



The Institute for the Accountancy Profession in Sweden

**Quality Control**  
Carried out by FAR SRS

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- FAR SRS since 2000
- Head of FAR SRS Quality Assurance Secretariat
- Project Manager of XBRL Sweden, founded by FAR SRS

## External quality for the statutory audit



- 1997 – Mandatory for members of FAR
- 1998 – Mandatory for members of SRS
- 2000 – EU Recommendation
- 2003 – First agreement between FAR, SRS and Revisorsnämnden, The Supervisory Board of Public Accountants
- 2007 - Second agreement between FAR SRS and Revisorsnämnden, The Supervisory Board of Public Accountants

## Quality Assurance – Why?



- Assure good audit quality
- Most important tool for the accountancy profession to guarantee the public and the Supervisory Board of Public Accountants that auditors and audit firms maintain a good level of quality and meet the regulation requirements
- Quality assurance has to be organized to meet the requirements set out in the EU recommendation 2001/256/EC and the Directive 2006/43/EC

## The Structure in Sweden



- **Revisorsnämnden (The Supervisory Board of Public Accountants)**
  - has delegated the Quality Assurance of Statutory Audits to FAR SRS
- **The Quality Board – Independent body within FAR SRS**
  - Responsible for the Quality Assurance of the auditor members of FAR SRS
  - 8 members (one member has to be a professional judge)
  - Appointed by FAR SRS general meeting
  - Decide whether a member has passed the quality control or not
- **Quality Control Reviewers**
  - 40 reviewers at the moment
  - Members of FAR SRS
  - Qualified Auditor for at least 10 years
  - Independent (no connection with the member that he/she reviews)
  - Educated in the area of quality assurance
- **Quality Secretariat**
  - Situated at FAR SRS
  - Assists the Quality Board
  - Administrates and handles the cases

## The steps



1. **Selection of members to be reviewed (Quality secretariat)**
  - Internal periodic inspections – test of compliance
  - Substantive control
2. **Allocation to the reviewers**
3. **Letters to the members**
4. **Letters to the reviewers**
5. **Acceptance**
6. **Quality control**
  - General control (RS 220)
  - Control of audits
7. **Reports and checklists to Quality Secretariat**
8. **Preparing**
9. **The case is presented for the quality Board**
10. **Quality Board decides:**
  - Approval
  - Disapproval – new control within a year
  - Disapproval – The case hands over to the Supervisory Board
11. **Every 6 months report to Supervisory Board the result of the controls during the period**
12. **The Supervisory Board selects a number of cases to assure that FAR SRS work with quality assurance meets the expectations**

## Statistics

- 2007
  - Quality controls (210)
    - Approved (160)
    - Disapproved – New control (25)
    - Disapproved – Supervisory Board (5)
    - Postponed (20)

## Feedback

- Members sceptical in the beginning
- Now change of attitude
- Guidance and support, not only control
- Identifies weaknesses within a firm
- Identifies lack of education
- Firms starting networks with systems for quality control
- The requirements are not always the same as within the firms

## New sections in FAR SRS



- FAR SRS has 4 sections
  - Audit
  - Accounting
  - Tax
  - Advisors
- All members have to pass FAR SRS quality control
- Starting up quality control for members working with accounting services



Thank You!