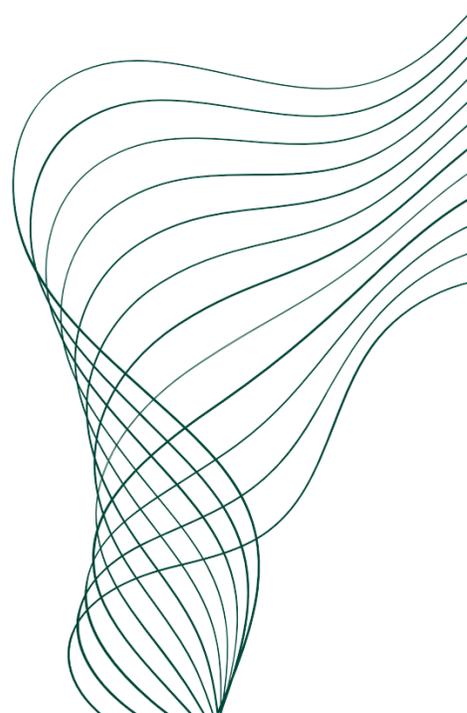




IMPLICATIONS FROM THE WIRECARD SCANDAL FOR THE GERMAN AUDIT OVERSIGHT

A GRADUATION PRESENTATION

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INTRODUCTION

OVERVIEW APAS

APAS = "Abschlussprüfer Aufsichts Stelle", the Audit Supervisory Authority

Locations: Berlin (HQ), Düsseldorf, Eschborn

Employees: 55 (Dez. 2022)

Founded: March 2016

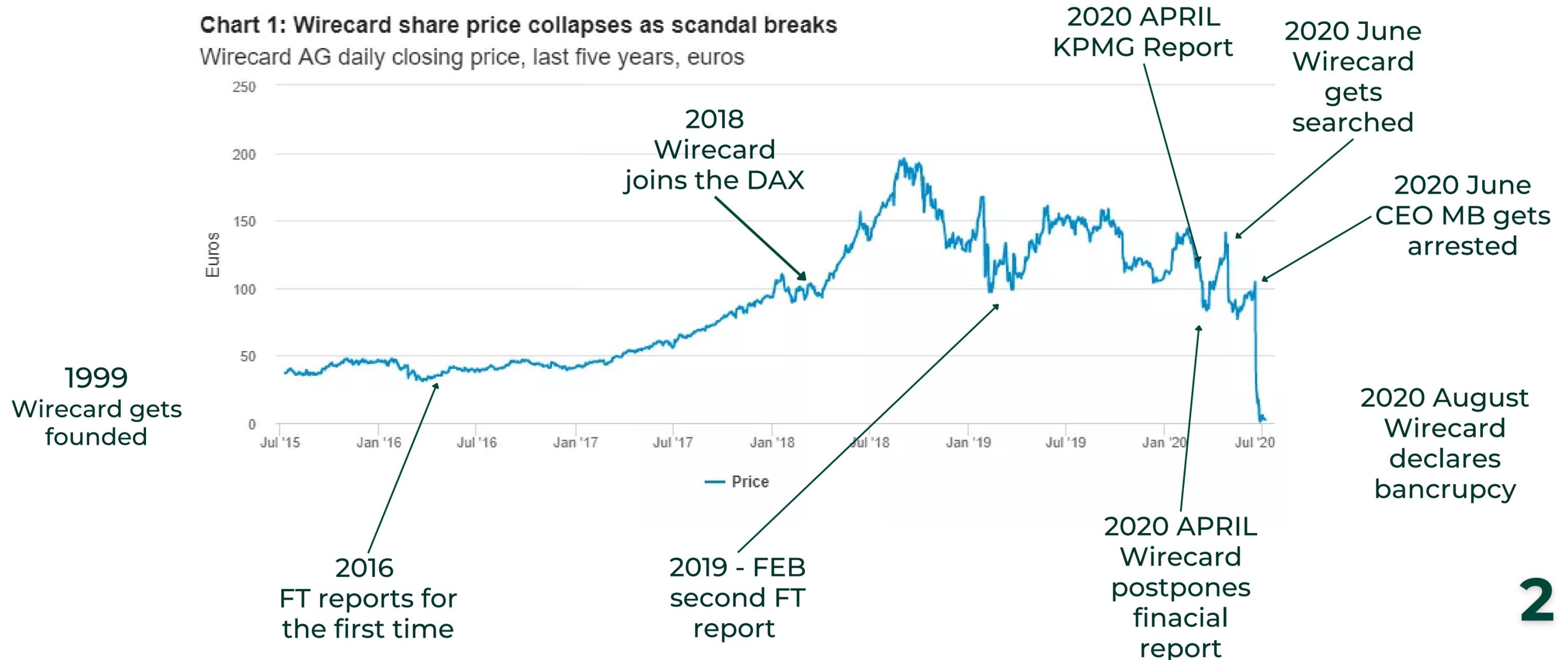
Organizational Structure: independent, autonomous, and integrated into the German Federal Office of Economics and Export Control (BAFA)

Tasks: organization, planning, and implementation of the inspections and the professional supervision procedures for Auditors

INTRODUCTION

Wirecard Case Timeline

Chart 1: Wirecard share price collapses as scandal breaks
Wirecard AG daily closing price, last five years, euros



RESEARCH QUESTION

What can be done to strengthen the controlling position of APAS in the German Audit industry?



How can APAS be compared to the US Public Company Accounting Oversight Board (PCAOB)?

SUB - N°1



What are the conclusions that can be drawn from the comparison?

SUB - N°2

W

What is the Wirecard scandal and how did it unfold?

SUB - N°3

W

Given the Wirecard scandal and its given possibilities, what are the implications for the German oversight authorities?

SUB - N°4

KEY FINDINGS



APAS has a Shortage of skilled personnel



In terms of transparency, APAS lags behind in an international comparison



Strong Corporate Governance and accountability are key to preventing fraud



The new FISG act is considered among auditors as not effective

RECOMMENDATIONS

RESOURCES



- Combat the shortage of skilled personnel at APAS by making working at the APAS more attractive
 - > remuneration
 - > Create an attractive work environment
 - > Create more positions for auditors

- Enhance Organizational Transparency
 - > Strengthening Publication Practices
 - > Improving Disclosures and Information Accessibility

TRANSPARENCY



RECOMMENDATIONS

INTERNATIONAL



- study the best practices of other international oversight bodies
 - > Continue international harmonization
 - > Foster international Exchange of information

- regularly review and assess the effectiveness of oversight mechanisms and regulations
 - > Proactive adjustments to regulatory frameworks
 - > Consider feedback from auditors

IMPROVEMENT



PROFESSIONAL PRODUCT

ORGANIZATIONAL TRANSPARENCY: KEY TAKEAWAYS

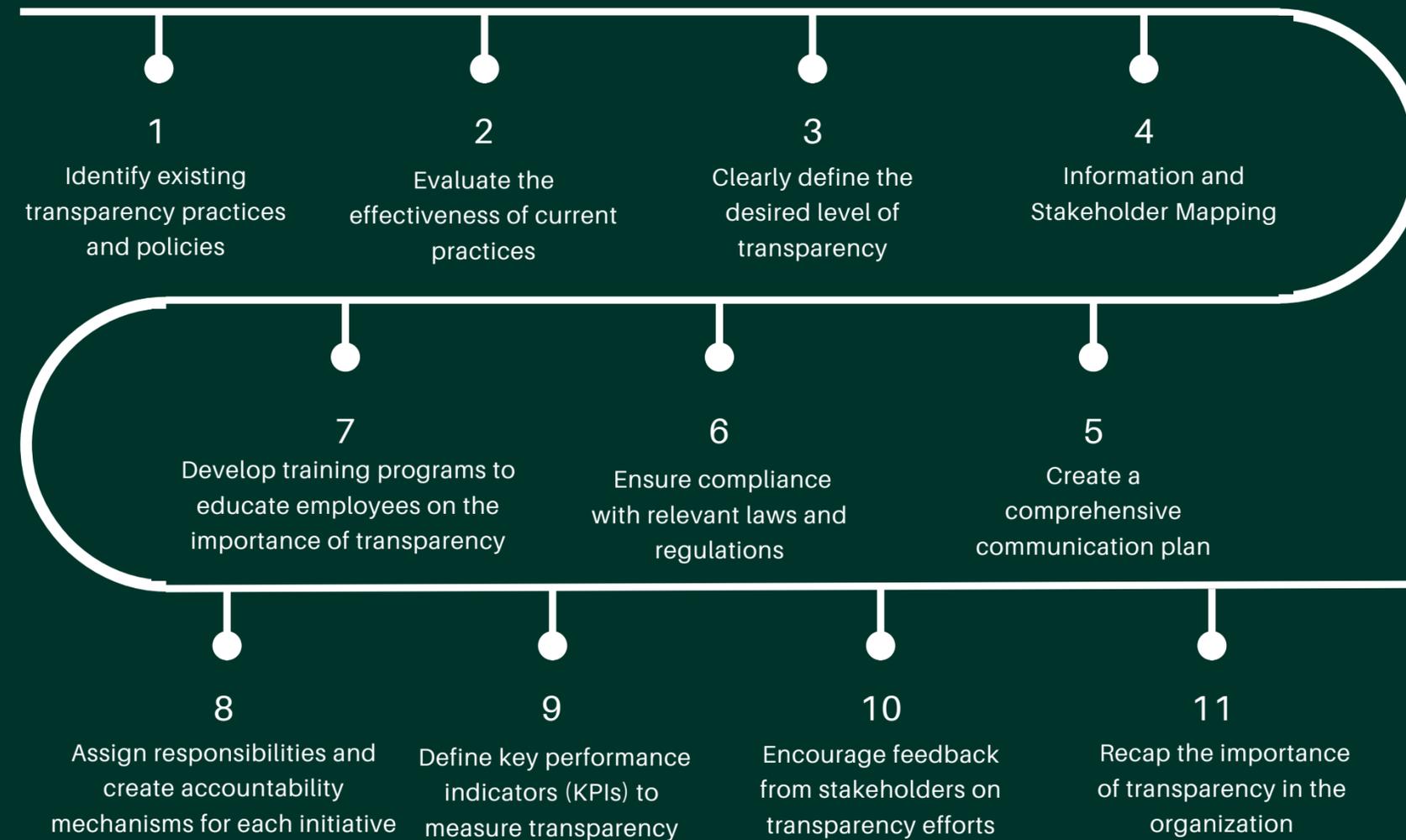
- A. Builds trust and credibility among stakeholders
- B. Promotes accountability and ethical conduct
- C. Facilitates effective communication with other stakeholders
- D. increases international Alignment

HOW CAN THE APAS IMPROVE ITS ORGANIZATIONAL TRANSPARENCY?

JANIK BRANDT
JUNE 28TH 2023

PROFESSIONAL PRODUCT

Implementation Plan for improved Organizational Transparency at APAS





SUITABLE

Due to the Wirecard scandal, trust in the auditing supervisory organizations in Germany has been damaged.
-> important to rebuild trust and credibility with stakeholders and the public.



ACCEPTABLE

The recommendations are attainable and are aiming to proactively work toward preventing fraud. Furthermore, the measures would improve APAS's reputation.



FEASIBLE

APAS is a governmental authority with access to a sufficient amount of employees, financial resources, and know-how to implement the recommended transparency actions.



CONCLUSION

effective
Corporate
Governance is
key in preventing
foul play

1



very difficult to
rule out fraud or
scandals like
Wirecard, will
likely happen
again.
-> improve
reaction time

2



APAS can be
strengthened
through continuing
efforts to make its
oversight more
effective and
transparent
-> looking abroad
towards PCAOB

3

**THANK YOU FOR YOUR
ATTENTION**

... AND SO MUCH MORE.

