Basic information

1996/2162(COS) COS - Procedure on a strategy paper (historic)	Procedure completed
Statutory auditor within the Union: role, position and liability. Green paper **Subject** 3.45.03 Financial management of undertakings, business loans, accounting	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
JURI Legal Affairs, Citizens' Rights	SIERRA GONZÁLEZ Angela del Carmen (GUE/NGL)	25/09/1996

Committee for opinion	Rapporteur for opinion	Appointed
BUDG Budgets		
ECON Economic and Monetary Affairs, Industrial Policy	The committee decided not to give an opinion.	

Council of the European Union

Key events

Date	Event	Reference	Summary
24/07/1996	Non-legislative basic document published	COM(1996)0338	Summary
16/09/1996	Committee referral announced in Parliament		
26/11/1997	Vote in committee		Summary
26/11/1997	Committee report tabled for plenary	A4-0373/1997	
15/01/1998	Debate in Parliament		
15/01/1998	End of procedure in Parliament		
02/02/1998	Final act published in Official Journal		

Technical information

Procedure reference	1996/2162(COS)
Procedure type	COS - Procedure on a strategy paper (historic)
Procedure subtype	Commission strategy paper
Legal basis	Rules of Procedure EP 148
Stage reached in procedure	Procedure completed
Committee dossier	JURI/4/08155

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee report tabled for plenary, single reading		A4-0373/1997 OJ C 388 22.12.1997, p. 0002	26/11/1997	
Text adopted by Parliament, single reading		T4-0032/1998 OJ C 034 02.02.1998, p. 0122-0159	15/01/1998	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(1996)0338	24/07/1996	Summary

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
EESC	Economic and Social Committee: opinion, report	CES0224/1997 OJ C 133 28.04.1997, p. 0001	26/02/1997	Summary

Statutory auditor within the Union: role, position and liability. Green paper

1996/2162(COS) - 26/02/1997 - Economic and Social Committee: opinion, report

The Committee welcomes the Commission green paper as provoking much needed discussion on the way forward in ensuring high and compatible standards in auditing and for providing the basis for the European Union's approach towards international standards setting. The Committee emphasizes that priorities must be given to areas where current national legislation and practice is an obstacle to the operation of the Single Market. Any agreed definition of the statutory audit should not be restrictive in its application. In any event the Committee believes the focus should be on the objectives of the audit and on agreeing how auditors should report their conclusions to the users of accounts. The Committee believes the initiative for a "definition" should come from the accounting profession - rather than be based on an EU directive or recommendation. The Committee recognizes that the primary responsibility lies with the directors to prevent and to detect fraud and to establish satisfactory internal controls including internal audit procedures where appropriate. The Committee thinks that the Eighth Directive should be adapted eventually to the guidelines put forward in the green paper and the recommendations of the conference organized by the Commission in Brussels on 5 and 6 December 1996 as amended following the consultation process. However the adaptations should cover areas not covered by self-regulation. The Committee emphasizes the importance of the auditor being independent and being seen to be independent. However, the Committee recognizes - as does the green paper - that there is no clear consensus on such issues as auditors providing non-audit service.

Statutory auditor within the Union: role, position and liability. Green paper

1996/2162(COS) - 15/01/1998 - Text adopted by Parliament, single reading

In adopting the report by Mrs Angela SIERRA GONZALEZ (GUE/NGL, E), the European Parliament expressed the view that, as an initial step, a technical subcommittee should be set up within the Contact Committee on the Accountancy Directives for the purpose of considering certain matters relating to compatibility between European auditing standards and existing international standards, the independence of auditors and the application of quality control in the Member States, provided that Parliament was given the opportunity to comment on the composition and powers of that subcommittee. Parliament considered in particular that rules must be drawn up at Community level concerning the independence of the statutory auditor, and called on the Commission to propose legislation to harmonize the minimum content of audit reports. It called on the Commission to submit proposals with a view to removing legislative obstacles and gradually introducing greater flexibility in the provision of services by, and the arrangements for the free establishment of, individual auditors and auditing companies in other Member States. Parliament considered that there should be a general requirement in the European Union to submit for auditing the financial statements of large charitable organizations, whether or not they were established in the form of a company.

Statutory auditor within the Union: role, position and liability. Green paper

1996/2162(COS) - 24/07/1996 - Non-legislative basic document

OBJECTIVE: the general objective of the Green Paper is to contribute to a wide-ranging debate with all interested parties on the issues surrounding the role, the position and the liability of the statutory auditor. In particular, the aim is to help the Commission to identify any areas or subjects where action at EU level may be needed, especially with a view to bringing about a single market for audit services and to continuing the improvement in the quality of financial reporting in the EU. SUBSTANCE: the Commission believes that the regulatory framework that surrounds the statutory audit at EU level is incomplete. There is therefore a risk that differing approaches will be taken at the level of Member States, which can have a negative impact on audit quality and on freedom of establishment and freedom to provide services in the audit field. Accordingly, the Green Paper examines those issues which are not appropriately covered by the 'Company Law' Eighth Directive (84/253/EEC), on the qualifications of persons responsible for carrying out a statutory audit of accounting documents, or by other Community legislation, namely: - the role of the statutory auditor in the assessment, inter alia, of the accuracy of the financial statements, the solvency of the company, the possible existence of fraud, the respect by the company of its legal obligations, and the responsible behaviour of the company with regard to environmental and societal matters; - the contents of the audit report; - the independence of the statutory auditor; - rules concerning the appointment and dismissal of the statutory auditor; - the level of the audit fee; - the small company audit and the audit in groups of companies; - the desirability of limiting the statutory auditor's liability; - application to the profession of the Community provisions relating to the freedom of establishment and the freedom to provide services. It is intended to discuss the issues raised in the Green Paper and the comments received (by 18 October 1996), at a conference which the Commission is holding on 5 and 6 December 1996 concerning the role, the position and the liability of the statutory auditor.