

IFIAR 2024 Member Profile – RI

1. Jurisdiction	1.1 Insert the name of the jurisdiction in English: Sweden
2. Member¹	2.1 Insert the name of the Member, both in the local language and in English: Revisorsinspektionen (RI) Swedish Inspectorate of Auditors
	2.2 Include relevant contact information, including postal address, telephone number(s), a general email address (if any) and a link to the Member’s website: P.O. Box 24014, SE-104 50 Stockholm, SWEDEN <u>Phone:</u> +46 8 738 46 00 <u>Fax:</u> +46 8 738 46 01 <u>Website:</u> www.revisorsinspektionen.se
	2.3 Include the basis for establishment of the Member, as well as the legislation or regulations which provide the Member the authority/mandate with respect to audit regulation. Please describe with an appropriate level of detail the mission and responsibilities of the Member with respect to audit regulation: The Swedish Inspectorate of Auditors (RI) was established by the Swedish Parliament in the Auditors Act of 1995, succeeded by the present Auditors Act (2001:883), hereafter referred to as the Auditors Act. RI is a governmental authority under the Ministry of Justice. RI is the government’s authority for all matters concerning auditors. RI has two overall tasks; firstly, to provide the Swedish business world with highly qualified auditors and, secondly, to supervise and regulate those auditors. RI’s task in the supervisory field covers supervision of statutory auditors and registered audit firms as well as supervision of auditing. It also includes the task to ensure that professional ethics for auditors, as well as generally accepted auditing standards, are developed appropriately.

¹ In the case where there are two or more regulators from the same jurisdiction that have been approved according to Section 2.3 of the IFIAR Charter, they together are considered as one Member. In that case, regulators are requested to include information for both organizations in the Member Profile.

	<p>The tools available for RI's oversight are recurring quality control (inspections) as well as risk-based inspections and the power to impose disciplinary sanctions. On the regulatory side of the supervisory function, RI can issue binding advance rulings in ethical matters and issue formal regulations in areas delegated by the government. However, the most important regulatory impact on the application of standards is statements by RI in its reports on inspections and its disciplinary rulings. The statements are published on RI's website. The name of the audit firm is published on the website but not the name of the auditor or the company concerned.</p> <p>RI's mandate covers all qualified auditors and registered audit firms and their audit of all categories of audit clients.</p> <p>2.4 Please indicate whether the Member has responsibility for the following tasks within the area of Audit Oversight:</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Licensing <input checked="" type="checkbox"/> Registration <input checked="" type="checkbox"/> Audit and/or Ethics Standard Setting <input type="checkbox"/> Permanent Education / Continuous Training of Auditors <input checked="" type="checkbox"/> Inspection <input checked="" type="checkbox"/> Enforcement <input checked="" type="checkbox"/> Other: __Examination__
<p>3. Governing Body Composition and members</p>	<p>3.1 Describe with an appropriate level of detail the current composition of the Member's governing body, including, where possible, the names, the organization they represent (if any) and brief backgrounds of the governing body members, or provide a link to a page on your website where this information is provided.</p> <p>RI has no board as a governing body. The Authority is headed by a Director General. The Director general is appointed by the government. According to the Swedish legislation the Director General or his or her deputy cannot be an authorized or approved public accountant. That means that the DG cannot still have the title authorized or approved public accountant and the EU-regulations says that an auditor should have left the profession three years ago.</p> <p>3.2 What are the eligibility criteria / requirements and composition requirements for the members of the governing body? E.g. Does national legislation require representatives on the governing body from certain organizations, or with specific experience, etc.</p> <p style="text-align: center;">See above.</p>

	<p>3.3 Is there a restriction or recusal process that is applicable to members of the governing body of the Member who are current or former auditors/practitioners?</p> <p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Does this include a “cooling-off” period for former auditors?</p> <p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>If yes to either of the above, please describe:</p>
<p>4. Independence safeguards</p>	<p>4.1 Please describe the national independence requirements for the governing body and its members, and legal or regulatory requirements/provisions in place that safeguard their independence from the audit profession.</p> <p>As described in 3.1 RI has no board as a governing body. The Authority is headed by a Director General appointed by the government. According to the Swedish legislation the Director General or his or her deputy cannot be an authorized or approved public accountant.</p> <p>Are employees of the Member covered by the same or separate set of independence requirements?</p> <p><input type="checkbox"/> Same set of requirements <input checked="" type="checkbox"/> Different set of requirements</p> <p>If there are separate independence requirements for employees, please describe:</p> <p>Employees may be authorized or approved public accountants. Employees, who have previously been employed by audit firms, can however not work with audit oversight regarding the audit firm where they previously have worked until a cooling off period by 3 years has ended.</p> <hr/> <p>4.2 Are there any additional safeguards in place that provide for the Member’s overall independence from the audit profession? E.g. through the appointment process, specific Board actions, etc.</p> <p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>If yes, please describe:</p>
<p>5. Funding Arrangements</p>	<p>5.1 Describe the main funding arrangements of the Member, including the setting and approval of the budget:</p> <p>RI is funded entirely by fees paid by auditors and audit firms. The government decides by means of regulation the size or the specific</p>

	<p>grounds on how to calculate most fees, e.g. the different annual fees levied on auditors and registered audit firms.</p> <p>Fees for taking part in professional exams arranged by RI are decided by RI itself. All fees are paid directly to RI. Failure to pay an annual fee is an immediate ground for withdrawal of an auditor's approval or the registration of an audit firm. RI sets its own annual budget according to the expected influx of fees but is obliged to keep costs and incomes in balance over time.</p> <p>5.2 Is the funding free from undue influence by the profession?</p> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please describe with an appropriate level of detail the safeguards in place to prevent undue influence by the profession:</p> <p>See above.</p>
<p>6. Audit Market</p>	<p>6.1 Provide the number of audit firms subject to inspections. Include an indication of the number of public interest audits (PIEs) and other audits that fall under the Member's oversight or mandate.</p> <p>Total number of statutory auditors 3 012 of which 228 auditors auditing PIEs.</p> <p>Total number of registered audit firms 227 of which 16 audit firms auditing PIEs.</p> <p>Total number of statutory audit opinions issued during the calendar year 2023 approx. 246 000 of which 722 opinions issued were PIEs.</p> <p>Statutory audit engagements inspected for PIE: 23 Statutory audit engagements inspected for non-PIEs appr. 280</p> <p>PIE audit firm inspected: 5 Non-PIE audit firms inspected: approx. 80</p> <p>6.2 Please describe the sizes (in terms of revenue / number of listed entity clients / number of partners and audit staff / etc. – whichever measure is commonly used and available in your jurisdiction) and market shares of each of the largest audit firms in the Member's jurisdiction.</p> <p>Big 4 firms dominate the audit market for PIE's as they have 89 percent of that market. The firms which received more than 15 % of the total audit fees from public-interest entities in Sweden are PWC, Deloitte and EY. The percentage of 89 % is overall consistent over the years.</p>

7. Inspection System	<p>7.1 Does the Member have the responsibility for recurring inspections of audit firms undertaking audits of public interest entities (PIEs)?</p> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>
	<p>7.2 Is this responsibility undertaken directly or through oversight of inspection conducted by another organization?</p> <p><input checked="" type="checkbox"/> Directly <input type="checkbox"/> Through Oversight</p> <p>If directly, please describe the responsibility, including the follow-up and reporting process, and the regulatory measures available to be taken as a result of inspections (if described in Question 11 Enforcement, please reference that section for details on such measures).</p> <p>If through oversight of another organization, please describe with an appropriate level of detail the other organization, its relation to the Member, its role, and the arrangements for oversight by the Member:</p> <p>RI has the sole responsibility for the system for inspections of audit firms and auditors. RI's inspection schedule is based on the EU Audit Directive and Regulation. RI directly inspects all PIE-firms and a selection of PIE-auditors.</p> <p>When it comes to inspections of auditors and audit firms that do not audit PIEs, RI relies on the inspections carried out by the professional Institute, FAR. The activities of FAR are monitored by RI. Under an agreement between RI and FAR, the organization has a duty to report to RI material breaches of auditing standards or professional ethics.</p>
	<p>7.3 Please describe with an appropriate level of detail the requirements and practices regarding the frequency of inspections:</p> <p>The inspection is performed every third or sixth year depending on the size of the clients for the audit firm.</p>
	<p>7.4 Does the Member have its own inspection staff, use reviewers from the professional body or sub-contract to third parties, independent contractors, etc. for the conduct of inspections? Please tick the boxes that apply: (multiple responses allowed) Note that there is no need to tick a box if non-employee reviewers are used very occasionally and are not a core staffing approach.</p> <p><input checked="" type="checkbox"/> Employees of the Member <input type="checkbox"/> Professional body</p> <p><input type="checkbox"/> Third Parties <input type="checkbox"/> Other</p> <p>Please explain below:</p>

	<p>We have staff employed/contracted on full time or part time to perform the inspections we perform directly i.e. the inspections regarding firms auditing PIE entities.</p>
<p>8. Licensing</p>	<p>8.1 If the Member has the responsibility for <u>Licensing</u>, please indicate whether this responsibility is undertaken directly or through oversight of Licensing conducted by another organization?</p> <p><input checked="" type="checkbox"/> Directly <input type="checkbox"/> Through Oversight</p> <p>If directly, please describe the responsibility, including any changes, with an appropriate level of detail.</p> <p>If through oversight, please indicate the name of the other organization and its composition. Also, give a description of the powers of the other organization and procedure applied, as well as the role of the Member in these procedures.</p> <p>In order to become an auditor, the candidate has to pass an examination of professional competence. The purpose of the examination is to make sure that the applicant has sufficient theoretical knowledge to perform statutory audit, and the ability to use this knowledge in practice. In order to be admitted to the examination, the candidate must have passed theoretical as well as practical education. When the candidate has passed the examination, he or she may apply for authorization as auditor.</p> <p>Admittance to the exams requires that the candidate meets the theoretical requirements stated in the Auditors Ordinance (issued by RI). The requirements are based on, and in line with, Article 8 of the Audit Directive.</p>
<p>9. Registration</p>	<p>9.1 If the Member has the responsibility for <u>Registration</u>, please indicate whether this responsibility is undertaken directly or through oversight of Registration conducted by another organization?</p> <p><input checked="" type="checkbox"/> Directly <input type="checkbox"/> Through Oversight</p> <p>If directly, please describe the responsibility, including any changes, with an appropriate level of detail.</p> <p>A registration as an auditor is valid for five years. Thereafter, the auditor must apply for renewal every fifth year. In order to be granted renewed qualification as auditor, the applicant must be able to show that he or she has fulfilled RI's requirements on audit practice and continued education.</p> <p>If through oversight, please indicate the name of the other organization and its composition (i.e. whether practitioners from the audit profession are involved in decision-making). Also, give a description of the powers of the other organization and procedure applied, as well as the role of the Member in these procedures.</p>

<p>10. Audits and/or Ethics Standard Setting</p>	<p>10.1 If the Member has the responsibility for <u>Audit and/or Ethics Standard Setting</u>, please indicate whether this responsibility is undertaken directly or through oversight of Audit and/or Ethics Standard Setting conducted by another organization?</p> <p><input checked="" type="checkbox"/> Directly <input type="checkbox"/> Through Oversight</p> <p>If directly, please describe the responsibility, including any changes, with an appropriate level of detail.</p> <p>If through oversight, please indicate the name of the other organization and its composition (i.e. whether practitioners from the audit profession are involved in decision-making). Also, give a description of the powers of the other organization and procedures applied, as well as the role of the Member in these procedures.</p> <p>Statutory audit in Sweden is carried out according to the legal standard - <i>god revisionssed</i> (Generally Accepted Auditing Standards in Sweden). For fiscal years beginning after January 1st, 2011, the standard includes requirements to apply International Standards on Auditing (ISA) and ISQM. These standards are extended with the specific Swedish add-on regarding audit of the management's administration. Provisions on independence and ethics are laid down in the Swedish Auditors Act. The rules are built on a principles-based approach.</p> <p>The add-ons are mainly based on requirements in i.a. the Companies Act and developed by the professional institute FAR. RI has the ultimate responsibility to secure that the ISAs and national add-ons are developed and interpreted in a proper way. RI also develops and give interpretation on the application of audit standards in Sweden via its disciplinary rulings.</p> <p>When it comes to ethics the same principles apply, although RI has the powers to issue binding rules.</p>
<p>11. Permanent Education / Continuous Training of Auditors</p>	<p>11.1 If the Member has the responsibility for <u>Permanent Education / Continuous Training of Auditors</u>, please indicate whether this responsibility is undertaken directly or through oversight of Permanent Education / Continuous Training of Auditors conducted by another organization?</p> <p><input type="checkbox"/> Directly <input type="checkbox"/> Through Oversight</p> <p>If directly, please describe the responsibility, including any changes, with an appropriate level of detail.</p> <p>If through oversight, please indicate the name of the other organization and its composition (i.e. whether practitioners from the audit profession are involved in decision-making). Also, give a description of the powers of the other organization and procedures applied, as well as the role of the Member in these procedures.</p>

	N/A
12. Enforcement	<p>12.1 If the Member has the responsibility for <u>Enforcement</u>, please indicate whether this responsibility is undertaken directly or through referral to other organization(s)?</p> <p><input checked="" type="checkbox"/> Directly <input type="checkbox"/> Through Referral</p> <p>If directly, please describe the responsibility and procedures applied (including investigations, disciplinary actions or sanctions), as well as the reporting process for disciplinary action.</p> <p>If through referral, please indicate the name of the other organization and its composition (i.e. whether practitioners from the audit profession are involved in decision-making). Also, give a description of the enforcement powers of the other organization and procedures applied, as well as the role of the Member in these procedures.</p> <p>Risk-based oversight - enforcement and investigations: Cases are investigated in response to reports or the RI having opened a case on its own initiative, based on identified and/or suspected risk factors. There is a special decision-making body within the RI, the Disciplinary Board of Public Accountants, which, among other things, makes decisions in issues relating to disciplinary actions.</p>
13. Other Responsibilities in Audit Oversight or Audit Regulation	<p>13.1 If the Member has the responsibility for <u>other tasks within the area of Audit Oversight or Audit Regulation</u>, please describe with an appropriate level of detail:</p> <p style="text-align: center;">See above.</p>
14. Main Other Responsibilities of the Member <u>outside</u> the area of Audit Oversight or Audit Regulation	<p>14.1 Please describe with an appropriate level of detail, the responsibility of the Member for <u>tasks outside the area of audit oversight or audit regulation</u> such as supervision of financial reporting or securities regulation:</p> <p style="text-align: center;">N/A</p>
15. Member Update for public information (if any)	<p>15.1 Are there any major news, activities, events or updates (on audit matters, the Member's organization, the governing legislation or the authority/responsibilities) that you wish to keep the public informed of since completing last year's Member Profile?</p> <p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>If yes, please describe these changes with an appropriate level of detail:</p>