

European Perspectives on Digital Reporting Assurance

A quick survey of the status of digital reporting and assurance across the EU

Gijsbert Turkenburg, PwC The Netherlands

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Agenda

1. Introduction
2. Setting the scene
3. European perspectives
4. What's next?

Setting the scene – 5 relevant developments

1. Accelerating development of digital technologies
2. Data-driven innovation in public and private sectors
3. The digital evolution of financial reporting
4. ESEF as a catalyst
5. The need for trust in the digital world

European perspectives – Our survey

- Just 4 simple survey questions, filled out deliberately by auditors
- Sent out to 28 member + 1 EEA states
- 20 responses = 71%
- Countries that responded 
- Belgium and Estonia conspicuous by absence!
- Objective was to get an overview; Further (qualitative) research needed as a basis for analysis

Austria
Cyprus
Czech Republic
Denmark
Finland
France
Hungary
Ireland
Italy
Latvia
Luxemburg
Malta
Netherlands
Norway
Poland
Portugal
Slovakia
Spain
Sweden
UK

Q1: In your country, are Annual Financial Statements (AFS) **allowed** to be filed in a digital format?

	#	
No - only on paper	3	15%
Yes - in Excel, Word or PDF format (un-structured)	7	35%
Yes - in XML or XBRL format (structured)	10	50%

Q2: Are Auditor Opinions **allowed** to be drafted and filed in a digital format?
(multiple options possible)

	#	
No - only on paper	4	20%
No - AO itself not digital but recorded in database	1	5%
Yes - in Excel, Word or PDF format (un-structured)	9	45%
Yes - in XML or XBRL format (structured)	6	30%

Q3: Are auditors **allowed** to sign Audit Opinions digitally? If so, using what type of digital identity/certificate?

	#	
No - they can only sign opinions on paper	14	70%
Yes - using a personal digital certificate issued by a government agency	5	25%
Yes - using a personal digital certificate issued by a professional (i.e. auditor) association	1	5%

Q4: Do you know of any formal ongoing discussion regarding digital reporting/-assurance in your country?

	#	
No	10	50%
Yes - discussions initiated by government	5	25%
Yes - discussions initiated by a professional (i.e. auditor) association	4	20%
Yes – others	1	5%

What's next? - At EU level

1. The Commission states ESEF shall be considered as “statutory requirements”, but more needs to be done before the position is fully clarified
2. It has asked the CEAOB to explore how the audit of ESEF could be carried out in practice and possibly produce related guidance
 1. Some EU-wide collaboration and coordination within the audit profession may be necessary
3. The Commission is also considering whether a modification to the existing transparency rules will be necessary to facilitate a new role for the auditor
4. But in the meantime, there is no assurance standard to address ESEF and 2020 is soon...

What's next? - In member states

1. The NCA can now consider how to actually implement its OAM and accompanying local regulations to at least satisfy the ESEF requirements
2. Member states' government should consider which, if any, additional local requirements it wants to (or must) add on top of ESEF requirements
3. The national audit standard setter should become much more (pro)active:
 1. Supporting CEAOB where possible
 2. Engaging with the local NCA
4. Listed companies should start preparing themselves, especially with the mapping of their current financial statements
5. Auditors should start building up the necessary expertise as listed companies are likely to request some assistance

Questions now?

...or later ->

*PricewaterhouseCoopers
Accountants NV
P.O. Box 9616
1006 GC Amsterdam
The Netherlands*

gijsbert.turkenburg@pwc.com



Gijsbert Turkenburg
Partner