**Questionnaire for audit committees**

The amendment to the Auditors’ Activities [Act, which entered into force on 17.01.2025](https://www.riigiteataja.ee/akt/107012025013?leiaKehtiv" \l "para98" \t "_blank" \o "https://www.riigiteataja.ee/akt/107012025013?leiaKehtiv#para98), obliges the Supervisory Board of Auditing Activities to assess the effectiveness of the audit committees of public interest entities. To enable the fulfilment of this obligation, the Act has prescribed an obligation for the Audit Committees to submit data to the Supervisory Board of Auditors' Activities.

Please fill in the questionnaire by June 20, 2025, at the latest and send it to ajn@ajn.ee. The questionnaire needs to be completed for the period from 01.06.2024 to 31.05.2025. In the case of multiple choice, please mark the appropriate options in green as follows:

* Option 1
* Option 2
* Option 3

If the answer option includes an explanation, please write the explanation in red as follows:

* Option 1
* Option 2. Explanation: I explained.
* Option 3

**1. Details of the public interest entity and the audit committee**

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| Name of the entity: |  |
| Registry No.: |  |

* 1. **Details on the Audit Committee**

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| Name of the Chairperson of the Audit Committee: |  |
| Date of appointment of the Chair of the Audit Committee: |  |
| Telephone number of the Chairperson of the Audit Committee: |  |
| E-mail from the Chairperson of the Audit Committee: |  |
| Name of the contact person, if not the Chair of the Audit Committee: |  |
| Contact person's phone number: |  |
| Contact person's email: |  |

**1.2 According to §97 (3) of Auditors Activities Act, the audit committee must have at least two members, and at least one of them must be an accounting or auditing expert. Based on that, we ask:**

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| Number of members of the Audit Committee: |  |
| The name and experience of at least one accounting or auditing expert:* Professional level of accounting and/or;
* the date of holding the profession of sworn auditor and the time of employment as a sworn auditor.
* Other professional experience
 | 1. Name:
2. Experience:
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| Does the memberships of the audit committee have competence in the area in which the audited entity operates? | Please select one of the following options:1. Yes
2. No
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**Audit Committee questionnaire - Part I**

**I Independence, including the non-audit services allowed and the cap on fees.**

Monitoring the independence of the statutory auditor(s)/audit firm

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| 1. How did the Audit Committee verify the independence of the statutory auditor(s)/firm during the reference period?*(AudS § 98 (1) clause 4)* | Please select one or more of the following answers:1. A written submission from the statutory auditor(s) (or audit firm(s)) confirming that the statutory auditor(s), audit firm(s) and partners, senior executives and directors who performed the statutory audit were independent of the entity.
2. Formal discussion between the entity's statutory auditor (or audit firm) and the Audit Committee on threats to the auditor's independence and the safeguards put in place to mitigate those threats (if so, on what date)
3. Use a dedicated questionnaire to obtain additional information from a statutory auditor (or audit firm)
4. Other (please specify)
5. The Audit Committee did not carry out any activities to verify its independence
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Authorised provision of non-audit services by a statutory auditor/audit firm (or a member of its network)

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| 2. Please indicate the total cost of providing all non-audit services as a percentage of the total statutory audit cost for the period *(AudS§ 98 (1) clause 4 of, Article 4 clause 2 of EU Regulation -537/2014)* | Please select one of the following options:1. < 10%
2. 10% - 20%
3. 21% - 30%
4. 31% - 40%
5. 41% - 50%
6. 51% - 60%
7. 61% - 70%
8. > 70%
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| 3. Did the Audit Committee review all proposals for non-audit services? *(AudS § 98 (1) clause 4)* | Please select one of the following options:1. Yes
2. No
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| 3a. If NO, why? *Please do not answer if you chose option 1 in step 3.**(AudS § 98 (1) clause 4)* | Please select one of the following options:1. Non-audit services were on a pre-approved list.
2. An entity will never allow the provision of non-audit services by statutory auditors.
3. Other, please explain:
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| 3b. If YES, how was the review of the proposals for non-audit services organised?*Please do not answer if you chose option 2 in step 3.**(AudS § 98 (1) clause 4)* | Please select one or more of the following answers:1. Review of proposal(s) made by a statutory auditor.
2. Examination of the file prepared by the management of the economic unit.
3. The Audit Committee put direct questions to the auditor.
4. Use the list of pre-approved services.
5. Discussions with management in this regard
6. Discussions with a statutory auditor in this regard
7. Other methods, please explain:
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| 4. Were there any cases where the audit committee did NOT approve any of these proposals for non-audit services during the reference period? *(AudS § 98 (1) clause 4)* | Please select one of the following options:1. Yes
2. No
3. Not applicable as no proposal has been received
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| Section 4b. What were the reasons for the refusal of approval?*Please do not answer if you chose option 2 or 3 in point 4.**(AudS § 98 (1) clause 4)* | Please select one or more of the following answers:1. Risks to the independence of a statutory auditor
2. Strengthen competition between audits firms
3. Would exceed the maximum permitted fee for non-audit services by 70%.
4. Other reasons (please specify):
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| 5. How did the audit committee analyse and/or monitor that the entity's management ensured that the non-audit services provided by the statutory auditor(s) (or any member of its network) were in line with the non-audit services (nature and fees) approved by the audit committee? *(EU Regulation-537/2014, Arts 4(2) and 5(1))* | Please select one or more of the following answers:1. The audit committee did not carry out an analysis of the non-audit services performed.
2. Review the content of non-audit services and the associated cost from invoices.
3. The audit committee asked the management of the entity for feedback on the non-audit services provided to ensure that they were consistent with the planned and approved non-audit services.
4. The audit committee requested feedback from the statutory auditors on the non-audit services provided to ensure that they were consistent with the approved and planned non-audit services.
5. Other (please explain):
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**Audit Committee questionnaire - Part II**

**II Procedure for electing auditors**

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| (6) Did one of the following occur during the period under consideration:- appointing a new statutory auditor/audit firm, or- the re-approval of the previous statutory auditor/audit firm after the procurement procedure?*(Clause 98 (2) 1) of the AudS)* | Please select one of the following options:1. No
2. Appointment of new statutory auditor(s).
3. Reappointment of the previous statutory auditor(s) following the procurement procedure.
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| 6a. If a new statutory auditor(s) were appointed during the period under review, why did the entity start the process of selecting an auditor?*Please do not answer if you chose option 1 or 3 in step 6.**(Clause 98 (2) 1) of the AudS)* | Please select one of the following options:1. Legal obligation for rotation
2. Dissatisfaction with the quality of the audit
3. Dissatisfaction with the cost of the audit
4. Other (please specify):
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| 6b. When a new statutory auditor(s)/audit firm was appointed, how long had the previous auditor been in office?*Please do not answer if you chose option 1 or 3 in step 6.**(Clause 98 (2) 1) of the AudS)* | Please select one of the following options:1. 1-5 years
2. 6-10 years
3. 11-15 years
4. 16-20 years
5. More than 20 years
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As part of the auditor selection procedure:

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| 7. What tasks did the Audit Committee perform in the context of the selection procedure?*(Clause 98 (2) 1) of the AudS)* | Please select one or more of the following answers:1. Failed to complete tasks (please explain):
2. Compilation/validation of the list of auditors to whom the tender documents should be sent.
3. Organising meetings and/or exchanges of information with potential candidates so that they have enough information to prepare an adequate offer.
4. Review of tender documents
5. Preparation/review of selection criteria
6. Conducting interviews with the selected candidates to determine the priority selection and to make recommendations to the management.
7. Evaluation of tenders
8. Review of the analysis of the offers prepared by the management.
9. To make a recommendation to the management based on the evaluation of the offers.
10. Presentation of the results of the tenders to the general meeting.
11. Other, please explain:
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| 8. What were the selection criteria of the Audit Committee for the evaluation of the tenders submitted by the auditors? What criteria proved to be decisive? *(Clause 98 (2) 1) of the AudS)* | Please select one or more of the following answers:1. Competence, technical knowledge, and experience of the audit partner/team.
2. Field-specific knowledge/experience.
3. Independence, objectivity, and professional scepticism.
4. Technological capability/support tools.
5. The results of the quality control carried out by Auditors Activities Supervision Council on the respective audit firm.
6. The extent of the audit network's international coverage.
7. Fee level
8. Audit quality indicators defined by the statutory auditor/audit firm.
9. Other (please specify):
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| 9. How many options (number of statutory auditors/audit firms) did the Audit Committee recommend to the audited entity?*(Clause 98 (2) 1) of the AudS)*  | Please select one of the following options:1. 0
2. 1
3. 2
4. 3
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| 10. How did the Audit Committee arrive at a duly justified preference for one statutory auditor/audit firm?*(Clause 98 (2) 1) of the AudS)* | Please select one or more of the following answers:1. Review of all candidates' offers.
2. Interviews and/or presentations from candidates
3. Review of recent observations of the Audit Supervisory Board
4. Check recommendations.
5. Media coverage of the candidate
6. Other (please specify):
7. No preference was reached
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| 10a. If a preference was not reached, what were the reasons why the Audit Committee did not give a sufficiently substantiated preference to one of the candidates?*Please answer if you chose option 7 in point 10.**(Clause 98 (2) 1) of the AudS)* |  |

**Audit Committee questionnaire - Part III**

**III Audit monitoring**

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| 11. How many times during the observation period did the Audit Committee meet with the statutory auditor(s)/audit firm (for example, to monitor the implementation of the audit plan and/or to discuss material transactions/issues or changes in business operations)? Please indicate separately the number of meetings in which the management participated. *(Clause 98 (1) 3) of the AudS)* | Please choose the answers from the following options:Meetings with management:1. Never
2. Once
3. Twice
4. Three times
5. Four times
6. More than four times

Meetings without management:1. Never
2. Once
3. Twice
4. Three times
5. Four times
6. More than four times
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| 12. Did the audit committee discuss with the statutory auditor(s)/audit firm the key issues arising from the statutory audit, in particular material deficiencies in the internal financial control system and/or accounting system of the parent undertaking for the audited entity or consolidated financial statements? *(AudS § 98 (2) clauses 3), 4) and 5)* | Please select one of the following options:1. Yes
2. No
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| 13. How did the Audit Committee monitor and analyse the audit process and results of the audit of the accounts, the sustainability statement, or these consolidated accounts?*(Clause 98 (1) 3) of the AudS)* | Please select one or more of the following answers:1. Discussing the issues that arose during the audit with the auditors.
2. Performing a critical analysis of the documents submitted to the auditor.
3. When assessing the audit work programme
4. Assessing the level of significance defined by auditors.
5. Disputing the risks identified by the auditors.
6. Other (please explain):
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**Audit Committee questionnaire - Part IV**

**IV Monitoring the Financial Reporting Process**

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| 14. How did the Audit Committee monitor and analyse the processing and integrity of financial and sustainability information and the effectiveness of risk management and internal controls related to the annual accounts and the sustainability statement?*(§ 98 (1) clauses 1 and 2) of the AudS)*  | Please select one or more of the following answers:1. Interviews/meetings with heads of department
2. Review of internal audit reports
3. Ordering inspections from external consultants
4. Discussions with the auditor
5. Other (please specify):
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**Do you agree to the publication of the following information on the AJN website (ajn.ee)?**

* Number of audit committee members
* Experience in accounting or auditing
* Confirmation by the audit committee as to whether the committee as a whole does/does not possess competence in the field in which the audited entity operates
* Number of meetings with the auditor per year
* Monitoring of the audit firm’s independence

If you do not agree to the publication of this information, we will not make a separate note about it on the website.