



CYPRUS PUBLIC AUDIT
OVERSIGHT BOARD

CyPAOB



Κυπριακή Δημοκρατία
Republic of Cyprus

ANNUAL REPORT 2024

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Vision

The vision of CyPAOB is to establish itself as a credible Supervisory Authority at local, European and international level, operating with effectiveness, transparency, integrity and impartiality, contributing to the stability of the financial markets and the economy at large, while simultaneously enhancing the prestige of and public confidence in the audit profession.



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Mission

A. The Cyprus Public Audit Oversight Board (the "CyPAOB") exercises public oversight over all statutory auditors and all statutory audit firms that have obtained a professional license authorising them to conduct the statutory audit of the financial statements of any legal entity in the Republic that is required to present audited financial statements. In more detail, CyPAOB is responsible for the supervision of:

1. the approval and registration of statutory auditors and statutory audit firms in the Public Register of statutory auditors and statutory audit firms maintained pursuant to the relevant legislation,
2. the adoption, by statutory auditors and statutory audit firms, of standards relating to professional ethics, internal quality control of statutory audit firms, statutory audits and the assurance of Sustainability Reporting, unless such standards have been adopted or approved by authorities of another member state,
3. the continuing education of statutory auditors and statutory audit firms,
4. the quality control systems of statutory auditors and statutory audit firms, and
5. the disciplinary investigation procedures and the referral of statutory auditors and statutory audit firms to disciplinary proceedings before the Disciplinary Committee or any other competent body and in general the operation of the disciplinary system.

The CyPAOB has delegated part of its responsibilities to a Recognised Body of Auditors, as detailed in Part 3, paragraph 1.2.1. CyPAOB retains responsibilities relating to the supervision and disciplinary procedures of statutory auditors and statutory audit firms that audit Public Interest Entities (PIEs).

CyPAOB conducts audits of PIEs as defined by the Auditors Law of 2017, namely:

- entities governed by the law of the Republic whose transferable securities are admitted to trading in a regulated market or an organised market of any member state, within the meaning assigned to that term by Article 2 of the Investment Services and Activities and Regulated Markets Law,
- licensed credit institutions as defined in Article 2 of the Credit Institutions Business Law,
- insurance and reinsurance undertakings within the meaning of Article 2 of the Insurance and Reinsurance Business and Other Related Issues Law, or
- any other entity designated by the Council of Ministers, following a recommendation by CyPAOB, which is of significant public interest in nature.

B. Through the comprehensive supervision and inspection program it implements, CyPAOB ensures that statutory auditors and statutory audit firms comply with and correctly apply the provisions of the Auditors Law of 2017 (Law 53(I)/2017), which entered into force on 2 June 2017, as well as Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audits of public interest entities, which entered into force on 17 June 2016.

2. Within the scope of its responsibilities, CyPAOB cooperates with competent supervisory authorities of other countries at both European and international level. It actively participates in the work of the Committee of European Auditing Oversight Bodies (CEAOB) and the International Forum of Independent Audit Regulators (IFIAR).
3. Contributing to the smooth functioning of the wider financial sector of Cyprus, CyPAOB cooperates with competent authorities such as the Central Bank of Cyprus, the Cyprus Securities and Exchange Commission, the Superintendent of Insurance, the Tax Commissioner, the Cyprus Stock Exchange and the Institute of Certified Public Accountants of Cyprus (ICPAC), on the basis of relevant memorandum of understanding and cooperation agreements, for the effective exercise of their responsibilities through the exchange of information useful to their work.

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1

During 2024, the CyPAOB conducted quality control and audit file inspections of statutory auditors and statutory audit firms performing statutory audits of PIEs. Relevant statistical information is presented in Part 4 of this report.

2

Recognizing the importance of ensuring high audit quality across the entire spectrum of audit activity, CyPAOB decided, in the exercise of its supervisory powers under Article 15(c) of the Auditors Law of 2017, to include in its supervisory program the conduct of on-site quality inspections of audit files of financial statements of non-PIEs.

3

The inspections carried out by CyPAOB cover both auditors who perform statutory audits of PIEs and auditors who are active exclusively in non-PIEs. They are conducted based on risk assessment criteria, considering the nature and complexity of the activities of non-PIEs as well as the risk profile of the auditors and audit firms.

4

During 2024, the Board of Directors of CyPAOB held twenty (20) meetings in which, in addition to administrative matters relating to the smooth operation of CyPAOB, the results of all inspections of statutory auditors and statutory audit firms carried out by the CyPAOB's inspectors were discussed in detail and the relevant decisions were taken, including referrals for disciplinary investigation and the implementation of corrective action plans. The implementation of these decisions is closely monitored by the Board of Directors. Furthermore, the Board evaluated a number of complaints that had been received, as well as other information that came to its attention, and took the appropriate measures.

5

During 2024, CyPAOB issued three (3) technical circulars to all statutory auditors and statutory audit firms concerning the conduct of audit quality inspections by CyPAOB on audits of financial statements of non-PIEs, the registration in the register of statutory auditors/ statutory audit firms of other countries, and the guidelines of the CEAOB on limited assurance on Sustainability Reports.

6

In 2024, within the framework of the CyPAOB's strategic planning to strengthen its capacity to exercise effective supervision, and following the announcement of permanent positions in accordance with the regulatory framework applicable to the public sector, five (5) employees were recruited: two (2) Audit Regulators, two (2) Officers, and one (1) Assistant Clerical Officer.

7

On 23 and 24 April 2024, meetings of the KPMG College were held in Cyprus between the members of the College and representatives of KPMG Global.

8

In May 2024, a meeting of the CEAOB Enforcement Subgroup was held in Cyprus, during which, among other matters, the Members discussed real cases and exchanged information regarding their handling.

9

On 18 June 2024, the Director General of CyPAOB, Panos Prodromides, was elected as the new Chairman of the CEAOB for a four-year term starting on 12 July 2024.

10

The new website of CyPAOB was launched and has been enhanced both in content and functionality to better serve the information needs of users.

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Part 1 | Message from the Chairman of the Board of Directors and Review of the work of CyPAOB by the Director General



Message from the Chairman of the Board of Directors



As in previous years, this year the CyPAOB continued consistently to invest in strengthening its technical infrastructure, in staffing the service with competent and specialized personnel and in cultivating strategic partnerships with other supervisory authorities in Cyprus both at European and international level. These synergies strengthen the position of CyPAOB and enhance its knowledge and expertise in the exercise of its supervisory role.

The Board of Directors, since the assumption of its duties in June 2023, has remained committed to the implementation of the strategic planning initiated with the appointment of the Director General in December 2023. In this context, during 2024, the necessary procedures were carried out for the staffing of CyPAOB with permanent personnel, thereby strengthening its administrative and operational autonomy.

The five-year strategic plan that was put into effect focuses, *inter alia*, on strengthening the credibility of the auditing profession, with emphasis on the area of Inspections, the establishment of a functional and effective disciplinary system, and the enhancement of the international presence of the CyPAOB, both in European bodies such as the Committee of European Auditing Oversight Bodies (CEAOB), and in international, such as the International Forum of Independent Audit Regulators (IFIAR).

Of particular significance was the election of the Director General of the CyPAOB, Mr. Panos Prodromides, as Chairman of the CEAOB for a four-year term, commencing on 12 July 2024. This development constitutes a clear recognition of the credibility and standing of the CyPAOB at European level and confirms the confidence of the European supervisory institutions in Cyprus and in CyPAOB.

On 26 March 2025, Mr. Nicos Yiapanas was appointed as Chairman of the Disciplinary Committee of CyPAOB and was reappointed to this position on 26 July 2025. His presence and contribution have substantially strengthened the credibility and the institutional functioning of the Disciplinary Committee, promoting the prestige and effectiveness of CyPAOB.

During 2025, consultations were held with the corresponding supervisory authority of the United States, the PCAOB, and the Statement of Protocol and the supplementary Agreement on the Transfer of Specific Personal Data were signed. Through the signing of the above, CyPAOB reaffirms its commitment to strengthening international cooperation, ensuring high standards of supervision, and consistently protecting the rights of data subjects.

Being fully aware of and conscious of my responsibilities as Chairman of the Board of Directors of CyPAOB, I commit that I will continue, together with the Vice-Chairman, the Members of the Board of Directors, and the Director General, to work with consistency, transparency, and dedication for the upgrading of the auditing profession. Our objective remains the safeguarding of the quality, credibility, and independence of the audit, while at the same time strengthening the position of Cyprus as a modern and reliable international business centre.

Andreas Zachariades

Chairman of the Cyprus Public Audit Oversight Board

December 2025

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Review of the work of CyPAOB by the Director General



The Annual Report 2024 reflects a year of significant changes, challenges, and new prospects for CyPAOB.

The assumption of the position of Director General of CyPAOB on 1 December 2023 marked, both for CyPAOB and for me personally, the beginning of a creative course, with the aim of further strengthening the role of CyPAOB as the institutional guardian of audit quality in Cyprus and of transparency in the auditing profession.

In today's environment, challenges are multifaceted, such as the development of artificial intelligence, which is radically changing the way auditing is performed, the growth of investments by private equity funds in audit firms, which requires increased supervisory vigilance, and the introduction of new reporting requirements, such as the submission of Sustainability Reports, which create challenges in terms of methodology and training and introduce new assurance responsibilities. These developments allow for the further modernization of the framework and strengthen the mission of CyPAOB.

Within this context, the Board of Directors and the staff of CyPAOB work with efficiency, consistency, transparency, credibility, integrity, and impartiality, values that constitute the core of the CyPAOB's operation. Every action we take, from inspections to the issuance of guidance, aims at the continuous upgrading of supervisory work and at ensuring that audit quality meets the highest standards. At the same time, we are proceeding with legal reforms in order to establish a stronger, more functional, and more effective institutional framework, aligned with best European practices.

My election to the position of Chairman of the Committee of European Auditing Oversight

Bodies (CEAOB) in July 2024 is both an honor and a responsibility. Through the CEAOB, the dynamic presence of our country in the European supervisory environment is highlighted, our active contribution to the shaping of policies concerning audit quality is strengthened, and, at the same time, the knowledge and experience of CyPAOB are enriched through the exchange of best practices and information with our partners.

Our vision is to be established as a supervisory authority of trust, which enhances the prestige of the auditing profession and contributes to the stability and growth of the economy. Fully aware of the weight of the responsibility I bear as Director General of CyPAOB, I commit to serving with dedication and responsibility, so that CyPAOB continues to respond consistently to modern challenges, adopts the best international practices, and strengthens confidence in the markets and in the auditing profession.

Panos Prodromides

Director General of the Cyprus
Public Audit Oversight Board

December 2025

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Part 2 | Institutional Framework



1. Legislation

The Auditors Law of 2017 is the legislative act on the basis of which the CyPAOB has exercised its powers since 2 June 2017 and under which it was designated as the Competent Authority for the purposes of the Law. Specifically, Article 4 established the public law legal entity under the name "Cyprus Public Audit Oversight Board" to exercise the powers, duties, and responsibilities arising from the provisions of this Law through its two bodies, namely the Board of Directors and the Disciplinary Committee. In addition, Regulation (EU) No 537/2014 of 16th April 2014 imposes specific requirements regarding the statutory audit of Public Interest Entities and the supervision thereof, which is carried out by CyPAOB.

During 2024, CyPAOB initiated the necessary procedures for the harmonisation of the Auditors Law of 2017, Law 53(I)/2017, with the European Directive 2022/2464 concerning the submission of Sustainability Reports by companies, and on 29 July 2025 the "Auditors (Amendment) Law" of 2025 was approved.

Furthermore, at the time of the preparation of the Annual Report for 2024, CyPAOB is at the consultation stage for the revision of the existing legislation and the relevant Directives regarding the disciplinary procedure and licensing, with the aim of modernising these procedures and rendering them more flexible and effective. Any comments arising from the consultation will subsequently be duly examined, with 2026 set as the target year for the completion of this revision.

2. Circulars

During 2024, CyPAOB issued three (3) circulars concerning:

1. Inspections by CyPAOB on audits of financial statements of non-Public Interest Entities (non-PIEs)
2. Registration in the registers of other countries
3. Adoption of the CEAOB guidelines for the CSRD

The circulars are published on the CyPAOB's website¹.

3. Corporate Sustainability Reports

The CSRD Directive aims to improve transparency and consistency in companies' Sustainability Reports.

On 16 December 2022, Directive (EU) 2022/2464 was published in the Official Journal of the European Union, amending Regulation (EU) No 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU, as regards the submission of Sustainability Reports by companies.

According to this Directive, companies are required to disclose information in five thematic areas: business model, policies including the due diligence processes they apply, the outcomes of those policies, risks and risk management, and key performance indicators relevant to the specific business sector.

In the context of harmonisation with Directive (EU) 2022/2464 regarding Sustainability Reports, CyPAOB proceeded with an amendment of the Auditors Law, Law 53(I)/2017, which entered into force on 29 July 2025.

Furthermore, on 1 August 2025, CyPAOB issued an announcement informing statutory auditors who intend to apply for a professional license and registration in the register of statutory auditors for the purpose of providing assurance on Sustainability Reports, regarding the completion and submission of the relevant license application.

On the basis of Article 46A(3) of the Law, CyPAOB determined the following requirements with regard to the provision of assurance on Sustainability Reports by statutory auditors:

To have obtained a professional license or have been recognised to carry out statutory audits before 1 January 2026.

or

To be in the process of licensing, provided that the process is completed by 1 January 2026.



They must acquire the necessary knowledge in matters relating to Sustainability Reporting and the assurance of Sustainability Reports, by completing 60 hours of continuing professional education within 18 months prior to the date of submission of the application for the granting of a license as a Sustainability Assurance Service Provider.

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¹<https://cypaob.gov.cy/en/thesmiko-plaisio/egkyklioi/>



Part 3 | Supervision of the Audit Profession



1. Quality control of statutory auditors and statutory audit firms

1.1 Public Register

According to Article 49 of the Auditors Law of 2017, CyPAOB is required to maintain a Register in which all statutory auditors and statutory audit firms are registered.

This activity has been delegated by CyPAOB to ICPAC, which maintains the relevant registers and provides all related information to the public through links on its website².

As at 31 December 2024, the number of statutory auditors and statutory audit firms was as follows:

Category	Statutory Auditors	Statutory Audit Firms
Total	1,113	782

For the financial year ended 31 December 2024, based on information available to CyPAOB, the number of entities in Cyprus falling within the definition of PIEs amounted to 119 from which 112 PIEs had appointed auditors from 15 different statutory audit firms, while 7 PIEs had not completed the process of appointing a statutory auditor.

A detailed list of PIEs and their auditors, by year, is published on the CyPAOB's website³.

1.2 Quality control system

Ensuring the quality of audit services provided by the audit profession constitutes a primary responsibility and concern of the CyPAOB. In accordance with the relevant provisions of the Auditors Law, CyPAOB is responsible for:

- carrying out audit quality reviews of statutory auditors and statutory audit firms at least every six years; and
- carrying out audit quality reviews of statutory auditors and statutory audit firms that perform statutory audits of PIEs at least every three years, or, in the case of statutory audits of small or medium-sized PIEs, every six years.

In addition, CyPAOB has the right to conduct investigations regarding the compliance of statutory auditors and statutory audit firms with the applicable legal and regulatory framework, as well as with the professional standards governing their work, and to take appropriate measures to ensure the effective application of the overall framework.

During 2024, the Inspections Department of the CyPAOB, which deals exclusively with the above matters, was staffed by an Inspector contracted with CyPAOB, Mr. Pambos Efstratiou, who has long-standing and extensive experience in the audit of financial statements, International Accounting and Auditing Standards, and quality control systems of audit firms. The reports and findings of the Inspectors are submitted through the Director General to the plenary Board of Directors, where they are subject to thorough consideration, guided by the public interest, with the aim of taking fair and consistent decisions and actions.

Inspections of audit firms' quality control systems were carried out on the basis of the International Standards on Quality Management, in accordance with the new standards ISQM 1 and ISQM 2.

1.2.1 Delegation of responsibilities to a Recognised Body of Auditors (RBA)

Pursuant to paragraphs (3)–(5) of Article 18 of the Auditors Law of 2017, CyPAOB entered into a Delegation Agreement on 12 September 2017 (amended on 10 July 2020) with the only Recognised Body of Auditors in Cyprus, namely ICPAC. Under the Delegation Agreement, the following responsibilities were assigned to ICPAC:

- (a) the adoption by statutory auditors and statutory audit firms of standards relating to professional ethics, internal quality control of statutory audit firms, and statutory audits, unless such standards have been adopted or approved by the authorities of another member state;
- (b) the application of the criteria of the Auditors Law of 2017 for the approval and registration of statutory auditors and statutory audit firms in the Public Register, their registration in the Public Register, as well as the maintenance and updating of the Public Register;
- (c) the implementation of procedures to ensure the professional competence of statutory auditors and statutory audit firms;
- (d) the supervision of the quality control systems and the audit work of statutory auditors and statutory audit firms, except for the responsibilities retained by CyPAOB.

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In view of the above, the supervision process of the quality control systems and the audit work of statutory auditors/ statutory audit firms, as well as the disciplinary process, is determined as follows:

- ICPAC carries out supervisory inspections of statutory auditors and statutory audit firms that perform statutory audits of non-Public Interest Entities (non-PIEs). In addition, ICPAC carries out supervisory inspections of statutory auditors and statutory audit firms that perform statutory audits of PIEs, but with the subject matter of inspection being the audit work on non-PIE audit files. Inspections by ICPAC include the audit firm's quality control system, and separate inspection reports are prepared for each audit file inspected. In accordance with the arrangements in force since the amendment of the Delegation Agreement, ICPAC assesses the adequacy of the quality control systems at audit firm level and, separately, each audit file inspected. Furthermore, the supervised entities are required to submit action plans to ICPAC, based on the inspection findings, the implementation of which is monitored by ICPAC.
- All inspection reports arising from ICPAC's supervisory inspections are forwarded in their entirety to the CyPAOB for its own review and for the taking of any further actions deemed appropriate, with the aim of ensuring effective compliance of the supervised entities with the applicable legal, regulatory, and professional framework.
- CyPAOB manages disciplinary investigations, disciplinary referrals, complaints, and procedures against all statutory auditors and statutory audit firms. Accordingly, CyPAOB decides on the referral of statutory auditors/ statutory audit firms to its Disciplinary Committee, both for possible non-compliance with the applicable legislation and for unsatisfactory performance of their audit work, as well as following the submission to CyPAOB of a complaint or report against them.

The following responsibilities remain with the CyPAOB and have not been delegated to ICPAC under the Delegation Agreement:

- (a) Determination of technical standards and other standards of professional ethics and quality control systems of statutory auditors and statutory audit firms and of statutory audits;
- (b) Determination of the manner of practical application of such standards;
- (c) Determination of the criteria required for the registration of statutory auditors and statutory audit firms;
- (d) Determination of procedures for maintaining the professional competence of statutory auditors;
- (e) Supervision of the quality control system of statutory audit firms of PIEs and supervision of audit quality in relation to PIE audits;
- (f) Investigations, disciplinary sanctions, and measures concerning statutory auditors and statutory audit firms arising from the said quality control system;
- (g) Cooperation with supervisory authorities of other EU and EEA Member States and third countries;
- (h) Supervision of the implementation of the Auditors Law of 2017, including the performance of the Recognised Body of Auditors in the exercise of the responsibilities delegated under the Delegation Agreement.

During 2024, ICPAC carried out 117 supervisory inspections of statutory audit firms, with the results of 82 of these being assessed as unsatisfactory.

1.2.2 Scope and methodology of inspections and investigations

The four largest audit firms in Cyprus in terms of turnover, in alphabetical order, are Deloitte Limited, Ernst & Young Cyprus Limited, KPMG Limited and PricewaterhouseCoopers Limited, and they are subject to inspection by CyPAOB on an annual basis. The remaining audit firms that audit PIEs are subject to inspection on a three- or six-year cycle, in accordance with the provisions of the relevant legislation.

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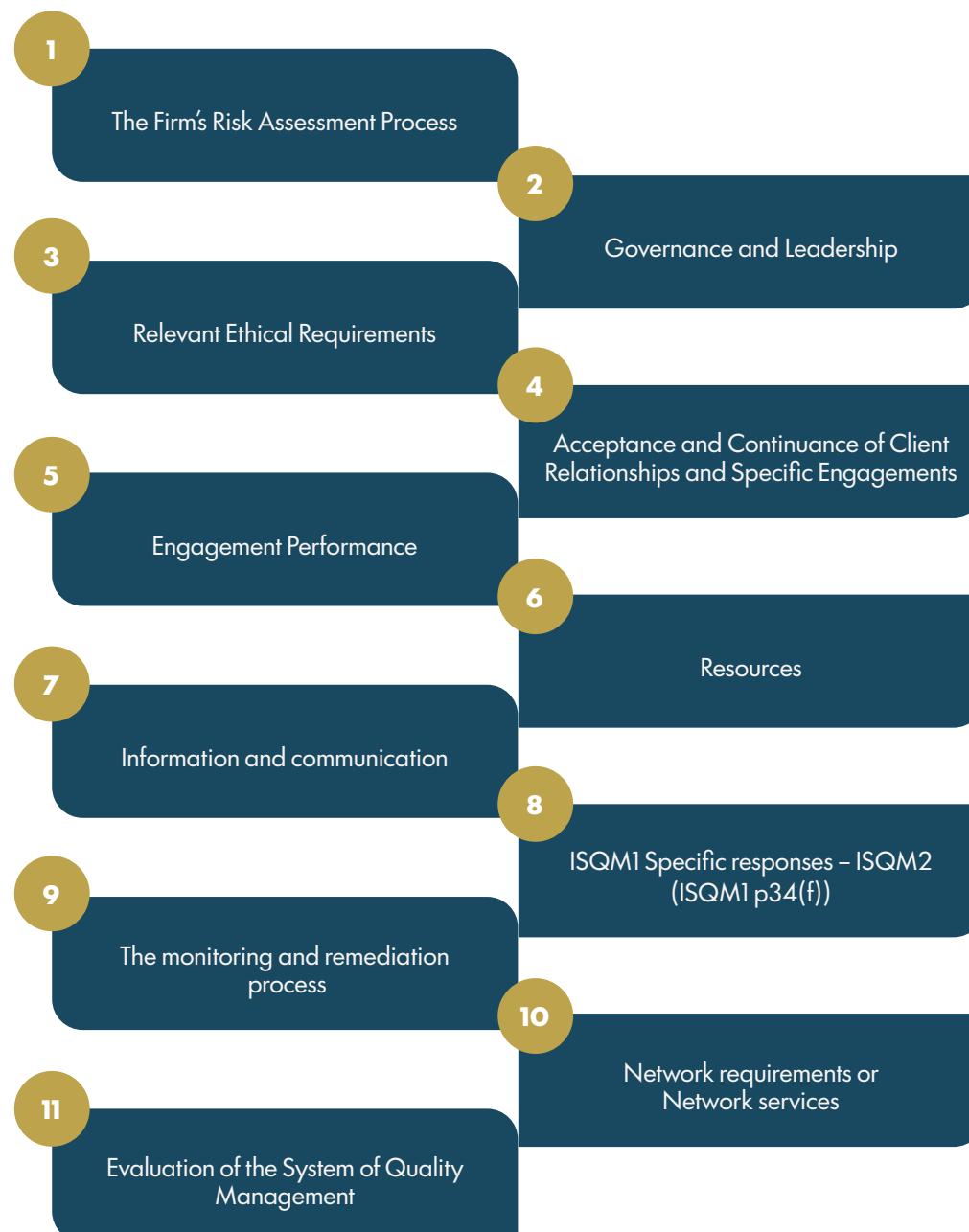
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In 2024, inspections of quality control systems at audit firm level (Firmwide Controls) were carried out on the basis of the methodology of the new International Standard on Quality Management 1 (ISQM 1) and International Standard on Quality Management 2 (ISQM 2) issued by the International Auditing and Assurance Standards Board (IAASB), as well as inspections of specific audit files of financial statements of PIEs. The inspection methodology applied is based on the Common Audit Inspection Methodology (CAIM), as developed and updated by the CEAOB, of which CyPAOB is an active member.

Following the entry into force, as from 15 December 2022, of the new International Standards on Quality Management ISQM 1 and ISQM 2 issued by the International Auditing and Assurance Standards Board (IAASB) at audit firm level, the CAIM methodology was revised and now includes inspection programs covering the following areas:



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The inspection process that is followed provides for the sending of a detailed request to the supervised audit firm specifying the information and documentation that must be prepared and submitted to CyPAOB prior to the commencement of the inspection. Where necessary, a meeting is held after receipt of the letter in order to clarify the information requested. This information is used for the preparation of the inspection.

This is followed by the selection of audit files of PIEs for inspection, based on risk assessment criteria, and their submission to the Board of Directors for approval as part of the annual planning. The selection takes into account, inter alia, the results of the inspection of the audit firm's quality control system and cases of change of statutory auditor in the statutory audits of financial statements where a significant reduction in audit fees is observed as an additional risk factor. The number of PIE audit files selected for inspection may be supplemented by random sampling. Furthermore, in selecting PIE audit files for inspection, consideration is given to the engagement partner, with the aim of achieving coverage over time of all engagement partners responsible for PIE audits. Any particular characteristics of the audited PIE that may increase audit risks are also taken into account.

The inspection of audit files provides for an opening meeting with the audit team, during which the inspection process is explained, and the audit team presents to the Inspectors the key aspects of the audit. During the inspection of a file, a number of meetings are held with the audit team, as well as written communications for the submission of additional explanatory information. Subsequently, a preliminary report with the initial inspection findings is submitted to the audit firm under inspection, together with an

invitation for the audit team to provide written responses. On the basis of these, a final meeting is held to discuss the inspection findings between the CyPAOB and the audit team.

The findings from the inspection of both the audit firm's quality control system and the specific PIE audit files are assessed by the Inspectors and classified as significant or minor findings and are then presented in their entirety to the Board of Directors of CyPAOB. The Board studies and evaluates the findings and their classification by the Inspectors, determines the final categorisation of all findings and of the audit files overall, and decides on any further actions it deems necessary based on the final classification of the inspection results and the applicable legal and supervisory framework.

Thereafter, the following reports are issued to the inspected audit firm:

- A report on the findings of the inspection of the audit firm's quality control system, for which appropriate corrective actions are expected and to be reported to CyPAOB, as well as recommendations for good practices derived from the CyPAOB's experience at both local and international level through its participation in European and international bodies.
- A report to the engagement partner of the specific PIE, including tables of findings for the inspected audit file.
- In addition, each of the four audit firms subject to annual inspection is provided on an annual basis, with a summary report of the findings arising from the inspections of the year under review, together with comparative information by inspection year.

The significant findings of the inspections of the four large audit firms are entered into the CEAOB Inspections Subgroup platform and into a questionnaire of the International Forum of Independent Audit Regulators (IFIAR). The information entered is used for the collection and evaluation of inspection results of large audit firm networks by the CEAOB Inspections Subgroup and IFIAR, respectively, and forms the basis for dialogue with the audit firms, with the ultimate objective of improving audit quality at European and international level.

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1.2.3 Oversight of the Recognised Body of Auditors (RBA)

As mentioned above, ICPAC is the only RBA with which a Delegation Agreement has been concluded in accordance with what is permitted under the Law. CyPAOB evaluates its cooperation with ICPAC based on the Delegation Agreement on an ongoing basis.

The most recent inspection of ICPAC prior to the year covered by the Annual Report was carried out in 2022 by the inspectors of CyPAOB, with the objective of assessing the implementation of the recommendations of the CyPAOB's Inspection Report of September 2018 to ICPAC and of conducting supervisory reviews of ICPAC's procedures relating to the following delegated responsibilities:

- (a) Approval and registration in the registers of statutory auditors and audit firms;
- (b) Continuing Professional Development of members/ continuing education.

The overall conclusion of the supervisory review of ICPAC, based on the findings presented in the inspection report, was that a number of the recommendations of the CyPAOB's inspection report of September 2018 had been implemented with regard to the procedures for approval and registration in the registers of statutory auditors and audit firms, as well as procedural matters relating to Continuing Professional Development/ continuing education. CyPAOB also made new recommendations to ICPAC and requested the submission of an action plan and a relevant implementation timetable for the recommendations included in the report.

During the period February–March 2025, a further inspection of ICPAC was carried out by the Senior Audit Quality Reviewer and the Audit

Regulators of the CyPAOB. The purpose of this inspection was to assess the implementation of the recommendations of the CyPAOB's Inspection Report of September 2018 that had not been implemented at the time of the 2022 inspection, to assess the implementation of the recommendations of the CyPAOB's Inspection Report of November 2022, and to conduct a supervisory review of ICPAC's procedures relating to the delegated responsibilities:

- (a) Approval and registration in the registers of statutory auditors and audit firms;
- (b) Continuing Professional Development of members / continuing education;
- (c) Supervision of quality control systems and the audit work of statutory auditors and statutory audit firms.

The review also included an assessment of ICPAC's compliance with its reporting obligations to the CyPAOB under the Delegation Agreement for the years 2023 and 2024.

1.2.4 Meetings with the Institute of Certified Public Accountants of Cyprus (ICPAC)

During 2024, a number of meetings were held between CyPAOB and ICPAC, with the main focus being the progress of the implementation of the provisions of the Delegation Agreement, as well as other related matters concerning the audit profession.

1.2.5 Cooperation with supervisory authorities

Following the enactment of the Auditors Law of 2017, CyPAOB concluded memorandum of cooperation with the Central Bank of Cyprus, the Cyprus Securities and Exchange Commission,

the Insurance Companies Control Service, and, in 2025, with the Cyprus Stock Exchange, as, in accordance with the Law, CyPAOB may cooperate and exchange relevant information with the above bodies for the effective exercise of their respective responsibilities. CyPAOB may receive from and transmit to the above authorities information or data that are useful for the performance of its own duties or those of the said authorities. It is noted that, following relevant decisions of the Board of Directors of CyPAOB dated 13 February 2020 and 9 April 2020, all significant findings from inspections of PIE audit files are forwarded to the competent authorities supervising those entities.

CyPAOB is also in the process of concluding a memorandum of cooperation with the Tax Department.

1.2.6 Activities of the Technical Advisory Group

The Technical Advisory Group (TAG), which was established in 2017 and is composed of members of the CyPAOB's staff, experts from ICPAC, representatives of the four large audit firms, as well as representatives of smaller audit firms that audit PIEs, continued its activities in 2024 through a series of meetings. These meetings primarily focused on the discussion and exchange of views on technical matters concerning the auditing profession, and in particular auditors of PIEs. Following consultation and exchange of views within the TAG, technical circulars are prepared to provide clarifications and guidance on auditing matters which, after approval by the Board of Directors of CyPAOB, are subsequently issued by CyPAOB and published on its website.

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2. International and European cooperation

The participation of the CyPAOB in various international bodies is considered a particularly important institution and commitment, given the major importance attached to the quality of audit services at international level. At European level, the exchange of views and the sharing of experience among the competent authorities of the member states is of particular significance and substantially encompasses all aspects of the CyPAOB's activities.

2.1 Committee of European Auditing Oversight Bodies (CEAOB)

CyPAOB participates in the CEAOB, which is composed of representatives of the corresponding oversight authorities of other Member States of the European Union (EU) and the European Economic Area (EEA).

The main strategies are:



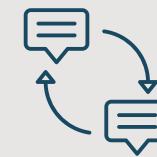
Harmonisation of regulatory measures



Exchange of technical knowledge and expertise



Contribution to EU policy regarding the future of statutory audit and other assurance services



Contribution to policy development through continuous dialogue with international standard-setting bodies

Main purpose and mission of the CEAOB

The CEAOB promotes convergence of the practices of European audit oversight authorities and fosters the improvement of audit quality in Europe, with the aim of fostering trust for the creation of reliable, objective, and independent audit reports.

To fulfil its mission, the CEAOB supports the development of expertise among its members, promotes the exchange of experience and knowledge, and contributes to EU policy matters related to audit firms and audit quality.

CEAOB Subgroups

These objectives are supported through the actions and efforts of its subgroups.

Specifically, the CEAOB is composed of five subgroups:

- Inspections
- International Auditing Standards
- Enforcement
- Market Monitoring
- International Equivalence and Adequacy

Chairmanship of the CEAOB

As from 12 July 2024, the Director General of CyPAOB, Mr. Panos Prodromides, was elected as the new Chairman of the CEAOB for a four-year term. In his capacity as Chairman of the CEAOB, Mr. Prodromides participated during the year in a series of meetings and events with European, national, and international authorities and organizations. Within the framework of these contacts, the mission, strategic priorities, and key activities of the Committee were presented, as well as the work carried out through its subgroups in support of these objectives. Particular emphasis was placed on the need to further strengthen the role of the Committee, an issue that was also highlighted during the Chairman's meeting with Commissioner Mrs Albuquerque, responsible for Financial Services and the Savings and Investments Union. In addition, the Chairman underlined the need for better, reliable, and transparent information in supervisory matters, an objective that the CEAOB actively supports through the establishment of the newly formed Working Group on Audit Quality Indicators (AQIs).

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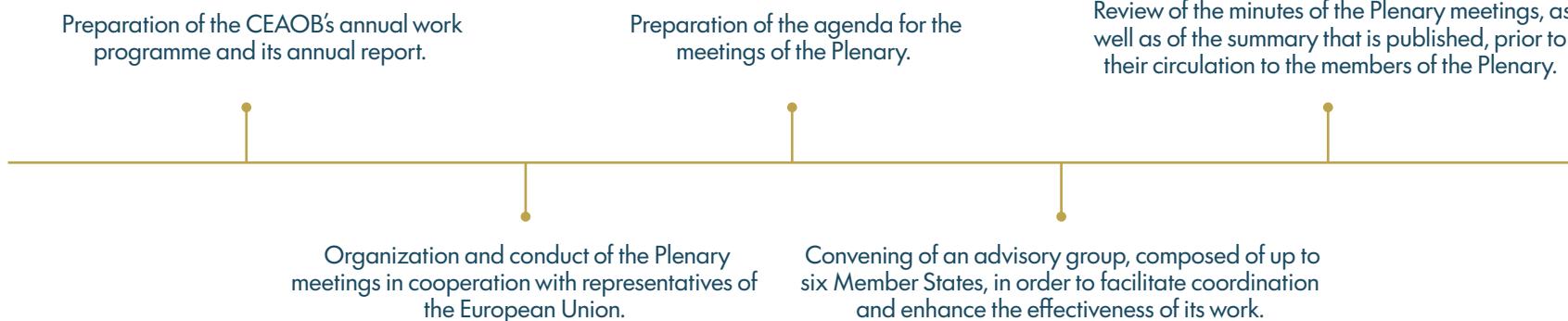
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The Chairman is responsible for the following:



Participation of the CyPAOB in the work of the CEAOB

During 2024, the staff and the Senior Audit Quality Reviewer of CyPAOB, Mr. Pambos Efstratiou, actively participated in the work of all CEAOB subgroups.

More specifically, CyPAOB participated, together with the competent authorities from 26 other member states, in the Inspections Subgroup. The main objective of this subgroup is the further strengthening of cooperation and consistency among CEAOB members in the field of inspections. At the same time, it seeks to develop constructive communication with audit firms and other stakeholders, with the ultimate aim of improving audit quality and enhancing confidence in the auditing profession.

In addition, CyPAOB participated, together with the competent authorities from five other member states, in the Steering Committee of the

Inspections Subgroup, through its Senior Audit Quality Reviewer, Mr. Efstratiou. This Committee is responsible for setting the agenda, as well as for the organization and conduct of the meetings of this subgroup.

In order to enhance communication with the large audit firms, the CEAOB established the institution of audit colleges (Deloitte College, Ernst & Young College, PricewaterhouseCoopers College and KPMG College of the CEAOB). The main purpose of these colleges is to analyse the findings from inspections carried out by the competent authorities of the Member States on the respective audit firms. These findings are recorded in the CEAOB Inspections Subgroup findings database, so as to promote and facilitate dialogue with the leadership of the Deloitte network, on matters relating to the quality control of PIE audits performed by the Deloitte group at European level.

During 2024, CyPAOB continued to participate as a member of the Steering Committee of the Training Task Force. This Committee is exclusively responsible for the organisation of training activities for the members of the CEAOB Inspections Subgroup.

In addition, the staff of the CyPAOB continues to participate to this day in the remaining four subgroups, contributing actively to the discussions and actions of each. Of particular note is its contribution through the provision of information for the preparation of the 8th CEAOB Enforcement Report on sanctions and administrative measures, which was published in August 2024. Furthermore, the staff participates in the discussions of the Enforcement Subgroup for the formulation of the CEAOB technical advice on the guidelines for the assurance of Sustainability Reports.

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2.2 International Forum of Independent Audit Regulators (IFIAR)

CyPAOB became a member of IFIAR on 12 October 2016. Through its participation in IFIAR, CyPAOB benefits from the exchange of experience and expertise at global level. It participates in conferences and training events organised under the auspices of IFIAR and has the opportunity to attend presentations by representatives and experts of the Boards of the bodies that set the International Standards on Auditing (ISAs) and the Code of Ethics, as well as by representatives of large audit firms.

The Director General, together with members of the Board of Directors and the Senior Audit Quality Reviewer of CyPAOB, Mr. Pambos Efstratiou, participated in the 18th IFIAR Inspection Workshop, which was held in March 2024 in Dublin. In addition, the Director General, together with members of the Board of Directors of CyPAOB, attended the IFIAR Annual Plenary Meeting, which was held in April 2024 in Japan.

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Part 4 | Supervision of audits of Public Interest Entities



1. Quality control and audit file inspections of statutory auditors and statutory audit firms performing statutory audits of PIEs

The tables below present the inspections which either commenced in 2023 and were completed in 2024, or commenced in 2024 and were completed up to the date of issuance of this Annual Report, and which relate to inspections of quality control systems at audit firm level and of PIE audit files. By decision of the Board of Directors of CyPAOB, as from the Annual Report

for 2024 onwards, the results of inspections are disclosed by name at the level of the statutory audit firm.

1.1 Inspection of the quality control system at audit firm level

The subject of the inspections below was the monitoring of the implementation of the action plan agreed on the basis of the findings of the most recent inspection of each audit firm, as well as the evaluation of the quality control procedures at audit firm level (Firm-Wide Controls) in accordance with the new International Standards on Quality Management ISQM 1 and ISQM 2.

Audit Firm	Inspection Timeline	Outcome
Baker Tilly Klitou and Partners Ltd and Baker Tilly Klitou and Partners Limassol (Cyprus) Ltd	Inspection in 2023, completed in 2024	5 significant findings
CosmoCo Limited	Inspection in 2023, completed in 2024	No significant findings identified
G. Kalopetrides & Partners Ltd	Inspection in 2023, completed in 2024	7 significant findings
PricewaterhouseCoopers Limited	Inspection in 2024	3 significant findings
Deloitte Limited	Inspection in 2024	4 significant findings
Ernst & Young Cyprus Limited	Inspection in 2023, completed in 2024	6 significant findings
KPMG Limited	Inspection in 2023, completed in 2024	6 significant findings

1.2 Inspection of PIE audit files

Audit Firm	Scope of Inspection	Outcome	Audit Work Assessment Category
Baker Tilly Klitou and Partners Ltd and Baker Tilly Klitou and Partners Limassol (Cyprus) Ltd	Inspection of 1 PIE audit file for the financial year ended 31 December 2022	9 significant findings	3
CosmoCo Limited	Inspection of 1 PIE audit file for the financial year ended 31 December 2022	No significant findings identified	1
G. Kalopetrides & Partners Ltd	Inspection of 1 PIE audit file for the financial year ended 31 December 2022	3 significant findings	2B

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2. Summary results of quality control inspections of statutory auditors and statutory audit firms performing statutory audits of PIEs

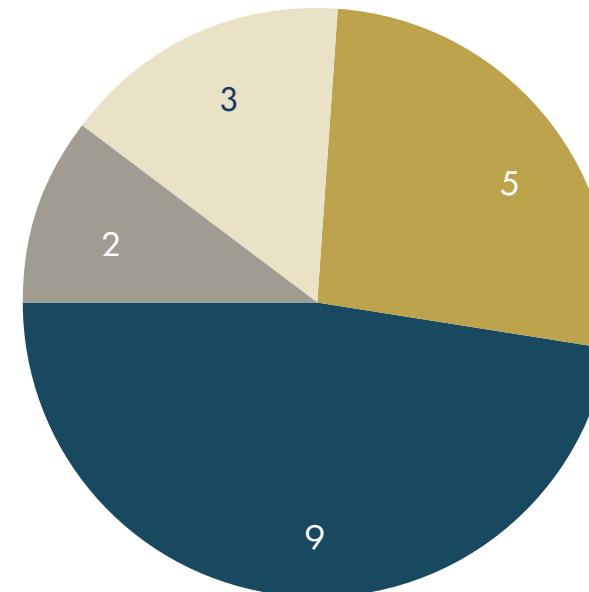
2.1 Inspections of quality control systems

During 2024, and in the first half of 2025, inspections were carried out mainly with the objective of understanding and conducting an initial assessment of the implementation of quality management procedures at audit firm level (Firm-Wide Controls), based on the new International Standards on Quality Management ISQM 1 and ISQM 2, which had a final effective date of 15 December 2022 and a final date for internal evaluation by audit firms of 15 December 2023.

A total of seven inspections were completed at the four large audit firms and at three small and medium-sized audit firms. Their results at audit firm level are presented in Table 1.1 above.

It is noted that the requirements of ISQM 1 and ISQM 2 are applied proportionately according to the size of the audit firm; therefore, the number of significant findings is comparable only among audit firms belonging to the same size category.

The classification of all significant findings by section of ISQM 1 and ISQM 2 for the four large audit firms and for the two medium-sized firms is presented below:



Large audit firms – Sections of significant findings

- Engagement Performance
- Resources
- Monitoring and Remediation
- ISQM 2 – Engagement Quality Review (EQCR)

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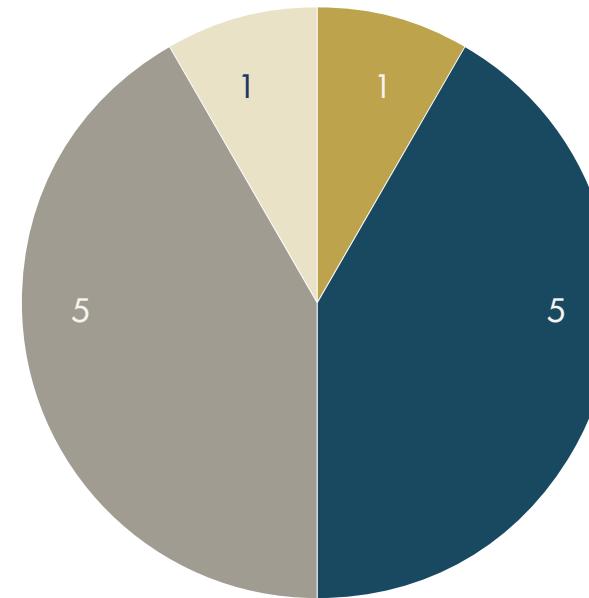


The main findings in the Resources category identified in most large audit firms, related to the assignment of a large number of PIE audits to specific engagement partners and to the procedures for monitoring workload. Findings in certain audit firms within this section also related to staff appraisal procedures, the monitoring of attendance at training seminars, and compliance with the provisions of IES 8 for statutory auditors.

The main findings in the Engagement Performance category identified in most large audit firms, related to the procedures for direction, supervision, and review of the audit work, and in particular to the timing of the involvement of the engagement partner in these processes.

The main common findings in the Resources category that were identified concerned procedures and outcomes relating to staff training, attendance at training seminars, and compliance with the provisions of IES 8 for statutory auditors.

The main findings in the Monitoring and Remediation category related to procedures for monitoring the system of quality management, either in relation to safeguarding objectivity due to the size of the audit firm, or in relation to procedures for monitoring and evaluating deficiencies through root cause analysis and the implementation of appropriate corrective actions.



Medium-sized audit firms – Sections of significant findings

- Engagement Performance
- Resources
- Monitoring and Remediation
- Relevant ethical requirements

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2.2 Inspections of PIE audit files

Audit File Inspections 2024

During 2024, the inspections of audit files of the big four audit firms for the financial year ended 31 December 2021 were completed. No inspections were carried out in respect of audit files for the financial year ended 31 December 2022, due to limited available working hours for new inspections.

During 2023, three audit files of financial

statements of PIEs for the year ended 31 December 2022 were selected from three medium-sized and small audit firms under inspection. The sample included the following categories of PIEs:

- 1 credit institution
- 1 insurance undertaking
- 1 company listed on the Cyprus Stock Exchange

The above inspections were completed in 2024 and their results at audit firm level are presented in Table 1.2 above.

Classification of audit files based on inspection results

Starting with the inspections of PIE audits for the financial year 2019 and thereafter, the Board of Directors of CyPAOB decided to communicate to audit firms the inspection rating category for each audit file. The categories, as determined by decision of the Board of Directors of the CyPAOB, are as follows:

Category	Assessment	Additional Information
1	Satisfactory	<ul style="list-style-type: none"> • There are no concerns regarding the sufficiency and quality of audit evidence or the appropriateness of significant audit judgments in the areas reviewed (or only very limited concerns regarding the documentation of the underlying judgment processes), AND • Any concerns in other areas have very limited impact (both individually and collectively).
2A	Limited improvements required	<ul style="list-style-type: none"> • Only limited concerns regarding the sufficiency or quality of audit evidence or the appropriateness of significant audit judgments in the areas reviewed (or less significant concerns regarding the documentation of the underlying judgment processes), AND/OR • Some concerns in other areas, but their impact is limited (both individually and collectively).
2B	Improvements required	<ul style="list-style-type: none"> • Some concerns, assessed as less significant, regarding the sufficiency or quality of audit evidence or the appropriateness of significant audit judgments in the areas reviewed (or significant concerns regarding the documentation of the underlying judgment processes), AND/OR • Concerns in other areas, the impact of which is less significant (both individually and collectively).
3	Significant improvements required	<ul style="list-style-type: none"> • Significant concerns regarding the sufficiency or quality of audit evidence or the appropriateness of significant audit judgments in the areas reviewed (not limited to the documentation of the underlying judgment processes), AND/OR • Concerns in other areas, the impact of which is significant individually or collectively.
4	Significant deficiencies identified	<ul style="list-style-type: none"> • Significant deficiencies regarding the sufficiency or quality of audit evidence or the appropriateness of significant audit judgments in the areas reviewed (not limited to the documentation of the underlying judgment processes), AND/OR • Deficiencies in other areas, the impact of which is significant individually or collectively.

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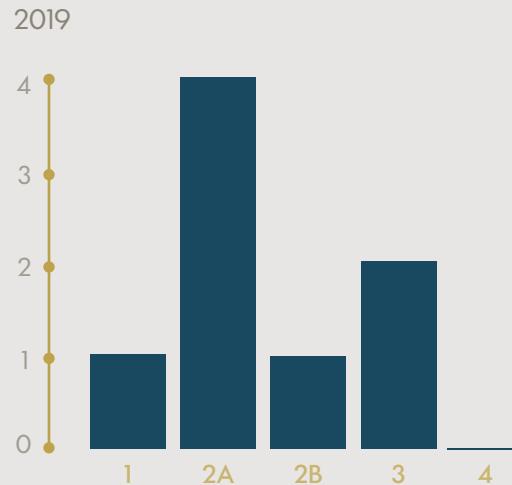
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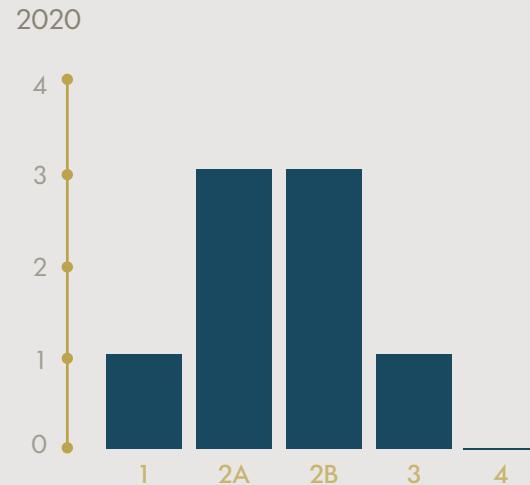
The classification of the audited files inspected at audit firms subject to annual inspection, relating to the financial years ended 31 December 2019, 2020 and 2021/2022, is presented below:

Classification of audit files for all audit firms subject to annual inspection

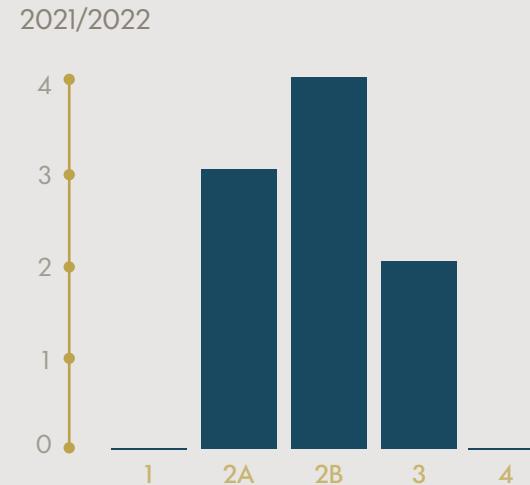
Audits for the Financial Year 2019



Audits for the Financial Year 2020



Audits for the Financial Year 2021/2022



Audit files classified as category 3 or 4 are assessed by CyPAOB for possible referral to disciplinary investigation. With regard to the inspections of audit files for 2022 at audit firms subject to annual inspection, it was decided that there were no grounds for referral to disciplinary investigation for any audit file.

Based on the results of inspections of audit files at audit firms that are not subject to annual inspection, the following historical classifications were made:

- Audits for the financial year 2019 – 2A (1), 2B (1), 3 (1)
- Audits for the financial year 2020 – 2B (1), 3 (2), 4 (1)
- Audits for the financial year 2021 and the financial year ended 20 February 2022 – 2B (1), 3 (1)
- Audits for the financial year 2022 – 1 (1), 2B (1), 3 (1)

No audit file inspections were carried out for the financial year 2023 during 2024. Inspections of audit files for the financial years 2023 and 2024 will be carried out during 2025.

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3. Overall picture of inspection results

3.1 Inspections of quality control systems

Taking into account that the inspections related to the understanding and initial assessment of the implementation of quality management procedures at audit firm level (Firmwide Controls) based on the new International Standards on Quality Management ISQM 1 and ISQM 2, the overall picture of the results is considered satisfactory.

From the inspections of the three (3) medium and small sized audit firms, a number of significant findings were identified in two (2) audit firms, which is nevertheless considered expected upon the first application of the new Standards, while in one (1) audit firm no significant findings were identified.

From the inspections of the big four (4) audit firms, a number of significant findings were also identified in all audit firms, which is likewise considered expected at the first application of the new Standards.

It is expected that in follow-up inspections, provided that the audit firms implement the agreed action plans, the number of findings will be reduced.

3.2 Inspections of PIE audit files

Assessing over time the findings from inspections of PIE audit files, the overall picture observed from the CyPAOB's supervisory activity during the period 2017-2024 is generally encouraging, as a gradual improvement and stabilisation in the quality of audit work is evident. It is also apparent that the large audit firms perform better, which is due, at least in part, to the resources available

to them through their international networks for the development of audit methodologies and staff training. CyPAOB notes with particular satisfaction that the majority of PIE audit files inspected in 2020 and 2021 were classified in categories 2A and 2B, while none of the PIE audit files selected for inspection were classified in category 4, i.e. as having significant deficiencies. However, during the inspections of 2022, a deterioration compared to the previous two years was observed, with the majority of audit files being classified in category 2B, an increase in the number of audit files in category 3, and no audit files being classified in categories 1 and 4. Through the intensification of inspections and the dissemination of experience and good practices, CyPAOB aims to reduce the percentage of categories 2B and 3 below 25% within the next five years.

With regards to the remaining audit firms, a higher number of significant findings continues to be observed in first-time inspections, with significant improvement in subsequent follow-up inspections. There are positive indications from the assessment of one (1) audit file of a small audit firm for the financial statements of a PIE for 2022, which was classified in category 1, demonstrating that audit firms other than the four (4) large audit firms are capable of achieving satisfactory results. Nevertheless, variability in the results of audit file inspections continues to be observed among both large and other audit firms.

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1. Complaints Received in 2024

During 2024, thirteen (13) complaints were received, of which five (5) concerned individuals who were unlawfully practising the profession, as they were not registered in the public register of statutory auditors, three (3) concerned inadequate audit work, one (1) concerned forgery of a signature, and four (4) concerned unprofessional conduct/fraud.

Responsibility for handling complaints and other disciplinary procedures lies with the Enforcement department, which was staffed with permanent personnel in 2024.

Complaints may be submitted by email to enforcement@cypaoe.gov.cy or by post to the address of CyPAOB.

2. Whistleblowing

On 4 February 2022, the "Law on the Protection of Persons Reporting Breaches of Union and National Law of 2022", Law 6(I)/2022, was published. The purpose of the Law is to ensure a comprehensive, effective, and robust legal framework for the protection of employees in the public or private sector who disclose information and data that came to their possession or attention in the workplace and relate to specific breaches of Union and/or national law.

Persons entitled to protection are the persons who report breaches of European Union law, persons who report breaches of national law, third persons connected with the above who may suffer retaliation in a work-related context, and legal entities belonging to the above persons or for which the above persons work or are otherwise connected through a work-related relationship. The conditions for the protection of reporting

persons are set out in Law 6(I)/2022. However, the Law also applies in cases of anonymous reporting of breaches, where the whistleblower is subsequently identified and suffers retaliation.

During 2024, CyPAOB prepared a guide for employees on the protection of whistleblowers, as well as a form for the external submission of a report of a breach. This form is available on the website of CyPAOB⁴.

3. Disciplinary Committee

The Minister of Finance, following a recommendation of the Board of Directors, proposes to the Council of Ministers persons of recognised standing, integrity, and high professional competence for appointment as Chairman and Members of the Disciplinary Committee, which exercises the powers, authorities, and duties provided for in the Law. The Disciplinary Committee consists of a Chairman and two (2) other members. The Chairman of the Disciplinary Committee is either a former judge who has held at least the position of President of a District Court, or a lawyer qualified for appointment as a Judge of the Supreme Court. One member of the Disciplinary Committee, in addition to the above, comes from any profession other than the legal or auditing profession. One member of the Disciplinary Committee, in addition to the above, is a non-practising person with audit experience and training. The term of office of the members of the Disciplinary Committee is four years, with the possibility of reappointment for only one further four-year term.

The Council of Ministers, exercising the powers conferred on it by Article 12 of the Auditors Law of 2017, decided, following a proposal by the Minister of Finance and a recommendation by the Board of Directors of the Cyprus Public Audit

Oversight Board, to appoint the following persons as Chairman and Members of the Disciplinary Committee of CyPAOB for a four-year term:

- Michalakis Christodoulou, former Judge of the Supreme Court (resigned on 03/06/2024)
- Nicos Yiapanas, former President of a District Court (appointed on 26/03/2025 and reappointed on 26/07/2025)
- Maria Kapardis, Professor of Accounting at Cyprus University of Technology (reappointed on 26/07/2025)
- Achilleas Chrysanthou, former Auditor (reappointed on 26/07/2025 and resigned on 03/12/2025)

The Disciplinary Committee of CyPAOB, which operates as an independent body, has the powers granted to it under the Auditors Law of 2017 to investigate and adjudicate cases concerning breaches by statutory auditors and statutory audit firms. Following the prescribed procedure, the Committee may impose disciplinary sanctions, which include, *inter alia*, a warning, a reprimand, an administrative fine of up to €500,000 or up to twice the benefit gained by the offender, and the temporary or permanent suspension of the right to practise the profession, as well as removal from the Public Register.

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⁴<https://cypaoe.gov.cy/en/whistleblowers/>



The Disciplinary Committee may also take interim measures, such as the suspension of the registration of an auditor or audit entity, in cases where there are serious reasons of public interest.

The procedure includes the right of the party concerned to be heard, while the decisions of the Committee may be challenged by an appeal to the Administrative Court. In the exercise of its powers, the Committee may summon witnesses, require the production of documents, and conduct hearings, ensuring a proper and fair disciplinary process.

4. CEAOB Enforcement Subgroup

In order to strengthen public confidence in informative, reliable, and independent audit reports, the CEAOB promotes the improvement of audit quality in Europe. To fulfil this mission, the Enforcement Subgroup supports the development of expertise among its members and promotes the exchange of experience, know-how, and best practices in the field of investigations and sanctions. In order to inform stakeholders, including EU policy-makers, international standard-setting bodies, academics, company directors, public authorities, and the general public, the Enforcement Subgroup publishes an annual Report covering statistical information on administrative measures and sanctions across the EU, as well as useful information on the operation of the relevant authorities of the Member States and their practices.

During 2024, a number of online meetings of the members were held, in which CyPAOB participated through its staff. In addition, in May 2024, the annual meeting of the Enforcement Subgroup was held in Cyprus, attended by the Director General and members of the CyPAOB's staff.



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Part 6 | Organisational Development



1. Online Presence

During 2024, CyPAOB developed and launched its new website, thereby offering users a renewed and improved browsing experience⁵.

For updates, announcements, and news regarding its activities, CyPAOB also maintains a page on LinkedIn.



2. Staffing of CyPAOB

During 2024, CyPAOB was staffed with permanent personnel. Specifically, the following were recruited:

- Two (2) Audit Regulators
- Two (2) Officers
- One (1) Assistant Clerical Officer

3. Training Programmes

During 2024, the staff of CyPAOB attended the following training programmes:

- Training on the KELIO system
- Seminar on personal data
- Training on risk management
- Training on organisational structure and internal restructuring
- Seminar on Lobbying in Cyprus – Rights and Obligations of Civil Society Organisations
- Conference “Maximising Board Effectiveness in the Current Environment”
- Seminar “Unlocking Public Procurement: Approach to the Preparation of Tender Documents and the Evaluation of Tenders”
- Training day on Public Procurement
- IFRS 17 Insurance Contracts
- Social topics fundamentals
- ESRS S1, S2, S3 and S4
- Corporate-level policies and procedures on social sustainability matters
- ESRS S2, S3, S4 in practice: examples and gap assessment
- IFIAR Inspection Working Group workshops
- CEAOB Inspection Subgroup Training Task Force workshops
- Webinar “International Standards on Auditing – Recent Updates”

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⁵ <https://cypaob.gov.cy/en/>



Part 7 | Governance and Structure



1. Composition of CyPAOB

In accordance with the provisions of the legislation, CyPAOB is independent of statutory auditors and statutory audit firms, and its Board of Directors is composed of persons of the highest moral standing, recognised prestige, and integrity, each of whom is a non-practitioner with knowledge of matters relating to statutory audit.

Board of Directors

The Board of Directors consists of the Chairman, the Vice-Chairman, and five (5) Members, and is appointed by the Council of Ministers following a recommendation by the Minister of Finance. The

term of office of the members is six years and may be renewed for only one additional six-year term.

The Board of Directors of CyPAOB, as at 31 December 2024 and as at the date of signing of this Report, comprised:

- Andreas Zachariades – Chairman
- Christos Karoulas – Vice-Chairman
- Vicky Aristidou – Member
- Stelios Kountouris – Member
- Ioanna Achilleos – Member
- Demetris Georgiades – Member
- Marios Neoptolemou – Member

2. Curriculum Vitae of the Chairman, Vice-Chairman and members of the Board of Directors, the Executive Management, the Senior Audit Quality Reviewer and the Disciplinary Committee, as at the date of signing of the annual report

Andreas Zachariades – Chairman

Andreas Zachariades was appointed by the Council of Ministers on 20 June 2017 as Vice-Chairman of the Cyprus Public Audit Oversight Board and, on 28 June 2023, was appointed by the Council of Ministers as Chairman of CyPAOB.

He is a graduate of the English School of Nicosia (1986) and studied Economics and Accounting at the University of Southampton in the United Kingdom (1991). He subsequently worked at an audit firm in the United Kingdom and obtained the professional qualification of Chartered Accountant of the Institute of Chartered Accountants in England and Wales (ACA).

He returned to Cyprus in 1994, worked at an audit firm until 1997, when he was appointed Accountant at the Accountant General's Department of the Republic. After serving in various positions and functions within the

Executive Management

Director General

Panos Prodromides – Director General

Panos Prodromides was appointed to the position of Director General on 1 December 2023 by decision of the Board of Directors of CyPAOB, which was approved by the Council of Ministers.

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Christos Karoulas – Vice-Chairman

Christos Karoulas was appointed by the Council of Ministers on 20 June 2017 as a member of the Cyprus Public Audit Oversight Board and, on 28 June 2023, by decision of the Council of Ministers, was appointed to the position of Vice-Chairman of CyPAOB. He also served as a member of the Public Oversight Committee for the Auditing Profession. He served as Assistant Commissioner of Taxation at the Tax Department of the Republic of Cyprus in 2020 and 2021.

He is a qualified accountant and a Fellow member of the Association of Chartered Certified Accountants (ACCA). He holds a Bachelor's degree in Accounting and Finance and a Master of Business Administration (MBA). In 1994, he worked at KPMG and from 1995 to 2001 he worked at MultiChoice Cyprus Ltd as Finance Director. In 2001, he was appointed as Accountant First Class at the Accountant General's Department of the Republic, and from 2006 to 2023 he held the position of Senior Internal Audit Officer at the Internal Audit Service. As of 1 November 2023, he holds the permanent position of Assistant Commissioner of Taxation at the Tax Department.

Vicky Aristidou – Member

Ms Vicky Aristidou was appointed by the Council of Ministers on 20 June 2017 as a member of the Cyprus Public Audit Oversight Board and, on 28 June 2023, was reappointed as a member of the Board of CyPAOB by decision of the Council of Ministers.

Ms Aristidou holds a Bachelor's degree in Economics (BSc Economics) from the London School of Economics and Political Science and a Master of Business Administration (MBA) from Imperial College Business School in the United Kingdom. She also attended an intensive two-month programme at Harvard University in the United States, specialising in Investment Evaluation and Management.

She is a member of the Institute of Chartered Accountants in England and Wales (FCA), a member of the Institute of Certified Public Accountants of Cyprus, and holds the professional qualification of International Tax Affiliate of the Chartered Institute of Taxation (ADIT).

On 15 March 2020, she was promoted to the permanent position of Senior Assessor at the Tax Department and currently heads the Transfer Pricing Unit. Prior to joining the Tax Department, she held the permanent position of Senior Internal Audit Officer from 1 April 2011 at the Internal Audit Service of the Republic of Cyprus. Ms Aristidou has extensive experience in direct taxation, international taxation, internal audit, external audit, and finance, both in the Public Service and in the Private Sector, where she worked for approximately 15 years, mainly in audit firms and banking institutions.

Stelios Kountouris – Member

Stelios Kountouris was appointed as Assistant Accountant General with effect from 1 September 2020. He holds a degree in Mechanical Engineering and is a member of the Association of Chartered Certified Accountants (ACCA). He is also a member of the Institute of Certified Public Accountants of Cyprus.

After working in the private sector as an auditor in audit firms, he joined the Accountant General's Department in 1997 as an Accountant First Class. In 2004, he was appointed Head of the Public Procurement Directorate of the Accountant General's Department. In 2015, he was appointed Assistant Commissioner of Taxation, where he was responsible for the district offices of the Tax Department.

On 14 May 2021, he was appointed by the Council of Ministers as a Member of the Board of Directors of the CyPAOB and, on 28 June 2023, was reappointed until 27 June 2029.

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Ioanna Achilleos – Member

Ms Ioanna Achilleos holds a Bachelor's degree in Economics (BSc Economics – Accounting and Finance) from the London School of Economics and Political Science and a Master's degree in Management (MSc Management) from the same university. During her postgraduate studies, she was selected to represent LSE at the MBA programme of the University of Chicago for a four-month period.

Ms Achilleos has extensive experience in the banking sector, having worked with the Alpha Bank Group for a total of 15 years, six of which were in the United Kingdom. She served in the Corporate Banking Division as Assistant Manager, in the Credit Risk Management Division as Project Manager for the implementation of a new Central Bank Directive, as Assistant to the General Manager, and as Assistant Secretary to the Board of Directors and its Committees. In 2014, she was assigned the task of establishing, organising, and operating the newly created Board Secretariat Division, undertaking the alignment with the expanded regulatory framework on corporate governance matters. In this role, she worked closely with the Board of Directors and its Committees, the Group's parent company, all Bank Divisions including Audit, Risk Management, Regulatory Compliance, Information Security, and Finance, as well as with the relevant supervisory authorities.

Ms Achilleos also has entrepreneurial experience and is active in writing articles. Since 2019, she has been a member of the Board of Directors of the Pancyprian Association "MIKROI ETHELONTES" (Little Volunteers), initially serving as Secretary and subsequently as President.

On 28 June 2023, she was appointed by the Council of Ministers as a Member of the Board of Directors of the Cyprus Public Audit Oversight Board.

Demetris Georgiades – Member

Mr Demetris Georgiades, originally from Famagusta, holds a degree in Economics, Accounting and Finance from the London School of Economics and Political Science. He also holds the professional qualification of the Institute of Chartered Accountants in England and Wales (ICAEW) and is a Member of the Institute of Certified Public Accountants of Cyprus.

Mr Georgiades worked from 1990 to 1993 at Moore Stephens Chartered Accountants in London, where he completed his training for the ICAEW qualification. He then worked for two years at Moore Stephens Chartered Accountants in Limassol as an Audit Manager. From 1995 to 1998, he worked as Financial Controller/Chief Financial Officer in the shipping group of Mr Loukas Hajjioannou, with offices in Cyprus, Piraeus, London, Monaco, Singapore, Manila and Mumbai. During the period 1998–2014, he worked as Chief Financial Officer and columnist/analyst at Arktinos Publications (Politis Newspaper), and from 2014 to 2021 he served as Chairman of the Cyprus Fiscal Council. From 2021 to 2024, he was Chief Financial Officer of the KANIKA Group of Companies and subsequently assumed the role of Chief Corporate Officer in the same group. In September 2024, he was appointed Chairman of the Council of Economy and Competitiveness.

He is a Member of the Cyprus Economists Association and the Cyprus Economic Society, and until 2014 he was a founding Member and Treasurer of Transparency Cyprus. On 28 June 2023, he was appointed by the Council of Ministers as a Member of the Board of Directors of the Cyprus Public Audit Oversight Board.

Marios Neoptolemou – Member

Mr Marios Neoptolemou is a graduate of the Pancyprian Gymnasium of Nicosia and studied Economics at the London School of Economics and Political Science in the United Kingdom. He subsequently worked at KPMG in its offices in London and Nicosia and thereafter at the Central Bank of Cyprus (CBC) until 2023, with responsibilities in banking supervision and the operation of payment systems.

At the CBC, he served as Head of the Department for the Prevention of Money Laundering and Financial Conduct, which included the supervision of compliance with the framework for the prevention and combating of money laundering and terrorist financing, the supervision of the provision of investment services by credit institutions, financial conduct, and the supervision of payment and electronic money institutions.

During his service at the CBC, he participated in various working groups and committees of the European Central Bank, the European Banking Authority, and in the work of the Council of Europe's MONEYVAL Committee. At national level, he also served as the CBC's representative on committees and working groups such as the Advisory Authority for Combating Money Laundering and Terrorist Financing.

He is a member of the Institute of Chartered Accountants in England and Wales and of the Institute of Certified Public Accountants of Cyprus, and is also a CFA® charterholder of the CFA Institute. On 28 June 2023, he was appointed by the Council of Ministers as a Member of the Board of Directors of the Cyprus Public Audit Oversight Board.

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Panos Prodromides – Director General

Mr Panos Prodromides was appointed Director General of the Cyprus Public Audit Oversight Board on 1 December 2023. He is a graduate of the English School of Nicosia (1991). He subsequently studied at the University of Manchester, where he obtained a degree in Economic and Social Studies with distinction. He completed postgraduate studies in Management at the London School of Economics and Political Science, also with distinction.

He began his career at the audit firm Arthur Andersen in London (1997–2001) and subsequently worked at Lefkoniko Securities Ltd (2001–2003), where he was responsible for research and trading in derivative securities in the London and German stock exchanges. Upon returning to Cyprus, he worked at Deloitte Limited (2003–2009) as a Senior Manager, dealing with statutory audits and related processes for a client portfolio of more than 200 companies. He later continued as Head of Audit and responsible for external audits at Nexia Poyiadjis (2009–2011), and subsequently served as Managing Partner at A. Panayiotou & P. Prodromides Ltd (2011–2015) in the audit department.

In October 2015, he was appointed as an Audit Quality Reviewer, conducting quality inspections on behalf of the CyPAOB, being responsible for the inspection of Firm-wide procedures in audit firms that are providing statutory audits of financial statements of public interest entities (PIEs) as well as for inspections of PIEs' audit files. In addition, he was responsible for the inspection of the Recognised Body of Auditors in Cyprus in relation to the delegated tasks assigned to it by the CyPAOB according to the Delegation Agreement, as well as the preparation of reports of findings and presentation of them to the Board of Directors.

He is a member of the Institute of Certified Public Accountants of Cyprus (ICPAC) and an Associate member of the Institute of Chartered Accountants in England and Wales (ICAEW).

Pambos Efstratiou – Senior Audit Quality Reviewer

Mr Pambos Efstratiou has been contracted as an Inspector of the Cyprus Public Audit Oversight Board since October 2015. He holds a university degree BA (Hons) in Accounting and Finance/ Retail Management from Oxford Brookes University. He is a member of the Institute of Certified Public Accountants of Cyprus (ICPAC) and has been a Fellow of the Institute of Chartered Accountants in England and Wales (ICAEW) since 1999.

He began his career at the audit firm Coopers & Lybrand (PricewaterhouseCoopers Limited) in Cyprus in 1995 and left at the end of 2008 as a Senior Director in the Audit Services Department. He subsequently worked at the audit firm Moore Stephens (Limassol) Limited, where he was a partner in the Audit Services Department from 2010 until 2015.

From October 2015, when he assumed the role of Audit Quality Reviewer, responsible for carrying out audit quality inspections on behalf of CyPAOB, he has been in charge of inspecting firm-wide systems and procedures at audit firms that sign statutory audit reports of financial statements of Public Interest Entities (PIEs), as well as inspections of PIE audit files. In addition, he is responsible for the inspection of the Recognised Body of Auditors in Cyprus in respect of the tasks assigned to it by the CyPAOB under the Delegation Agreement, as well as for the preparation of inspection findings reports and their presentation to the Board of Directors.

He participates on behalf of CyPAOB in various committees of the Committee of European Auditing Oversight Bodies (CEAOB), such as the CEAOB Inspections Subgroup Organising Committee and the Training Task Force, and is also a member of the Deloitte, EY, KPMG and PwC Colleges. Since June 2019, he has served as Chair and Lead Facilitator of the Deloitte College. In addition, he is a member of the Emerging Working Group of the International Forum of Independent Audit Regulators (IFIAR).

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Nicos Yiapanas – Chairman of the Disciplinary Committee (appointed on 26 March 2025)

Mr Nicos Yiapanas was appointed by the Council of Ministers on 26 March 2025 as Chairman of the Disciplinary Committee of the Cyprus Public Audit Oversight Board (CyPAOB). He is a graduate of the Pancyprian Gymnasium of Kykkos and holds a Degree in Law and Economic Sciences, Law Department, specialising in Public Law and Political Science, from the Aristotle University of Thessaloniki (1981). He was admitted to the Bar in 1982 and practised law continuously until 1999, when he was appointed to the position of Temporary District Court Judge.

On 1 September 2000 he was appointed District Court Judge, and in June 2011 he was appointed Senior District Court Judge. In 2017 he assumed the duties of President of a District Court, a position from which he retired on 1 October 2021.

During his judicial career he served at the Larnaca–Famagusta District Court, the Limassol District Court, and the Nicosia District Court. He also served for two years as President of the Larnaca–Famagusta Assize Court. He participated in various professional seminars and conferences, both in Cyprus and abroad.

Furthermore, in 2024 he was appointed by the Independent Authority Against Corruption as an Inspection Officer for a specific investigation.

In addition to his professional experience, Mr Yiapanas served as a Municipal Councillor of the Municipality of Agios Dometios (1992–1996), as a member of the Board of Directors of the Nicosia Bar Association, and as a Member of the Council of the Judges' Association.

Michalakis Christodoulou – Chairman of the Disciplinary Committee (resigned on 3 June 2024)

He was born in the village of Phini in 1953, where he spent his childhood. After completing primary school, he moved to Limassol and in 1971 graduated from Laniteio Gymnasium. He then served for two years in the National Guard, holding the rank of Second Lieutenant of Artillery. He subsequently studied Law at the National and Kapodistrian University of Athens, from which he graduated in 1977, and thereafter practised as a lawyer in Nicosia until 1991.

In 1991 he was appointed District Court Judge, in 1999 he was promoted to Senior District Court Judge, and in 2004 to President of a District Court. Nine years later, in 2013, he was appointed Judge of the Supreme Court, a position he held until his retirement on 1 March 2021. He is married and has children and three grandchildren.

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Maria Kapardis – Member of the Disciplinary Committee

Dr Maria Krambia-Kapardis holds a PhD from Edith Cowan University, Australia, and is Professor of Accounting with specialisation in Forensic Accounting at the Cyprus University of Technology. She has served as Head of the Department of Hotel and Tourism Management and as Associate Dean of the School of Management and Economics of the same university. Prior to her return to Cyprus, she held an academic position at a university in Melbourne, Australia.

Dr Krambia-Kapardis was a founding member and the first President of Transparency International Cyprus (2010–2017), as well as the founder and first Chair of the “Economic Crime and Forensic Accounting” Committee of the Institute of Certified Public Accountants of Cyprus (ICPAC) (2010–2014). She also served for several years as a member of the Disciplinary Committee of ICPAC, as a national expert of the European Commission on corruption matters, and has provided her expertise in combating economic crime at European level. She is a Fellow of the Institute of Chartered Accountants of Australia and New Zealand and a Certified Fraud Examiner (USA).

Dr Krambia-Kapardis has also served as Visiting Scholar at the Universities of Cambridge (UK), Girona (Spain) and Victoria University (Melbourne, Australia). In 2015 she received two international awards for books published in the field of corruption. In 2017, Gold Business Magazine named her among the 100 most powerful and influential women in Cyprus, while in June 2019 the Association of Certified Fraud Examiners awarded her the international Community Outreach Award for her contribution to reducing corruption and collusion in Cyprus. In December 2019 she was also awarded the ACE Award, Sheikh Tamim Bin Hamad Al Thani International Anti-Corruption Excellence Award, in the category of Academic Research and Education.

Dr Krambia-Kapardis has published numerous books, academic journal articles and book chapters in the fields of economic crime, corruption, ethics, corporate social responsibility, corporate governance, gender issues in business and business ethics. Her most recent book was published in 2019 by Palgrave Macmillan, entitled “Financial Compliance: Issues, Concerns and Future Directions”. She has also conducted a number of research studies funded by European research programmes.

Achilleas Chrysanthou – Member of the Disciplinary Committee

Mr Achilleas Chrysanthou was appointed by the Council of Ministers on 15 November 2021 as a member of the Disciplinary Committee of the Cyprus Public Audit Oversight Board. He is a member of ICPAC and a Fellow of the Institute of Chartered Accountants in England and Wales (ICAEW). He is a graduate of the Grammar School and holds a Diploma in Accounting from the City of London Polytechnic, United Kingdom. From 1980 to 1984 he worked at the audit firm Moore Stephens & Co in London, where he obtained the professional qualification of Chartered Accountant (ACA) of the ICAEW. In November 1984, after returning to Cyprus, he joined the audit department of PricewaterhouseCoopers (PwC) and, following a series of promotions, was promoted in 1999 to the position of Director, a role he held until his retirement in June 2019.

At PwC, Mr Chrysanthou managed, as an accountant/auditor, a large portfolio of local and multinational clients operating in the insurance and banking sectors, the financial services sector, as well as in construction and retail. He acquired significant experience and expertise in auditing financial statements and in providing related services to listed and private companies.

He was responsible for the planning and effective execution of statutory audits of his clients' financial statements and for the delivery of high-quality services. He was also responsible for the smooth operation of his department, contributing to the achievement of the firm's objectives, as well as for the training, guidance, development and evaluation of his team members.

He participated in various internal committees of the firm, such as the Technical Committee on International Accounting Standards and the Data Protection Committee. He also contributed to the delivery of various audit, accounting and other internal training seminars for PwC staff.

Another key area of his expertise is his long-standing experience in PwC's internal Quality and Risk Management Department, with primary responsibility for the firm's ongoing compliance with International Quality Standards and for strengthening the system of internal procedures and controls, including the coordination of external inspections of PwC by competent bodies and authorities.

On 15 May 2020, he was appointed as a non-executive director of Kentriki Insurance Company Ltd.

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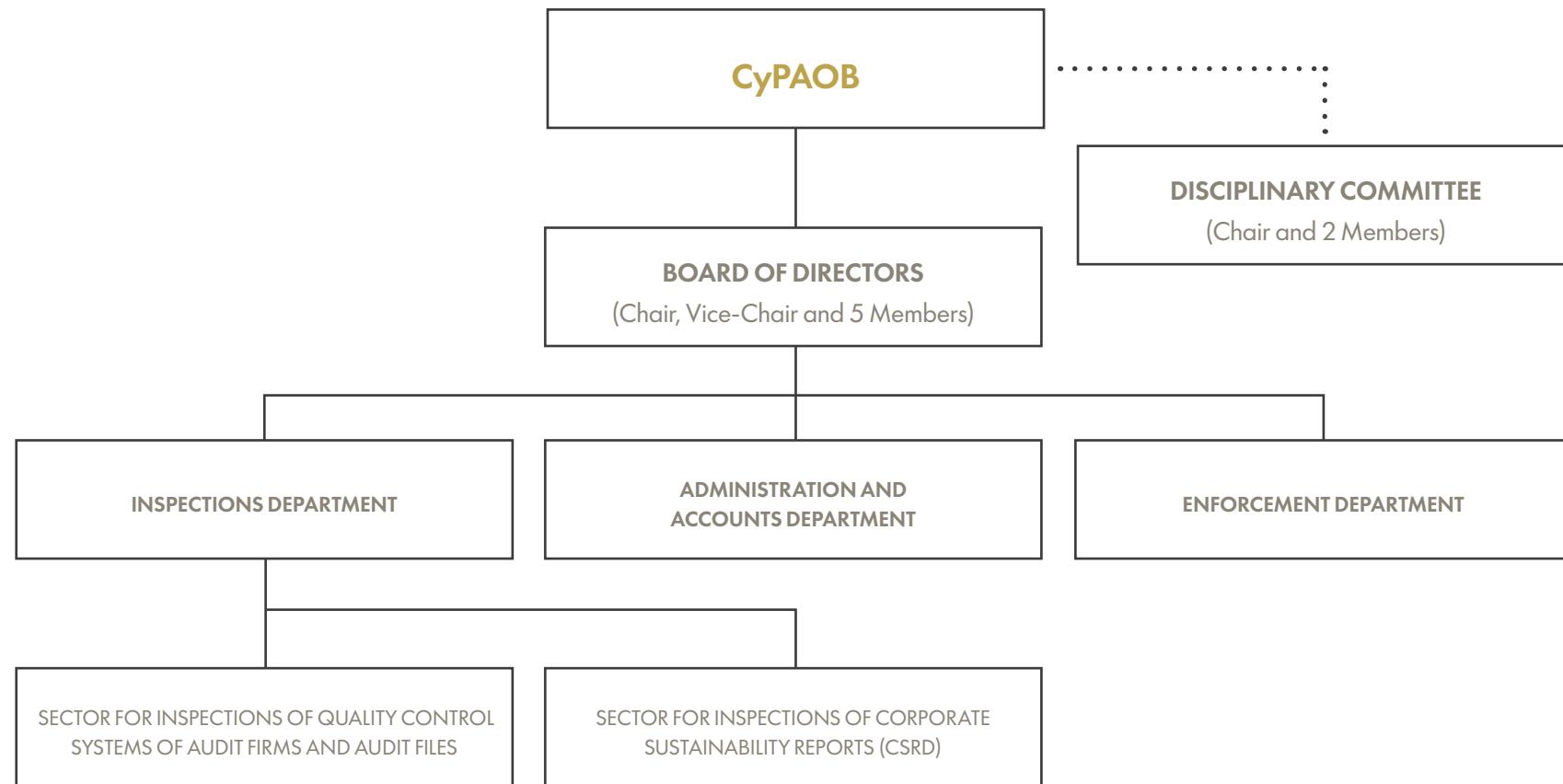
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3. Organisational Structure of the CyPAOB

The organisational structure of the CyPAOB as at 31/12/2024 and as at the date of signing of the Annual Report was as shown in the organisational chart.



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4. Meetings of the Board of Directors of the Cyprus Public Audit Oversight Board

During 2024, the Board of Directors of the CyPAOB held twenty (20) meetings. In addition to administrative matters concerning the smooth operation of the CyPAOB, the results of all inspections of statutory auditors and audit firms carried out by the CyPAOB's inspectors were discussed in detail and the relevant decisions were taken, including referrals for disciplinary investigation and the implementation of corrective action plans. The implementation of these decisions is closely monitored by the Board of Directors. Furthermore, the Board evaluated a number of complaints that had been received, as well as other information that came to its attention, and took the appropriate measures.

5. Financing of the CyPAOB

As provided for in the Auditors Law of 2017, as amended from time to time, the financing of the CyPAOB is derived from:

- The Republic, through an annual contribution corresponding to 20% of the CyPAOB's annual projected expenditure.
- The supervised entities, through the payment of an amount corresponding to 80% of the CyPAOB's annual budget, as follows:
 - (a) the recognised bodies of auditors of the Republic,
 - (b) the statutory auditors and statutory audit firms of the Republic.

6. General Data Protection Regulation (GDPR)

On 25 May 2018, Regulation (EU) 2016/679, the General Data Protection Regulation, entered into force, strengthening the framework for the protection of natural persons with regard to the processing of personal data and the free movement of such data (hereinafter "the Regulation", commonly referred to as the General Data Protection Regulation – GDPR).

In the context of complying with its obligations under the Regulation, in February 2024 the CyPAOB appointed an external Data Protection

Officer (DPO), Mr Olympios Christofi (Christofi Meraklis & Associates Ltd). As part of CyPAOB's efforts to inform and train its staff on the Regulation, in September 2024 the employees of the CyPAOB attended an extensive seminar delivered by the CyPAOB's DPO.

The Personal Data Protection Policy of the CyPAOB is published on its official website. This Policy was adopted in order to fulfil the CyPAOB's obligation under Article 13 of the Regulation and aims to provide citizens with information on how their data are used, collected and retained by the CyPAOB in its capacity as a data controller.



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In the following table, the unaudited results as at 31 December are presented in summary form:

	2022	2023	2024
	€	€	€
Income	552,481	621,941	925,196
Expenses			
Supervision Costs	269,244	350,227	227,113
Administrative Expenses	276,898	270,751	506,050
Other Expenses	30,336	31,453	32,272
Financing Costs	13,167	11,853	10,426
Total Expenses	(589,645)	(664,284)	(775,861)
(Deficit) / Surplus	(37,164)	(42,343)	149,335

Note: Upon completion of the audit by the Audit Service for each financial year, any annual cash surplus generated will be deducted from the CyPAOB's future charges to the entities under its supervision.

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Acronym	Definition
ACCA	Association of Chartered Certified Accountants
EAIG	European Audit Inspection Group
ICAEW	Institute of Chartered Accountants in England & Wales
IFIAR	International Forum of Independent Audit Regulators
PIE	Public Interest Entity
CEAOB	Committee of European Auditing Oversight Bodies
ISQM	International Standard on Quality Management
CAIM	Common Audit Inspection Methodology
PCAOB	Public Company Accounting Oversight Board
CYPAOB	Cyprus Public Audit Oversight Board
ICPAC	Institute of Certified Public Accountants of Cyprus
EE	European Union
EEA	European Economic Area

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CYPRUS PUBLIC AUDIT
OVERSIGHT BOARD

CyPAOB



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