

GENERAL INFORMATION ABOUT THE PORTUGUESE STATUTORY AUDITORS

SUMMARY

PRESENTATION OF THE INSTITUTE

THE ROLE OF THE INSTITUTE (AUDITING)

AUDITING STANDARDS

ENROLMENT AND PRACTICAL EXPERIENCE

INVESTIGATIVE AND DISCIPLINARY POWERS

QUALITY ASSURANCE

NATIONAL LEGISLATION

PRESENTATION OF THE INSTITUTE

1. Established by government ministerial order (Ministerial Order 83/74, 6 February), under the aegis of the Ministry of Justice;
2. The Ordem is the representative body of the *Revisores Oficiais de Contas* (ROC - that is, individual statutory auditors) and *Sociedades de Revisores Oficiais de Contas* (SROC - that is, firms of statutory auditors), registered with it.
3. The current legal regime governing statutory auditors was approved by Decree-Law 487/99 of November 16 and amended by Decree-Law 224/2008, of November 20.
4. At this moment, there are 1107 registered auditors, 1020 of them in practice and 168 audit firms.

THE ROLE OF THE INSTITUTE

The OROC has, among others, the following responsibilities:

- Registry of statutory auditors and statutory auditing firms;
- Perform the Exams of Access to the Profession and ensure continuous education of its members;
- Prescription of the Principles and Standards of the code of professional ethics and conduct and to expound the standards and technical procedures of the profession, taking into consideration international standards;
- Exercise Disciplinary Jurisdiction over all its members; and

- Perform Quality Control Reviews of its members (Quality Assurance)

AUDITING STANDARDS

There are three types of technical pronouncements on auditing. (Auditing standards will soon be subject to regulation which must conform with the international auditing standards adopted by the European Commission)

1. **Standards** (*Normas Técnicas de Revisão/Auditoria*) - the law requires their application to all audits; any deviations from standards are subject to disciplinary suit.
2. **Statements** (guidelines) (*Directrizes de Revisão/Auditoria (DRA)*) - they are also compulsory, but auditors may justify a deviation from a statement.
3. **Interpretations** (*Interpretações de Revisão/Auditoria*) - they are issued for clarification and are not compulsory.

ENROLMENT

The general requirements for enrolment as a statutory auditor are:

- a) Without prejudice to the following articles, possessing Portuguese nationality;
- b) Having moral integrity for exercising the profession;
- c) Being in full fruition of civil and political rights;
- d) Not having been condemned of any crime of fraud or declared unfit to look after himself and his property by a court sentence, except where judicial rehabilitation is obtained ;
- e) To possess a university degree in auditing, accountancy, law, economics or management, or in other areas which might be approved by order of the minister in charge of higher education, after having heard the Institute, or an academic degree in one of these areas which, in terms of the law, are equivalent to a university honours degree or recognised as an honours degree ;
- f) Having passed the **examination for admission** to the Ordem;
- g) Having successfully completed the **practical experience** contract.

PRATICAL EXPERIENCE

The practical experience committee functions under the direction of the executive board, and is responsible for:

- a) Carrying out the work prescribed in the practical experience period regulations to be approved by the general meeting based on the proposals of the management council;
- b) Proposing, for approval of the management council, the draft practical experience contract and the trainee's membership card;
- c) Proposing, for approval of the management council, the practical experience contract agreements;
- d) Organising the list of trainee members;
- e) Organising the ongoing evaluation of trainee members.

The duration of the practical experience period shall be at least three years, with a minimum of seven hundred hours per annum

INVESTIGATIVE AND DISCIPLINARY POWERS

Under the terms of article 33 of Decree-Law nº 487/99, 16th of November amended by Decree-Law 224/2008 of 20th of November, the Disciplinary Body of OROC has the responsibility:

- a) To judge, in the first instance, the disciplinary infractions committed by statutory auditors and trainee members;
- b) To express opinions on complaints lodged by companies and other entities to whom the statutory auditors render services, on matters relating to the performance of their work;
- c) To carry out the investigations either expressly stipulated in this Decree-Law or those requested by the OROC's other bodies;
- d) To propose to the management council the legislative or administrative measures necessary for overcoming loopholes or making pronouncements on matters within its term of reference.

QUALITY ASSURANCE

- In 1993, the Ordem established a Commission to implement a system of external quality control, the “*Comissão do Controlo de Qualidade*” (CCQ).
- This system of quality control is supervised by the National Audit Public Oversight Board and performed through a Committee composed of 5 members (Comissão de Controlo de Qualidade - CCQ). This committee has the responsibility to establish the periodicity of the inspections, the guidelines for the inspections, the persons to perform the quality inspections and to start any disciplinary processes as a result of quality inspections (disciplinary processes once started are sent to the Disciplinary Council who analysis it and applies the sanctions).

The periodicity of quality control inspections is: at least every three years for statutory auditors that carry out work for public interest entities and at least every five years for the remaining statutory auditors

RELEVANT NATIONAL LEGISLATION

(Except Legal Regime, all other legislation is being revised)

- Legal Regime of the Statutory Auditors – Decree-Law 487/99 of 16th of November amended by Decree-Law 224/2008 of 20th of November
- Code of Ethics – Published by Ministerial Order in Diário da República, III Série, n.º 297, de 26 de Dezembro de 2001
- Technical Standards - Published by Ministerial Order in Diário da República III Série Nº295 de 23 de Dezembro de 1997
- Quality Control Regulation (approved in general Assembly)
- Disciplinary Regulation (approved in general Assembly)
- Electoral Regulation (approved in general Assembly)
- Trainee Regulation (approved in general Assembly)
- Inscription and Exam Regulation (approved in general Assembly)
- Continuous Education Regulation (approved in general Assembly)