

Questionnaire to Audit Committees Finland

Fields marked with * are mandatory.

Introduction

The [Regulation \(EU\) N°537/2014](#) (the “Regulation” or “AUR”) of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities and repealing Commission Decision 2005/909/EC (the “Regulation”), requires in Article 27 national authorities responsible for audit oversight (“National Competent Authorities”, “NCAs”) in the European Union (EU) to regularly monitor the developments in the market for providing statutory audit service to Public Interest Entity (“PIE”) including to assess the performance of audit committees. These requirements are in addition to those set out in [Directive \(EU\) N°2006/43](#) (the “Directive” or “AUD”) of the European Parliament and of the Council of 17 May 2006

In this context, the following questionnaire has been prepared at a European level by the Committee of European Auditing Oversight Bodies (“CEAOB”). It is intended to provide the NCAs with useful information for understanding how audit committees are operating as well as the practical challenges audit committees are facing in carrying out their tasks.

The questionnaire was created to obtain feedback on how audit committees are applying the requirements of both the Regulation and Directive, their performance and effectiveness, and identify potential good practice in place across Member States. In respect of auditor selection procedures, non-binding guidelines have been drafted by the CEAOB on the appointment of statutory auditors or audit firms by public-interest entities and are available [here](#).

A number of the questions included in the questionnaire provide a legal reference to the European framework which represents the common legal basis, without prejudice of the national requirement that each audit committee must comply with at a national level.

Use of the information:

The data provided will be treated in the strictest confidence. In the “Public Interest Entity” details section, except for the fields marked with an asterisk (*), Audit Committees have the option to not complete any information that could be used to identify the responder. The Audit Committee’s response will be aggregated with those from other Audit Committees and will not be disclosed publicly in a way which is directly attributable to an individual respondent or entity.

Aggregated responses will serve National Competent Authorities to report on the developments in market for providing statutory audit services to public interest entities in accordance with Article 27 of the Regulation.

How to complete the questionnaire:

Responses to questions posed are either multiple choice responses or yes/no responses.

Audit committees are also invited to use, when applicable or necessary, the available text boxes underneath each question to provide clarifications and comments on their respective responses.

All questions should be answered, however audit committees may choose not to answer one or more questions and still submit the questionnaire.

How to submit your contribution:

(Section should be tailored depending on the choice made by NCA to use or not the EU portal)

Deadline for submission:

Answers to the questionnaire are expected by [March 30th, 2022] at the latest.

Public Interest Entity & audit committee details

Name of the entity

Street address

Postal code

City

Telephone

Email

* Number of employees

- 1-9
- 10-49
- 50-249
- 250-499
- +15
- +500

* Main Economic Activity

- Accommodation and food
- Consumer goods

- Energy
- Healthcare
- Financial services - Banking
- Financial services - Insurance
- Financial services - other
- Manufacturing
- Information technology
- Materials
- Real Estate
- Telecommunication
- Utilities
- Wholesale and retail

Details of the Audit Committee

Name of the chairperson of the audit committee

Telephone of the chairperson

E-mail address of the chairperson

Date of appointment of the Chairperson

Name of the contact person for this survey if different from the chairperson

Telephone of the contact person if different than the contact person

E-mail address of the contact person for this survey if different from the chairperson

Relevant Experience

	Number of audit committee members with relevant experience
Total Number of audit committee members	
Among which, how many audit committee members have relevant experience in the following:	
Financial Reporting	
Audit	
Industry Experience (management experience, excluding experience sitting on audit committees within the industry)	

(Reference period):

Please use guidance to indicate the reference period to which the questionnaire refers.

Interaction with the administrative or supervisory body

Q1a - How many times during the reference period did the audit committee meet with the administrative body of the entity to communicate on its activities, issues and related recommendations in respect to the statutory audit? (Art 39.6.a) of AUD)

- Never
- Once
- Twice
- 3 times
- 4 times
- 5 times
- 6 times
- 7 times
- 8 times
- More than 8 times
- N/A

Q1b - How many times during the reference period did the audit committee meet with the supervisory body of the entity to communicate on its activities, issues and related recommendations in respect to the statutory audit? (Art 39.6.a) of AUD)

- Never
- Once
- Twice
- 3 times
- 4 times
- 5 times
- 6 times
- 7 times
- 8 times
- More than 8 times
- N/A

Q2a - How did the audit committee communicate the outcome of the audit to the administrative supervisory body of the entity? (Art 39.6.a) of AUD)

- Verbally in meetings where management was present
- Verbally in meetings where management was not present
- In a written report
- Other (please specify)

Q2at - Please provide additional detail here

Q2b - How did the audit committee communicate the outcome of the audit to the supervisory body of the entity? Art 39.6.a) of AUD

- Verbally in meetings where management was present
- Verbally in meetings where management was not present
- In a written report
- Other (please specify)

Q2bt - Please provide additional detail here

Q3 - How much time was spent (in total percentage of hours) on matters related to the outcome and monitoring of the audit?

- Less than 10% of the total of audit committee meeting time
- Between 10% and 25% of the total of audit committee meeting time
- Between 25% and 50% of the total audit committee meeting time
- More than 50% of the total audit committee meeting time

Q4 - In which of the following areas did the audit committee provide input or recommendations to the administrative or supervisory body?

- No input/recommendation made
- Risk Management Analysis/Internal Controls
- Regulatory compliance assessment
- Cybersecurity
- Funding & Liquidity Decisions
- Preparation of financial statements
- Other areas for recommendation

Q4t - Please provide additional detail here

500 character(s) maximum

Independence including permitted non-audit services and fees cap

Monitoring of the independence of the statutory auditor(s)/audit firm

Q5 - How did the audit committee monitor the independence of the statutory auditor(s)/audit firm during the reference period? Art 5.4 of AUR

- Written representation obtained from the statutory auditor(s) (or the audit firm(s)) confirming that the statutory auditor(s), the audit firm(s) and partners, senior managers and managers, conducting the statutory audit were independent of the entity
-

Formal discussion between the statutory auditor (or the audit firm) of the entity and the audit committee on the threats to the auditor's independence as well as safeguards applied to mitigate those threats (if so, at which date)

- Use of a specific questionnaire to get more information from the statutory auditor (or audit firm)
- Other (please specify)
- The audit committee did not perform any action to monitor the independence

Q5t - Please provide additional detail here

500 character(s) maximum

Q6 - Did the audit committee set further criteria limiting non audit services that would be permissible under the EU Audit Regulation or local legislation?

- Yes
- No

Q6t - Please explain the nature of these criteria and the rationale for their establishment.

500 character(s) maximum

Q7 - How many proposals did the statutory auditor(s)/audit firm (or any member of its network) submit to the entity, its parent or controlled undertakings, for the provision of non-audit services during the reference period? (Note: please count each service offered as a separate proposal. In instances where multiple offerings fall under one proposal e.g. a group-wide consulting project, please only split out the proposals where the services offered are individually identifiable) Art 5.4 of AUR

- 0
- 1-3
- 4-6
- 7-9
- > 9

Q7a - Please indicate the total fees relating to the provision of the proposed non-audit services (approved or not) submitted during the period as a percentage of total statutory audit fees for the period.

- < 10%
- 10% - 20%
- 21% - 30%
- 31% - 40%
- 41% - 50%
- 51% - 60%
- 61% - 70%
- > 70%

Q8 - Were all these proposals for non-audit services examined by the audit committee? (Art 5.4 of AUR)

- 1. Yes

2. No

Q8a - How was the examination of the proposals for non-audit services organised?

- Review of proposal(s) made by the statutory auditor
- Examination of a file note prepared by the entity's management
- The audit committee posed direct questions to the auditor
- Use of a list of pre-approved services
- Discussions with management in this regard
- Discussions with the statutory auditor in this regard
- Other means of examination

Q8b - Why were proposals for non-audit services not examined by the audit committee?

- Non-audit services were on a pre-approved list
- The provision of non-audit services by the statutory auditors is never permitted by the entity
- Other

Q8bt - Please provide additional detail here

500 character(s) maximum

Q9- Did the audit committee withhold the approval of any of these proposals for non-audit services during the reference period? (Art 5.4 of AUR)

- 1. Yes
- 2. No
- 3. Not applicable as no request received

Q9a - What proportion of the number of proposals for non-audit services (mentioned in Q7) did the audit committee withhold approval?

- 0%
- 1-10%
- 11-20%
- 20-50%
- > 50%

Q9b - What were the reasons for withholding approval?

- Risks for the independence of the statutory auditor
- To enhance competition between audit firms
- The permitted non-audit services fee cap of 70% would be exceeded
- The non-audit service was prohibited (under Article 5 of AUR or under national law)
- Other reasons

Q9bt - Please provide additional detail here

Q10 - How did the audit committee oversee that the entity's management ensured that the non-audit services provided by the statutory auditor(s) (or any member of its network) were consistent with the approved non-audit services (nature and fees)?

- The audit committee did not perform an examination of non-audit services performed
- Review of description of non-audit service provided and the related cost from invoices submitted to understand the nature of the non-audit services provided.
- The audit committee requested feedback from the entity's management on the non-audit services ultimately provided to ensure they were are in line with the approved proposed non -audit services
- The audit committee requested feedback from the statutory auditors on the non-audit services ultimately provided to ensure they were are in line with the approved proposed non -audit services
- Other

Q10t - Please provide additional detail here

Monitoring of the non-audit services fee cap

Q11 - How did the audit committee monitor the amount of non-audit services related fees paid to the statutory auditor(s)/audit firm? (Art. 4.2 of AUR)

- Requesting information from the entity
- Requesting information from the statutory auditor (audit firm)
- Other

Q11t - Please provide additional detail here

Q12 - Did the audit committee set a non-audit services fee cap lower than 70% of the annual audit services fee for their monitoring, and if so, at what percentage of the annual audit services fee?

- No
- <40%
- 40%-50%
- 50%-60%
- 60%-70%

Q12a - What was the rationale to set a lower non-audit services fee cap and what were the criteria used to determine the threshold?

Q13 - Did the audit committee perform a review of the calculation made by the entity in relation with the permitted non-audit services fee cap of 70%? (Art 4.2 of AUR)

- Yes
- No
- N/A

Q13a - Please describe how the audit committee assessed the completeness and. accuracy of the data used for this calculation.

Q13b - At what (entity) level was the non-audit services fee cap calculated for the PIE?

- PIE sits at group level, no other PIEs in the group: All calculations are performed at group level
- Multiple PIEs within the group: All calculations are performed at group level for all PIEs within the group
- Calculations are performed at the level of the PIE i.e. subsidiary or group level or both
- Not a group structure, calculations are performed at company level

Q13c - What was the level of non-audit services fee cap reached by the statutory auditor(s)/audit firm during the reference period?

- 0%
- 1%-10%
- 10%-20%
- 20%-30%
- 30%-40%
- 40%-50%
- 50%-60%
- 60%-70%
- Over 70%
- N/A

Auditor selection procedure

Q14 - Did either of the following occur during the reference period:

- appointment of (a) new statutory auditor(s)/audit firm or
- reappointment of the previous statutory auditor(s)/audit firm after a tendering process was performed? (Art 16.3 of AUR)

- No
- Appointment of a new statutory auditor(s)
- Reappointment of the previous statutory auditor(s) after a tendering process was performed

Q14a - Why did the entity commence an auditor selection process?

- Legal obligation for rotation / expiration of maximum duration
- Not satisfied with current auditor because of audit quality issues
- Not satisfied with current auditor because of statutory audit costs
- Other

Q14at - Please provide additional detail here

Q14b - If a new statutory auditor(s)/audit firm was appointed how long had the previous auditor been in place?

- 1-5 years
- 6-10 years
- 11-15 years
- 16-20 years
- More than 20 years

As part of the auditor selection procedure:

Q15 - What tasks did the audit committee undertake as part of the selection procedure? (Art 16.3 of AUR)

- No involvement (please explain)
- Preparing/validating a list of auditors to send the tender documentation to
- Organising for potential candidates, prior to the presentation of bids, visits or exchanges so that candidates had sufficient information in which to submit an adequate proposal
- Preparing/reviewing tender documentation
- Preparing/reviewing selection criteria
- Conducting an interview with the shortlisted candidates, before the issuance of recommendations, and the identification of the preferential choice
- Evaluating the proposals
- Review of the analysis of the proposals prepared by the management
- Providing a recommendation based on the assessment of the offers
- Presentation of the results of the tender to the general meeting
- Other

Q15t - Please provide additional detail here

Q16 - How many statutory auditors/ audit firms were invited to participate to the tender? (Art 16.3 of AUR)

- None
- 1
- 2-3
- 4-7
- 8-15
- >15

Q17 - Did the entity make public the (request for) tender to allow non-invited statutory auditors/audit firms to participate?

- Yes
- No

Q17a - How did the entity make public the request for tender?

- Publication on company website
- Publication on third party website for tenders
- Publication in an official publication

- Publication in a newspaper
- Other means

Q17at - Please provide additional detail here

Q18 - How did the audit committee ensure that smaller statutory auditors/audit firms (with less than a 15% share of PIE audit fee income in the member state) were not prevented from participating?

- Used the Article 16.3 (Regulation 537/2014) listing of auditors from the Regulator website
- Specifically targeted smaller firms in the request for tender
- Sent to selected audit firms
- Did not give any specific consideration to the requirement

Q19 - How was the tender documentation communicated by the entity?

- Made publicly available
- Sent to selected audit firms - Big 4 only
- Sent to selected audit firms

Q20 - What information about the entity was provided to the statutory auditor(s)/audit firm(s) as part of the tender process? (Art 16.3.b) of AUR)

- Latest financial statements
- Internal structure and organisation of the entity
- Group structure and locations
- Other

Q20t - Please provide additional detail here

Q20a - Did the sitting auditor receive the same information as the other statutory auditor(s)/audit firm(s) taking part in the tender process?

- Same level of information
- More information
- Less information
- N/A, sitting auditor did not submit a tender

Q21 - How many statutory auditors/audit firms finally submitted a proposal? (Art 16.3 of AUR)

- 1
- 2-3
- 4-7
- 8-15
- >15

Q22 - What were the selection criteria used by the audit committee to evaluate the proposals made by the auditors? What were their respective weightings? (Art 16.3.b) of AUR)

- Competence, technical knowledge and experience of the team in charge of the file and especially that of the key audit partner
- Industry specific knowledge / experience
- Independence, objectivity and professional scepticism
- Technological support tools
- Results of the reviews carried out by the national competent authority on the respective audit firm
- Extent of the international coverage of the audit network
- Fee Level
- Audit Quality Indicators defined by the statutory auditor/audit firm
- Audit Quality Indicators defined by regulators
- Other

Q22t - Please provide additional detail here

Q23 - Were the proposals received shortlisted by an ad-hoc committee (e.g. sub-committee of the audit committee) prior to their examination by the audit committee?

- Yes
- No

Q24 - How many choices (number of statutory auditors/audit firms) did the audit committee recommend to the administrative or supervisory body of the audited entity for appointment?

- 0
- 1
- 2
- 3
- 4
- >4

Q24a - Please indicate how many open auditor positions were available in the case of joint audit tender

- 1
- 2
- 3
- 4
- NA

Q25 - How did the audit committee arrive at a duly justified preference for one or several statutory auditors /audit firms?

- Review of all candidates proposal documentation
- Interviews/presentations with/from candidates
- Review of recent findings from audit regulators
- Validation of references
- Review of media coverage of the candidate

Other

Q25t - Please provide additional detail here

Q25a - If a preference was not arrived at, what were the reasons why the audit committee did not express a duly justified preference for one candidate?

Q26 - Did the proposal to the general meeting made by the administrative or supervisory body follow the recommendation of the audit committee?

- Yes
 No

Q27 - Did the audit committee assess whether the entity was able to demonstrate, upon request, to the relevant competent authority that the selection procedure was conducted in a fair manner? (Art 16.3.f) of AUR)

- Yes
 No

Q27a - How did the audit committee assess whether the entity was able to demonstrate, upon request, to the relevant competent authority that the selection procedure was conducted in a fair manner?

Q28 - What assessment did the audit committee make on the impact of auditor rotation?

- Too early to make an assessment on auditor rotation
 Neutral assessment, nothing in particular to note
 Positive assessment in terms of a new audit approach and new auditor perspective
 Negative assessment in terms of a new audit approach and new auditor perspective
 Positive assessment in terms of an improvement in audit quality
 Negative assessment in terms of an improvement in audit quality
 Negative assessment in terms of knowledge of the client
 Positive assessment in terms of knowledge of the client
 Assessment not made at this time
 Other comments

Q28t - Please provide additional detail here

Q28a - What were the indicators/metrics used by the audit committee to support this assessment?

Monitoring of the audit

Q29a - How many times during the reference period did the audit committee meet the statutory auditor(s) /audit firm (for example to monitor the execution of the audit plan and/or discuss of any significant transactions/issues or changes in the business)? Please indicate separately the number of meetings attended where entity management were present. (Art 39.6.d) of AUD)

Meetings with entity management present:

- Never
- Once
- Twice
- Three times
- Four times
- More than four times

Q29b Meetings without entity management present:

- Never
- Once
- Twice
- Three times
- Four times
- More than four times

Q30 - Did the audit committee consider the inspection findings (if any) and conclusions made by national competent authorities (audit regulators) during their last inspection of the statutory auditor(s)/or audit firm?* (Art 39.6.d) of AUD)

*Question might not be applicable when information is not public or made available to the Audit Committee.

- Did not enquire as to whether findings were available
- No findings report was available
- The audit committee did not have access to a findings report
- A copy of the findings report was received

Q30a - If applicable, how did the audit committee take into account the findings (if any) and conclusions made by national competent authorities during their last inspection of the statutory auditor(s)/or audit firm? (Art 39.6 d) AUD)

- Obtained information from the auditor in relation to the action plan to address those findings, containing both the measures and deadlines
- Made follow-up actions in order to obtain information on the implementation degree of the measures included in the action plan
- Obtained evidence from the auditor of the measures implemented
- Other

Q30at - Please provide additional detail here

Q31 - Did the audit committee discuss with the statutory auditor(s)/audit firm key matters arising from the statutory audit, in particular significant deficiencies in the audited entity's or, in the case of consolidated financial statements, the parent undertaking's internal financial control system and/or in the accounting system?

- Yes
- No

Q32 - How did the audit committee monitor the performance of the statutory audit of the annual and consolidated financial statements of the entity? (Art 39.6.d) of AUD)

- By questions raised by the audit committee with auditors during the course of the audit
- By performing a critical analysis of the documents provided by the auditor
- By assessing the audit work program
- By assessing the level of materiality defined by the auditors
- By challenging the risks identified by the auditors
- Other

Q32t - Please provide additional detail here

Q33 - Did the audit committee make a formal assessment of audit quality?

- Yes
- No

Q33a - Which criteria/metrics or other elements were used by the audit committee to assess audit quality?

- Quality of communications
- Assessment of audit engagement team
- Use of technology
- Degree of auditor challenge
- Technical expertise displayed by audit team
- Amount of time spent on the statutory audit by the partner/senior audit management
- Amount of time spent on the statutory audit by the Engagement Quality Control Reviewer
- Level of audit training hours
- Review of auditor's own internal quality control metrics
- Other

Q33at - Please provide additional detail here

Q33b - Which specific tools were used by the audit committee to assess audit quality?

- Internal questionnaires (with management/internal audit)
- External auditor questionnaires
- NCA inspection reports
- Other

Q33b - Please provide additional detail

Monitoring the financial reporting process

Q34- How did the audit committee monitor the effectiveness of the entity's internal quality control and risk management systems and, where applicable its internal audit function regarding the financial reporting of the audited entity? (Art 39.6.b) of AUD

- Interviews/Meetings with Heads of Function
- Review of internal audit reports
- Commissioning external consultant reviews
- Discussions with the auditor
- Other

Q34t - Please provide additional detail here

Comment box

(Audit Committees may use this comment box to elaborate on any other topics related to their new tasks. Please note, this comment box is only for items that have not been reported in previous sections of this questionnaire).

700 character(s) maximum