Press release: Activity report 2013

In 2013, the FREP completed 110 examinations (prior year: 113), including 98 sampling examinations and 12 examinations that were indication-based or performed at the request of the Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin – Federal Financial Supervisory Authority).

At 14%, the rate of financial statements found to be erroneous was again lower than the prior year rate of 16%, continuing the declining trend in the error rate despite FREP examinations being perceived by companies that had experienced more than one examination as having become more rigorous in recent years.

A normalized error rate was determined to facilitate a more refined presentation. This normalized rate reflects adjustments for duplicate errors and for examinations confirming known errors and amounted to 11% in 2013 (prior year: 16%).

A follow-up on 2012 found positive results: Errors identified were corrected in the subsequent financial statements and companies implemented the FREP’s recommendations for future financial reporting.

Over the past year, the FREP again held discussions with audit firms auditing publicly listed companies to share experiences in an effort to prevent errors.

The FREP regularly discusses current issues related to the enforcement of financial reporting in Germany and Europe with representatives of the BaFin, the Federal Ministry of Justice and Consumer Protection, and the Federal Ministry of Finance.

Further information about the FREP is available under www.frep.info.