



# Mazars in Romania Transparency Report

For fiscal year 2021/2022

**mazars**

# Contents

Foreword by Dino Ebnetter, Country Managing Partner, Mazars in Romania

- 1 Our value proposition
- 2 Our structure, leadership, and governance
- 3 Inspiring confidence in audit quality
- 4 Delivering audit quality
- 5 Our culture and overall talent policy
- 6 Ensuring our objectivity and independence
- 7 Information regarding the Partner compensation policy
- 8 Partner rotation policy

Appendix 1 – List of Public Interest Entities audited in 2022

## Foreword by Dino Ebnetter, Country Managing Partner, Mazars in Romania

### Going above and beyond what is expected of us – today and tomorrow

Our values at Mazars in Romania form the bedrock of our identity and guide us in every endeavour.

**Integrity** is the cornerstone of our actions, ensuring that we always operate with honesty and trustworthiness. **Responsibility** drives us to be accountable for our commitments and their consequences, both to our clients and the wider community. We embrace **diversity and respect** as fundamental principles, fostering an inclusive environment where every individual's unique perspective is valued. **Technical excellence** is our standard, where we constantly strive to provide the highest quality of service. **Independence** allows us to offer unbiased advice, free from conflicts of interest. Lastly, **stewardship** inspires us to safeguard the well-being of our clients, our people, and the resources entrusted to us. These values are not just words; they are the essence of who we are and how we operate, shaping the lasting relationships we build and the positive impact we make on the world.

Our Transparency Report reflects our dedication to these values and our ongoing efforts to maintain transparency, providing a comprehensive view of our operations, governance, and commitment to ethical business practices.

Year by year, I have witnessed our firm's remarkable success and continuous progression, which has always filled me with pride. However, I must confess that my sense of pride and inspiration has reached an even greater pinnacle over the past 12 months - a period that persistently challenged us. Together, we have responded courageously:

- As we emerged from the constraints of lockdowns, we did not merely adapt; we embraced a flexible working model for our team. This transition was not just a necessity but a bold step forward, reflecting our commitment to innovation and our team's well-being. We also offered psychological advice to our people, to help them improve their mental health and find the right balance once again.
- As the global COVID-19 risk subsided, a new challenge emerged with the Russian invasion of Ukraine, a situation in which we did our best to actively support our Ukrainian colleagues, ensuring full financial assistance and providing humanitarian aid, transport, and accommodation.
- While navigating the above challenges, we remained committed to investing, regardless of the economic climate. Our priority was to ensure that our team members did not bear the brunt of those difficult experiences. To achieve this, we not only maintained financial stability but also went further by providing additional opportunities for their personal and professional growth. This included extensive support for industry certifications, university degrees, MBAs, and various professional courses. As a result, we were able to facilitate the advancement of our colleagues into new roles, equipping them with the necessary resources to not only feel secure but also to support themselves and their families.

## Growing with purpose: a leading audit firm

In our firm, audit has been at the heart of our business for more than 76 years, and we strongly believe that this profession is first and foremost about people. Without an engaged, qualified, and diverse audit team, it is not possible to perform a value-added audit or to excel at what we do best; by caring about the organisations we audit and their stakeholders, we help build sustainable businesses.

To do that and to best support our colleagues, we have developed a suite of tools within Atlas, our global audit platform, to enable the delivery of consistent and efficient quality audits that deliver value.

Mazars Atlas enables Mazars audit teams around the world to monitor audit progress from anywhere, anytime, and ensures that audit methodology is applied consistently and uniformly every day and, in every location, where teams are working.

We have also recently implemented the Mazars Signals platform, which facilitates the transfer of information by clients in a secure way, and allows for better collaboration with clients and teams, as well as real-time monitoring of audit status.

Quality is one of the core pillars of our One24 strategy and we are fully committed to maintaining, managing, and continuously improving it. This is why, at the moment, we are working on implementing and operating the new International Standard on Quality Management 1 (ISQM1) and we are creating an Audit Hub to improve the efficiency, quality, and effectiveness of audit processes while also facilitating talent development and risk management within the firm.

## Walking the talk, investing in what matters

We have always been guided by our founding principles: to act responsibly, in the public interest, and for future generations. We take this commitment seriously, walking the talk, innovating and transforming ourselves, and continuously learning and developing along the way. In the next year, we are planning on:

- Remaining an employer of choice, able to attract, develop, and retain a diverse pool of talents.
- Growing our group of partners.
- Enhancing our sustainability capabilities to provide ESG audits and advisory services.
- Significantly increasing our CSR investments, to support our communities, foster an inclusive and flexible workplace for our talent, and protect the planet.
- Investing in technologies that bring real-time added value to our client's decision-making and experience, and equally more advanced data analytics tools to enhance the work of our auditors.
- Contributing to defining the standards (such as CSRD) and conditions for a healthy audit industry able to deliver quality financial and ESG audits, at scale.

Together with my colleagues, we will continue to pave the way for a brighter tomorrow.



**Dino Ebnetter**  
Country Managing Partner

# 1. Our value proposition

## Who we are

Mazars is a leading international audit, tax and advisory firm that aspires to build the economic foundations of a fair and prosperous world. Operating as a united partnership, Mazars works as one integrated team, leveraging expertise, scale and cultural understanding to deliver exceptional and tailored services in audit and accounting, as well as tax, financial advisory, consulting and legal services (where permitted under applicable national law). Founded in Europe, Mazars is present in over 90 countries and territories, with more than 44,000 professionals – over 28,000 in our integrated partnership and over 16,000 via the Mazars North America Alliance – dedicated to helping clients make the most of business opportunities and operate with confidence.

In Romania, Mazars has 27 years of experience, enabling a team of over 250 dedicated professionals to deliver our promise to clients with utmost confidence. Our commitment to excellence and client satisfaction remains unwavering as we continue to shape the future of our industry.

The statutory audit activity is performed in Romania through the legal entity Mazars Romania SRL, a limited liability company established in 1995, registered in the Public Electronic Register (RPE) under no. FA699.

More details can be found on the company site [www.mazars.ro](http://www.mazars.ro).

### Global Coverage

90+  
countries and territories

300+  
offices

44,000+  
professionals



1,200+  
Partners  
Our presence in Romania

27 years  
on local market

250+  
Professionals

7  
Partners

Industry certifications  
ACCA, CFA, CPA, CISA, and many  
more.

## 2. Our structure, leadership, and governance

### Our approach to stakeholder engagement

Our leadership and governance platform relies on two main bodies, whose respective roles and missions are clearly defined in our Charter of Association. Together with our national, regional and functional leaders, both our Group Executive Board (GEB) and our Group Governance Council (GGC) we are working to ensure the sustainable development of our partnership and the Mazars Group.

### The general assembly of partners

All Partners of the Mazars Group meet at least once a year, at the General Assembly of Partners, within six months following the end of the financial year.

The General Assembly of Partners is a pivotal point in the governance and decision-making processes of the Mazars Group. The Assembly elects the GEB and the GGC, approves major strategic and operational decisions, the admission of new Partners and the audited financial statements of the Mazars Group.

The last General Assembly of Partners was held in December 2022.

### The Group Executive Board

The Group Executive Board (“GEB”) is Mazars’ executive body. It oversees the operational management of the partnership with regard to collectively defined key strategic objectives, under the supervision of the GGC. It focuses first and foremost on pursuing and accelerating growth while ensuring the quality and sustainability of our activities. The GEB may comprise between three and nine members. As of June 2022, there were nine members of the GEB. The current GEB was elected in December 2020 and with an election every four years, the next one is due in 2024.

The GEB is supported in its role by:

- The GLT (Global Leadership Team), which comprises all Group business leaders (sectors and service lines, including our audit activity), Group Quality and Risk Management leaders, and Group support function leaders;
- Executives in each member entity: These executives, led by a Senior or Managing Partner, have the responsibility for managing that member entity, leading the business on a day-to-day basis, and providing strategic and operational coordination;
- The executives are elected by the partners of the member entity, with their candidacy being subject to the consideration of the GEB.

The GEB meets at least monthly. It also meets twice a year with the Country Managing or Senior Partners at “Country Forums”.

Each GEB member is entrusted with specific geographical responsibilities, functional roles, and the sponsorship of key strategic projects, such as innovation, diversity, quality and risk management, business development, or integration processes for new additions to the partnership.

## The Group Governance Council

Elected for the same term as the GEB, the Group Governance Council (“GGC”) is the Group’s supervisory body. The GGC has decision-making powers in three specific areas, as set out in the partnership’s Charter of Association: the approval of partnership candidates and external growth operations; the compensation of the members of the Group Executive Board and the approval of disciplinary action decided by the latter.

The GGC is required to meet at least every four months. It may comprise between eight and 16 members, including two non-executive independent members; as of 1 January 2020, there were 11 members of the GGC.

Elected every four years, the next GGC elections are due in December 2024.

## Leadership and Governance of Mazars in Romania

Mazars in Romania is managed by:

- The Managing Partner appointed by the Romanian CARL Partners subject to prior approval of the Mazars Group Executive Board (GEB)  
and
- The Executive Committee including all CARL Partners appointed by the Managing Partner.

The Executive Committee has responsibility for setting and implementing the strategy of Mazars in Romania within the framework of the global strategy of Mazars Group.

The Audit & Assurance service line, which is of relevance for our reporting to the audit market supervisor, is led by the Head of Audit & Financial Advisory Services (FAS) for Mazars in Romania. The Head of Audit & FAS reports to the Managing Partner of Mazars in Romania.

To maintain audit quality, the Audit & Assurance service line considers emerging issues and how they will affect the firm, approves policies in the areas of audit and assurance quality, and agrees on the quality control programme and planned actions arising from the quality control review findings and recommendations.

The partners within the Audit & Assurance service line are also sharing responsibilities for the following “technical functions” (each partner being responsible for one or several of these functions):

- Ethical and Professional standards (including independence);
- Ethical and Professional standards – Methodology and audit tools / software;
- Ethical and Professional standards – Acceptance;
- Accounting standards;
- Training;
- Monitoring of assignments at risk (& litigation risks);
- Quality control (both on assignments & respect of processes).

One of the partners that are members of the Executive Committee of Romania is also appointed as Risk Manager. The Risk Manager is informed of all risky situations within the firm and takes measures for mitigating the risks of litigation/claims or of accepting clients at risk. Currently, the Risk Manager position is held by the Head of Audit & FAS service line.

The statutory audit is performed on behalf of Mazars in Romania by three partners, all of them registered auditors in Romania:

- Vasile Andrian (RPE no: AF1554)
- Răzvan Butucaru (RPE no: AF2680)
- Ella Cristina Chilea (RPE no: AF2190)

As of December 2022, the Executive Committee (management board) of Mazars in Romania includes the following partners:

- Dino Ebnetter - Country Managing Partner
- Vasile Andrian - Partner, Head of Audit and FAS
- Ella Chilea - Partner, Audit
- Răzvan Butucaru - Partner, Financial Services & Advisory Leader
- Luminița Bornoiu - Partner, Head of Outsourcing
- Edwin Warmerdam - Partner, Head of Tax
- Bianca Vlad - Partner, Tax

## 2022 Turnover

The total turnover of Mazars Romania SRL from assurance and non-assurance activities regulated by the Chamber of Financial Auditors in Romania (CAFR) during the 12-month period ended 31 December 2022, was 17,935 RON thousand, split as follows:

Category of services	Turnover (RON thousand)
Revenues from statutory audit of public interest entities (PIEs)	2,309
Revenues from statutory audit of other entities (non-PIEs)	9,401
Revenues from audit activities, other than statutory audits	2,067
Revenues from other regulated assurance and non-assurance services	4,158
<b>Total</b>	<b>17,935</b>

### 3. Inspiring confidence in audit quality

Our approach is guided by four essential attributes that shape our cultural way of providing services.

**Empowered expertise:** We help our people develop the highest levels of technical excellence, as we consider that the key to our success is the development of their knowledge, skills, confidence, and experience. Therefore, our professionals hold some of the most important certifications for our industry, such as ACCA, CIA, CFA, CISA, and many more.

**Seamless integration:** We collaborate seamlessly across our sectors, services, and geographies to deliver consistent quality to our clients everywhere in the world. For this reason, our company is technology-driven, and we are working with digital solutions to enhance our client's experiences, such as Signals, our digital collaboration platform, SAF-T reporting tool, our solution to stay compliant with the new fiscal regulations, Atlas, our global audit platform designed to share knowledge and best practices, and enable the delivery of seamless, integrated audits with multidirectional interaction between teams, as well as many tools for automated accounting processes.

**Balanced perspective:** We are committed to a partnership structure and expansion in ways that retain our independence, diversity of thought, and balanced worldview.

In Romania, we host a centre of excellence, which supports our global payroll & compliance practice, with the help of two digital platforms, bringing our customers state-of-the-art technology innovation to help optimise their payroll & compliance operations: PayWorld and InControl.

Our local teams combine cultural awareness and understanding with a global perspective. Among other local initiatives and expertise, we mention the SAP Hub, IFRS Desk, ESEF reporting, IT audit & advisory, and cybersecurity.

**Social conscience:** We are accountable for our actions: we serve the public interest, doing what is right for our clients and society, by focusing on four pillars:

- Diversity and inclusion (women make up 64% of the Romanian leadership team that drives our 2024 strategic plan)
- Humanitarian initiatives (we have reached over 500 beneficiaries through our CSR initiatives)
- Environmental impact (we are focusing on recycling and upcycling, by donating clothes and toys, fully equipped laptops, and by organising sustainable DIY deco workshops)
- Educational projects (over 100 colleagues participated in our first Mazars Community Day, meaning that they have donated over 800 working hours to volunteering in the renovation of a school, together with over 130 hours dedicated to our Sustainability Foundation course)

We pride ourselves on offering a different perspective. We are a multicultural and united partnership, operating as one team across borders and sectors, committed to working in the public interest, with shared goals, values and service standards across the world.

We combine our global presence, international expertise and local roots to better understand our clients, build long-term relationships and provide each of them with answers and solutions that are tailored to the unique situation they face in their market.

## Quality is the bedrock of our value creation

Mazars' business organisation primarily revolves around a core matrix of geographies and service lines which represent the main elements that support our talent's professional and personal development in accordance with Mazars' core values.

To support this core matrix, we have implemented a market and sector-driven approach, backed by a solid infrastructure of cross-functional departments, to help develop sustainable businesses. Our quality management framework and the associated systems and monitoring teams cover all our activities and support our partners all over the world.

Our systems are designed to ensure compliance and the delivery of high-quality services, as well as risk identification and mitigation. They leverage short, medium, and long-term value creation, in the countries in which we operate first and foremost, but also at the global level, with global manuals, methodologies and tools.

We see quality and risk management as the bedrock of our values, our culture, our behaviour and our ability to provide the added value our clients and stakeholders expect from us. We will reward outstanding quality and, when necessary, penalise deficiencies in quality. We may ask partners to complete a partner improvement plan.

Quality and compliance programs are in place in each of Mazars' seven global service lines. These programmes are designed to train and evaluate our people and ensure they all have the same level of awareness and access to the same tools. Everyone should be determined to go beyond mere compliance and improve quality year after year.



## 4. Delivering audit quality

The audit service line offers a distinctive, human-centric approach that goes beyond compliance, with an integrated structure that allows us to work seamlessly as one team. We serve regional, national and international companies of all sizes and structures by combining the right people with the right skills for every engagement, leveraging our collective knowledge and using consistent tools and methodologies. Through our audit and assurance work, we deliver insight and promote transparency. Available services include financial audit, corporate reporting, independent assurance and evaluation, and training services.

For our audit business, providing a quality audit means delivering insight, promoting transparency, and providing constructive challenges, which leads to enhancing trust in how organisations report to their stakeholders. Quality is a promise the audit service line makes to our clients and is a key differentiator in the market.

In our audit service line, quality is at the forefront of every assignment. We approach every task with a commitment to the highest level of quality as well as integrity, independence, accountability, and a social conscience.

The tools that we use within the audit practice to measure or monitor quality include:

- Internal quality inspections
- Independent quality reviews
- Regulatory reviews
- Client satisfaction surveys

### The internal quality control system

Mazars in Romania has implemented an internal quality control system in alignment with the quality control system developed at the Mazars Group level.

The quality control system adopted by Mazars has been developed with the intention of providing reasonable assurance that both the firm and its partners and employees adhere to professional standards and relevant legal and regulatory requirements, that auditing services are consistently executed at high standards, and that audit reports issued by the company are appropriate.

Following the internal evaluation of the quality control system, we have not identified any major deficiencies that could cast doubt on its effective functioning.

Also, the most recent quality control conducted by the Financial Auditors' Chamber of Romania (CAFR) in December 2017 did not identify deficiencies in the quality control system; as a result of that control, Mazars in Romania received an A grade, meeting 100% of the quality ratios included in the control team Inspection Note.

### Our audit quality assurance framework

The International Federation of Accountants (IFAC) is the global organisation for the accountancy profession dedicated to serving the public interest by strengthening the profession and contributing to the development of strong international economies. Mazars is actively involved in IFAC with a presence on several of its boards and committees.

Mazars is also a member of IFAC's Forum of Firms ("FoF"), an association of international networks of accounting firms that perform transnational audits.

As members of the FoF, Mazars committed to:

- Maintaining quality control standards in accordance with the International Standard on Quality Control 1 (“ISQC1” up to 15 December 2022), and respectively with the International Standard on Quality Management 1 (“ISQM1” – starting 16 December 2022) – issued by the International Auditing and Assurance Standards Board (“IAASB”) – in addition to relevant national quality control standards.
- Conducting, to the extent not prohibited by national regulation, regular globally coordinated internal quality assurance reviews.
- Implementing policies and methodologies for the conduct of transnational audits that are based, to the extent practical, on the International Standards on Auditing (“ISAs”) issued by the IAASB.
- Implementing policies and methodologies that conform to the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (the “IESBA Code”) and any relevant national code of ethics.
- Submitting to the Secretary of the Forum an annual report, in an approved format, indicating that it meets the membership obligations set forth above.

Mazars has been committed to this since 2007 and makes an annual declaration to set this out.

In line with our commitments, our Quality Assurance Framework is presented through our “Quality Assurance Manual” and “Risk Management Manual”, both of which constitute the benchmark for audit quality control for all entities.

This Framework covers the following:

- Responsibility and leadership
- Independence and objectivity
- Acceptance and continuance of engagements
- Human resources
- Audit methodology and engagement performance:
  - planning and supervision of engagements
  - audit documentation
- Technical consultation
- Professional confidentiality and risk management
- Engagement quality control reviews
- Quality monitoring
- Procedures for dealing with and resolving differences of opinion
- Complaints, allegations, and claims
- Differences of opinion

In line with all other member entities, Mazars in Romania has put in place the Quality Assurance Manual in its own country and edited it to include country specifics.

The policies and procedures in our Quality Assurance Manual are complemented by our audit methodology. Our audit software has been developed to allow a structured audit approach in accordance with the most recent auditing standards.

These are updated regularly to include the evolution of international and national standards and because of operational suggestions by users.

Our compliance with the Quality Assurance Manual is monitored through internal and external inspections. Monitoring of audit quality is integral to maintaining and improving quality in our profession. It allows the identification of areas for improvement within our policies and procedures, combined with additional training to allow a consistent quality approach to audit work.

Within Mazars, the executive of each member entity is responsible for the implementation of the quality monitoring systems.

Furthermore, each Executive is required to:

- Promote the firm's internal culture of quality and reinforce this culture with clear, consistent, and frequent messages and initiatives.
- Remind individuals at all levels of the existence of the quality monitoring system.
- Underline the importance of respecting legal and regulatory obligations, particularly with regards to the IESBA code, local ethical requirements and professional standards of practice when accepting and carrying out new assignments.

## Audit policies and methodology

The Mazars Audit Methodology ("MAM") is a global methodology that Mazars entities apply, supplemented by local regulatory and legal requirements. Using a common methodology allows us to apply a consistent approach and level of quality globally on all client engagements, irrespective of their size and international presence. In an increasingly globalised world, the MAM allows us to give assurance to our multinational clients over the quality of our audits across borders.

Specific policies and procedures are in place in respect of group audits, including the use of and reliance on other auditors. These procedures include consideration of the results of quality monitoring.

The MAM is continually enhanced as we seek to apply a systematic risk-based audit approach, focusing on the things that matter and adjusting the areas of focus and effort based on the level of risk. Our methodology and associated application guidance are also designed to encourage challenge and professional skepticism in our audits.

Our audit software is used to support the audit teams in applying our risk-based approach, from acceptance to completion of the audit. During the last years, Mazars has progressed in the development of its new audit software expected to be fully rolled out in the 2023/2024 financial year. This software will enhance the quality of documentation produced globally by our teams.

We will continue to invest and develop our audit software, as new technology and challenges will impact the audit of the future. Data analytics is increasingly becoming a key aspect of our standard audit procedures, particularly with respect to the mandatory requirements to address the risk of management override of controls.

Additional training and tools have been developed in the year to further enhance the skills of our team in this area to drive quality in their work.

This was supported by further training and tools to aid the understanding and testing of our clients' IT environments.

Our ability to maintain quality is not only dependent on the IT tools available to our professional staff, it also relies on the appropriate support being available.

The QAM details the circumstances when there is a mandatory requirement to consult within the firm.

Our Group technical experts are also available for audit and financial reporting technical consultations when support is required. To aid the audit quality of specific areas of the audit, our core audit teams have access to our specialist auditors and experts, including IT, tax, actuarial and valuation specialists.

Our audit policies and procedures have been designed and implemented to ensure that we comply and that we can demonstrate compliance with ISAs.

## Monitoring audit quality

The monitoring of audit quality is integral to understanding our own audit quality and developing ways to challenge and improve it. It allows the identification of areas for improvement within our policies and procedures, combined with additional training to allow for a consistent quality approach to audit work. Our audit quality policies and procedures are embedded as part of our firm's day-to-day activities.

## Engagement quality control reviews (EQCR)

An EQCR is required to be performed on all audits of Public Interest Entities. Other engagements may be identified as subject to EQCR, the criteria for determining whether such other assignments require an EQCR are mainly based around the existence of specific risk situations.

The purpose of an EQCR is to provide an objective evaluation of the significant judgements made by the engagement team and the conclusions reached in formulating the opinion. This review is usually performed by a partner with sufficient authority to be capable of imposing their professional judgement upon the engagement team, and who has not recently had any material responsibility for the engagement. The EQCR is also subject to rotation.

## Audit quality monitoring reviews

The assessments undertaken by the International Quality Control Committee ("IQCC") monitor member entities' compliance with the IFAC standards.

The Mazars entities' audit quality monitoring reviews organised by the IQCC have several components:

- Self-assessment of the entity's audit methodology, ethics and the Quality Assurance System.
- Internal monitoring of the effectiveness of the internal procedures and the quality of the audit files. This is performed by each entity on an annual basis and constitutes the basis for the completion of the self-assessment.
- Mazars' international inspections: these are undertaken by experienced reviewers from other member entities within the organisation, generally every 3 years, and they aim to take an independent view on the results of the self-assessments and the internal monitoring whilst helping to spread best practices.
- External inspections: Entities are periodically subject to reviews by the audit regulators or other relevant bodies in their jurisdictions. The results of such reviews are communicated to the IQCC.

The self-assessment includes the entity's compliance with the IFAC standards as well as reporting on the results of its internal and external audit quality monitoring reviews. This can be the basis for an action plan relating to all areas identified as requiring improvement including those identified through any Mazars international inspections.

Entities are required to communicate internally the results of their audit quality monitoring reviews to their Executive, partners and audit managers.

This communication is provided in sufficient detail to enable the necessary corrective measures to take place.

As a minimum, the results of the audit quality monitoring reviews include:

- A description of the procedures applied and of the scope of the quality monitoring review.
- The results and conclusions of the reviews of the entity's procedures and audit engagements.
- Detailed action plans, where required.

Entities that are applying to join the Mazars organisation are subject to an inspection organised by the IQCC. The report setting out the results of the review is included in the admission file submitted to the Group Executive Board (GEB) and the Group Governance Council (GGC) for consideration before the vote at the General Assembly of Partners. The report may be accompanied by an action plan, progress against which would be monitored by the IQCC.



## 5. Our culture and overall talent policy

### Our culture and overall talent policy

You join Mazars to learn. Education is the backbone of Mazars' talent and leadership development strategy, fundamentally embedded within our culture. In a knowledge-intensive industry, we very much rely on the quality of our people. Learning and development at all stages of the professional journey is what is expected from a responsible, modern firm. This is what we owe to our people, clients, stakeholders and society as a whole.

### Making Mazars a school of excellence

We are convinced the evolution of our profession and the aspirations of our people compel us to shift from a knowledge-intensive to an education driven model. Over the past few years, we have undertaken efforts and implemented tangible measures to turn Mazars into a school of excellence that provides learning and development opportunities to all our staff, from young graduates to the most senior team members.

In our effort to ensure quality and provide increasingly valuable services to our clients in a globally consistent manner, we continue to invest in the development or enhancement of our approach to global delivery. We have made considerable efforts this year to develop a new global internal audit procedure as well as a new IT assurance system. We have reinforced this commitment to quality with significant investments in the training and professional development of our teams to ensure that they have the technical skills necessary to exceed our client's expectations.

Apart from external professional courses or locally developed training and seminars, our staff has access to a wide range of training materials on a specially designed platform (Mazars U Learning) where all our professionals can find training materials addressed to their level and development needs. Completion of relevant training for each level is part of the performance KPIs of our staff.

The members of professional organisations (such as CAFR or ACCA) follow the minimum CPD / CPE requirements. Auditors authorised by ASPAAS to perform statutory audits in Romania follow the minimum number of training hours requested by the local supervisory authority (including training organised by ASPAAS or CAFR), and report annually to ASPAAS on the number of hours of relevant training attended.

### CSR as a pillar of our long-term development

CSR is an essential component of the modern firm we strive to be, and a key driver for our middle and long-term development strategy. We present our CSR approach in detail in our group sustainability report.

We have chosen to place our focus on four major areas where we believe we can make a real difference: by trusting our experts, innovation and technology, placing diversity and inclusion at the forefront of our growth, developing sustainable services to help clients achieve responsible long-term growth, fighting to reduce our climate impact and engaging with our communities to create shared value. Our strategy is fully consistent with our purpose to help build the economic foundations of a fair and prosperous world.

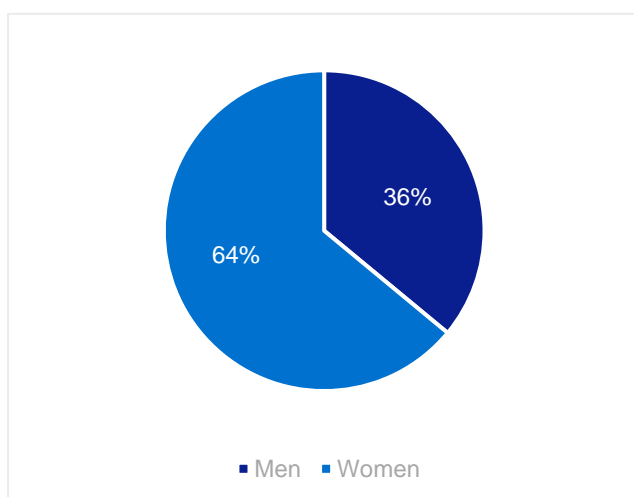
## Diverse by nature, inclusive by design

We have built Mazars as an inclusive firm, where everyone can find their place, regardless of gender, ethnicity, age, ability, sexual orientation, religion, geographical, social, or cultural origin.

We know that the value for our business, our clients and our communities is created by embracing different perspectives, empowering our people, and bringing to the table varied backgrounds, views and skills. Over the last few years, we have focused on increasing the representation of women in leadership positions. Today, women make up 64% of our senior leadership and 3 out of 7 partners in Romania are female.

Our HR and D&I teams strive to create an inclusive environment for all our employees that enables them to thrive. While we recognise and celebrate all forms of diversity, we have identified gender diversity as our primary area of focus. By shaping our culture and long-term strategy around inclusion, our leadership is committed to building a diverse global firm that recognizes and rewards differences.

### Women in leadership positions



## 6. Ensuring our objectivity and independence

### Practices implemented in the matter of independence

Mazars in Romania places a significant emphasis on upholding the principles of independence, which is highlighted both in the "Code of Conduct for Objectivity and Independence" (CCOI) issued at the group level and distributed to all Mazars' partners and auditors, as well as in the locally adapted version of the Quality Assurance Manual (Mazars' "Quality Assurance Manual" - QAM).

All employees of Mazars in Romania involved in auditing activities have to sign a declaration of independence upon employment, followed by an annual independence declaration, adhering to the format developed centrally and in line with the International Federation of Accountants (IFAC) Code of Ethics requirements.

The signed declarations are collated and reviewed by the employee responsible for the acceptance and independence process, and any matter reported by employees is escalated to the partner in charge of the acceptance and independence process, which is the Head of Audit & FAS.

In addition, beyond the annual signed declarations, employees involved in audit missions are trained to report any circumstances that could potentially compromise their independence, occurring during a financial year, between the instances of signing annual declarations. For some audit missions (for instance, in the case of public interest entities explicitly requesting this), audit team members sign specific independence declarations before initiating auditing procedures for the respective clients.

Each year, upon the completion of the annual declarations signing process, an internal assessment of independence compliance is conducted, and any potential deviation from independence rules is individually analyzed. For the reference year (2021-2022), no issues were reported that could potentially influence the auditor's independence from the firm's audit clients.



## 7. Information regarding the Partner compensation policy

The profit generated within Mazars is divided among partners based on 'base points' that are allocated to each partner. The calculation of the value assigned to the base points takes into account two criteria: the overall performance of the Mazars Group and the results of the local entities in which the partners from a specific country contribute. Each element (global results and local results) carries equal weight in this calculation.

Partners receive a portion (corresponding to the number of base points allocated to each) from a sum allocated to each country based on the results of the respective country (referred to as the 'country envelope').

Base points are allocated to partners, on the recommendation of the Partner responsible for activities in each country (the 'Country Executive') and under the supervision of the Group's Governance Council (the 'Group Governance Council' – GGC), based on the country's total results and the individual performance of each partner. Performance is evaluated based on several criteria:

- Professionalism, technical knowledge, and adherence to professional standards.
- Partnership spirit / understanding and respect of partnership values.
- The importance and complexity of the engagements managed.
- Contribution to the overall development of the local entity and of the Group.
- Level of managerial responsibility.

All these factors are analysed collectively, with the most significant emphasis placed on technical skills and partnership spirit.

The funding of local activities is exclusively dependent on each local entity, and each partner contributes proportionately to the profit-sharing system.



## 8. Partner rotation policy

In respect of the rotation of the key audit partners for Public Interest Entities („PIEs”), Mazars in Romania has adopted the rules and periods provided in Art. 17, paragraph (7) of the EU Regulation no. 537/2014, with exceptions provided by the local specific regulations (where applicable).

Thus, for PIE audits, the key partners are replaced after seven years since they were appointed as responsible for the audit of the relevant entity(ies) so that the maximum length of the mandate of a key audit partner does not exceed seven years.

After the replacement as a key audit partner, the partner in question shall not be involved in the audit of the relevant PIE for a cooling-off period of at least three years.

For entities authorised, regulated and supervised by the Financial Supervisory Authority („ASF”), the specific rules issued by ASF (as reflected in the Norms issued by this authority), are followed in terms of auditors’ rotation or key audit partners’ rotation.



## Appendix 1 – List of Public Interest Entities audited in 2022

Public Interest Entities (PIEs) for which audit reports were issued in 2022:

ABC ASIGURARI - REASIGURARI SA
AEGON PENSII - Fondul de Pensii Administrat Privat "VITAL"
AEGON PENSII - Fondul de Pensii Facultative "Aegon ESENTIAL"
AEGON PENSII - SOCIETATE DE ADMINISTRARE A FONDURILOR DE PENSII PRIVATE S.A.
ALLIANZ-TIRIAC PENSII PRIVATE - Fondul de Pensii Facultative AZT Vivace
ALLIANZ-TIRIAC PENSII PRIVATE - Fondul de Pensii Administrat Privat AZT Viitorul Tau
ALLIANZ-TIRIAC PENSII PRIVATE - Fondul de Pensii Facultative AZT Moderato
BCR PENSII - Fondul de Pensii Facultativ BCR Plus
BCR PENSII - BCR Fond de Pensii Administrat Privat
BNP PARIBAS LEASING SOLUTIONS IFN S.A.
BURSA DE VALORI BUCURESTI S.A.
COMPANIA DE APA OLTENIA SA
C.E.T. GOVORA SA
COMPANIA NATIONALA "IMPRIMERIA NATIONALA" SA
DEPOZITARUL CENTRAL S.A.
ECOFINANCE IFN S.A.
FONDUL DE COMPENSARE A INVESTITORILOR
FERRATUM ROMANIA I.F.N. S.A.
FONDUL LOCAL DE GARANTARE FOCȘANI IFN SA-FILIALA FNGCMM
FONDUL NATIONAL DE GARANTARE A CREDITELOR PENTRU INTREPRINDERILE MICI SI MIJLOCII SA - IFN
GRAWE ROMÂNIA ASIGURARE S.A.
GROUPAMA ASIGURARI S.A.
METROPOLITAN LIFE SOCIETATE DE ADMINISTRARE A UNUI FOND DE PENSII ADMINISTRAT PRIVAT S.A.
METROPOLITAN LIFE PENSII - Fondul de Pensii Administrat Privat Metropolitan Life
OPERATORUL PIEȚEI DE ENERGIE ELECTRICĂ ȘI DE GAZE NATURALE "OPCOM" S.A.
POOL-UL DE ASIGURARE ÎMPOTRIVA DEZASTRELOR NATURALE SA (PAID)
SOCIETATEA NATIONALA "NUCLEARELECTRICA" SA
SWISS CAPITAL SA
S.A.I. SWISS CAPITAL ASSET MANAGEMENT SA

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Mazars is an internationally integrated partnership, specialising in audit, accountancy, advisory, tax and legal services.\* Operating in over 90 countries and territories around the world, we draw on the expertise of more than 44,000 professionals – 28,000+ in Mazars' integrated partnership and 16,000+ via the Mazars North America Alliance – to assist clients of all sizes at every stage in their development.

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