

Administrative sanction of 12 February 2024 for non-compliance with professional obligations related to statutory audit

Administrative sanction imposed on a *réviseur d'entreprises agréé* (approved statutory auditor)

Luxembourg, 21 May 2024

Administrative decision

On 12 February 2024 the CSSF imposed an administrative fine amounting to EUR 18.000 on the *réviseur d'entreprises agréé* (approved statutory auditor) Madam Someya QALAM.

Legal framework/motivation

The administrative fine was imposed by the CSSF pursuant to the point f) of Article 43(1) of the Law of 23 July 2016 concerning the audit profession (the "Audit Law"), read in conjunction with Article 40(2) and the points a) and b) of Article 43(2) of the Audit Law, for non-compliance with statutory audit professional obligations, taking into account the criteria defined in Article 44 of this law, in particular the gravity and duration of the breach, the degree of responsibility of the *réviseur d'entreprises agréé*, her financial strength, her level of cooperation with the CSSF and the previous breaches by the *réviseur d'entreprises agréé*.

The professional obligations in relation to which the breaches were observed are set out in particular in:

- The Audit Law;
- the CSSF Regulation N°19-02 relating to the adoption of audit standards in the field of statutory audit;

as applicable at the time of the facts.

Legal bases for the publication

This publication is made pursuant to the provisions of Article 48 of the Audit Law.

In accordance with article 48(1) of the Audit Law, this publication includes the identity of the natural person on whom the sanction has been imposed, the CSSF having considered that the publication of personal data is not disproportionate, that it would not jeopardise the stability of the financial markets nor an ongoing criminal investigation, and that it would not cause disproportionate damage to the *réviseur d'entreprise agréé* (approved statutory auditor).

Context and major cases of non-compliance with the professional obligations identified

This administrative fine follows a CSSF quality assurance review targeting statutory audit files and their compliance with the standards referred to in Article 33 of the Audit Law. During this review, the CSSF identified for three statutory audits (audit files A, B and C) under the responsibility of the *réviseur d'entreprises agréé* important breaches in the statutory audit framework which related in particular to the following points:

- The Article 18(2) of the Audit Law for lack of professional skepticism;
- The Article 33 of the Audit Law for non-compliance with the International Standards on Auditing adopted by the CSSF Regulation N°19-02;
- The Article 35 of the Audit Law due to the inappropriateness of the audit opinion issued by the *réviseur d'entreprises agréé*;
- The following International Standards of Auditing ("ISA"):

ISA 200 « *Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with International Standards on Auditing* », paragraphs 13(l) et 15

ISA 500 « *Audit Evidence* », paragraphs 7, 9 et 11

ISA 540 (Revised) « *Auditing Accounting Estimates and Related Disclosures* », paragraphs 23 (a), 23 (c), 24 (c), 25 (c), 28, 33 (b) et (c) et 34



Commission de Surveillance
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ISA 620 « *Using the Work of an Auditor's Expert* », paragraph 12

ISA 705 (Revised) « *Modifications to the Opinion in the Independent Auditor's Report* », paragraph 7(a)

