of this charter, the Charter for Quality Assurance from 18th January 2001 (BAanz. P. 2181) last altered according to the decision of the advisory board from 22nd November 2013 (BAanz. AT 13.02.2014 B1), becomes invalid.

Appendix to § 11**Certificate of Independence**

I confirm that during the conduct of the quality assurance review of

(name/company of the Professional Accountant in Public Practice/professional firm to be reviewed)

- no reasons for exclusion according to § 57a Section 4 WPO in combination with § 10 SaQK,
- no apprehension of bias according to § 49 (Second Alternative) WPO (§§ 28 to 35 BS WP/vBP) as well as
- no other conflicts of interest exist or have existed in the last three years and
- my independence and impartiality is preserved according to § 43 Section 1 WPO (§§ 1, 2, 28 BS WP/vBP).

The audit firm to be reviewed has performed joint audits with me in the last three years. The remuneration received from the joint audits was (add sum) percent of my annual total revenues⁵.

Date, signature/stamp of the suggested quality assurance reviewer

⁵ This declaration made within the meaning of § 10 Section 5 SaQK is only to be made in the Certificate of Independence in the case of joint audits by the quality assurance reviewer and the audit firm to be reviewed.

Example of an unqualified Review Opinion

Based on my/our quality assurance review, nothing has come to my/our attention that causes me/us to believe that the quality control system of the audit firm does not comply with the legal or statutory requirements and does not ensure with reasonable assurance the orderly processing of statutory audits according to § 316 HGB (*if necessary: and an orderly processing of general audit and assurance engagements commissioned by the Federal Financial Supervisory Authority*).

Example of a qualified Review Opinion due to identified Significant Deficiencies

I/we have identified during the quality assurance review that a significant risk to orderly processing of the audit engagements exists due to the fact that no rules for continuing professional development of the employees were implemented and no suitable professional development measures were performed.

Based on my/our quality assurance review, except for the matters described above, nothing has come to my/our attention that causes me/us to believe that the quality control system of the audit firm does not comply with the legal or statutory requirements and does not ensure with reasonable assurance the orderly processing of statutory audits according to § 316 HGB (*if necessary: and an orderly processing of general audit and assurance engagements commissioned by the Federal Financial Supervisory Authority*).

Example of a Review Opinion where Inabilities to obtain sufficient appropriate Audit Evidence exist

Compliance with the introduced regulations for processing of statutory audits in the audit firm cannot be assessed for a limited number of statutory audits conducted since 1st January 20xx (about x% of the auditor hours of the population of statutory audits conducted) since inspection of the working papers was not possible.

Based on my/our quality assurance review, with the exception of the above-mentioned matters, nothing has come to my/our attention that causes me/us to believe that the quality control system of the audit firm does not comply with the legal or statutory requirements and does not ensure with reasonable assurance the orderly processing of statutory audits according to § 316 HGB (*if necessary: and an orderly processing of general audit and assurance engagements commissioned by the Federal Financial Supervisory Authority*).

Example of an unqualified Review Opinion

Based on my/our quality assurance review, nothing has come to my/our attention that causes me/us to believe that the effectiveness of the quality control system of the audit firm does not ensure with reasonable assurance the orderly processing of statutory audits of entities which are not of public interest within the meaning of § 319a Section 1 Sentence 1 HGB (*if necessary: and an orderly processing of general audit and assurance engagements commissioned by the Federal Financial Supervisory Authority*).

Example of a qualified Review Opinion due to identified Significant Deficiencies

I/we have identified during the quality assurance review that a significant risk to orderly processing of the audit engagements exists due to the fact that for all statutory audits conducted which are not of public interest within the meaning of § 319a Section 1 Sentence 1 HGB the audit firm refrained from obtaining confirmations from third parties including bank confirmations without providing explanations.

Based on my/our quality assurance review, except for the matters described above, nothing has come to my/our attention that causes me/us to believe that the effectiveness of the quality control system of the audit firm does not ensure with reasonable assurance the orderly processing of statutory audits of entities which are not of public interest within the meaning of § 319a Section 1 Sentence 1 HGB (*if necessary: and an orderly processing of general audit and assurance engagements commissioned by the Federal Financial Supervisory Authority*).

Example of a Review Opinion where Inabilities to obtain sufficient appropriate Audit Evidence exist

Compliance with the introduced regulations for processing of statutory audits of entities which are not of public interest within the meaning of § 319a Section 1 Sentence 1 HGB cannot be assessed for a limited number of statutory audits conducted since 1st January 20xx (about x% of the auditor hours of the population of statutory audits conducted) since inspection of the working papers was not possible.

Based on my/our quality assurance review, with the exception of the above mentioned situations, nothing has come to my/our attention that causes me/us to believe that the effectiveness of the quality control system of the audit firm does not ensure with reasonable assurance the orderly processing of statutory audits of entities which are not of public interest within the meaning of § 319a Section 1 Sentence 1 HGB (*if necessary: and an orderly processing of general audit and assurance engagements commissioned by the Federal Financial Supervisory Authority*).