



# The Auditor's role in Monaco

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# 1. The legal audit mission in Monaco

The **auditor** must assure the shareholders and third parties that the financial statements presented to them give a **true and fair view of the entity's financial situation**.

## What is a legal audit?

The **legal audit mission** of the **auditor** is governed in the Principality of Monaco by the [article 8 of Law 408 of 20/01/1945](#).

This is a "general and permanent supervisory mission, with the widest powers of investigation, relating to the regularity of the operations and accounts of the company and to compliance with the legal and statutory provisions governing its operation. "

The **auditor** analyzes the **risks of significant irregularities** in the accounts and determines the **control work** he must perform, both in terms of the entity's internal procedures and in the accounts.

The audit procedure results in the **issuance of an opinion on the annual accounts** of the audited entity.

## Is your business in Monaco subject to legal audit?

According to the article 8 of Law 408 of January 20, 1945, the **legal audit is compulsory** for the following entities, without any other condition than their legal status:

- Sociétés Anonymes Monégasques (SAM) <sup>1</sup>
- Sociétés en Commandite par Actions (SCA) <sup>2</sup>

1. *Monegasque Limited Companies*
2. *Partnerships Limited by Shares*

The **obligation to appoint an auditor** also applies to the following companies ([article 3 of Sovereign Order no.993 of February 16, 2007 implementing Law 1331 of January 8, 2007 on companies](#)):

- Sociétés à responsabilité limitée (SARL) <sup>1</sup>
- Sociétés en nom collectif (SNC) <sup>2</sup>
- Sociétés en commandite simple (SCS) <sup>3</sup>

1. *Limited Liability Companies*
2. *General Partnerships*
3. *Limited Partnerships*



When their **share capital is greater than 150,000 euros** or, when for **two consecutive years two of the following three thresholds** are met:

- The **total of their balance sheet is over 1.5 million euros**.
- Their **tax-free turnover exceeds 2.5 million euros**.
- The **number of employees they employ is more than 20**.

The auditor, designated in application of the previous paragraph, is **appointed by the ordinary general meeting of shareholders** for a renewable period of **three fiscal years**.

## 2. KPMG, a guarantee of quality

To overcome your challenges, KPMG Monaco puts at your service **experienced professionals** combining **technical skills** with **excellent sector knowledge**:



### 3. A bespoke audit approach



#### Planning

- Identification and assessment of risks.
- Analysis of significant transactions and consolidated financial statements.
- Analysis of accounting systems and reporting activities.



#### Assessment of controls

- Assessment of the design and application of the selected controls.
- Tests of their operational efficiency.



#### Detailed procedures

- Assessment of control risk and the risk of material failures.
- Detailed procedures and substantive analysis or analytical procedures and tests of detail.



#### Synthesis

- Summary of recommendations and points of attention.
- Issue of our limited review and audit opinions on the annual financial statements.

## 4. The assurance of a strong relationship with a committed team to meet your needs

### Proximity



**References** in your sector guaranteeing an understanding of your challenges and our integration to your group.



A **direct, open, and constructive mode of communication** with Management and Governance.



An experienced team of around thirty employees and **100% based in Monaco** who will support you in achieving your goals.

### Added Value



Increased knowledge of **the Monegasque environment**; for a bespoke audit approach that will fit into your organization.



The commitment of a scalable, fully digital, and secure audit, which adapts to your challenges and your transformations.  
A **secure electronic signature** of statutory audit reports.



Multidisciplinary specialists at your disposal to bring you a new vision.

Our **local IT specialists** are present to assist with the audit mission of your information systems.

## Efficiency



Ability to be operational quickly, thanks to a solid **knowledge** of your sector.



Investing in tools, work methodologies and **innovative technologies** to optimize the value of our work (IDEA, Power BI, KCW, etc.).



Efficient functioning within the Board of Auditors based on **transparency** and joint responsibility.



## Contact us

**Bettina Ragazzoni**

Partner

[bragazzoni@kpmg.mc](mailto:bragazzoni@kpmg.mc)

**Stéphane Garino**

Senior Partner

[sgarino@kpmg.mc](mailto:sgarino@kpmg.mc)

**Bernard Squecco**

Partner

[bsquecco@kpmg.mc](mailto:bsquecco@kpmg.mc)

**Anne-Marie Felden**

Partner

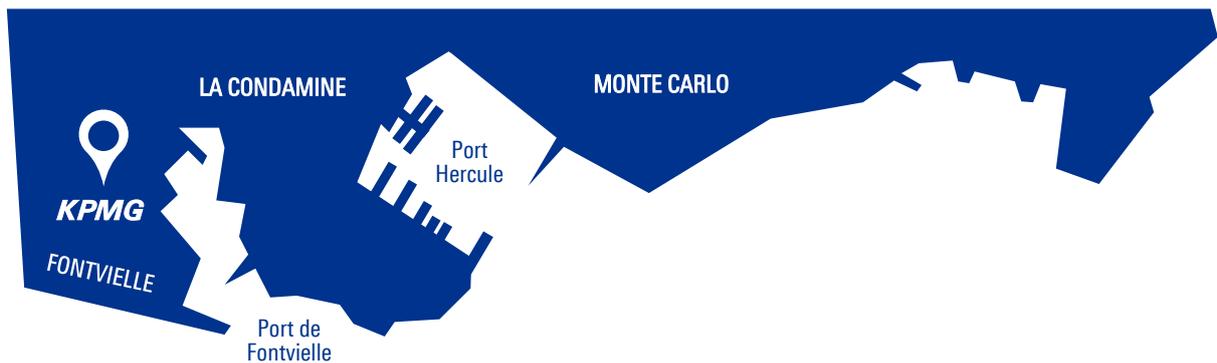
[afelden@kpmg.mc](mailto:afelden@kpmg.mc)

**Xavier Carpinelli**

Partner

[xaviercarpinelli@kpmg.mc](mailto:xaviercarpinelli@kpmg.mc)

 [2, rue de la Lùjerneteta - "Athos Palace" - 98000, Monaco](#)



[+377 97 777 700](tel:+37797777700)



[www.KPMG.mc](http://www.KPMG.mc)



[mc-contact@kpmg.mc](mailto:mc-contact@kpmg.mc)



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