
The FREP completed 96 examinations (prior year: 81), including 87 unlimited scope examinations, seven indication-based examinations, and two examinations performed at the request of the Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin – Federal Financial Supervisory Authority) in 2016.

The error rate of 16% was at a low level similar to the last three years in 2016. The normalized error rate, which reflects adjustments for duplicate errors and for examinations confirming known errors, amounts to 12% (prior year: 10%).

The follow-up on 2015 once again found positive results: Almost all errors identified were corrected in the subsequent financial statements. The vast majority of FREP recommendations were implemented the following year, as well.

The FREP has revised its principles for sampling companies for examination in 2016. As a result of the change, the higher the risk inherent in the company’s financial reporting, the higher the risk of an examination by the FREP.

In addition to the common European enforcement priorities, the 2017 round of examinations will also focus on the national enforcement priorities: impairment testing of property, plant and equipment and certain aspect of consolidation.

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