

Mazars contribution to European Commission consultation on the draft Delegated Act supplementing Regulation (EU) 2022/2065 by laying down rules on the performance of audits for very large online platforms and very large online search engines

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As a global audit firm born in the European Union, Mazars welcome the DSA and the DMA as EU pioneering initiatives to create a safer digital Internal Market and stands ready to contribute to their successful implementation.

Independent and consistent audits will play an important role in achieving DSA end goals: the transparency and accountability of major digital players in the Union. Mazars welcome the opportunity to comment the draft Delegated Act laying down rules on the performance of audits for very large online platforms (VLOPs) and very large online search engines (VLOSEs).

Having in mind the overall objective of designing audit rules sufficiently flexible to capture all kinds of VLOPs and VLOSEs and their forthcoming evolutions, we recommend enhancing legal certainty on the independence of the auditor (I) and harmonizing the audit processes and benchmarks to ensure more meaningful audits and the comparability of audit results (II).

(I) Independence of the auditor

An efficient implementation of the DSA requires that enough auditors with the appropriate expertise are able and willing to carry out the DSA audits in the long run.

While laying the foundations for the creation of a new, diverse, and vibrant audit ecosystem, which is a prerequisite for the performance of high-quality audit, the new regulation should “pre-empt unintended consequences in the market for auditing services” (DA Whereas 3) – especially the risks of concentration and audit capture that are documented in a recent academic study¹. In addition, the failure of an audit firm when carrying out another kind of audits (on financial or sustainability reporting) might unintentionally impact the performance of audits under the DSA. This risk might arise if the new DSA audit market replicates the same high level of concentration as the one in the financial audit market². Accordingly, we recommend that the Commission monitors the DSA audit market structure once the first selection of auditors by audited providers occurred and, if needed, takes appropriate action.

In addition, to facilitate the selection of auditors by the audited providers, the Delegated Act could further specify the definition of forbidden non-audit services that are likely to generate conflicts of interest. Bidding predictability would be enhanced if the specific consulting services cases were listed in a core Article of the Delegated Act.

¹ [Taming the Few: Platform Regulation, Independent Audits, and the Risks of Capture Created by the DMA and DSA by Johann Laux, Sandra Wachter, Brent Mittelstadt :: SSRN](#)

² [Report on Audit Market Monitoring 2020 \(europa.eu\)](#)

(II) Meaningful, consistent, and comparable DSA audits

For the DSA audits to successfully achieve their purpose, we recommend to further define the benchmark according to which their performance will be appreciated, and the quality work of DSA auditors assessed.

1. For audit reports and audit results to be consistent and comparable, they should be performed according to common specific criteria. The auditor should not be held responsible for defining such criteria (including materiality thresholds, samplings and tests criteria), but the Commission and/or an independent body should establish them as soon as practicable and provide appropriate guidance for audited providers and auditing organisations. Until then, auditing organisations should perform the audit against the criteria provided by each audited provider, in conformity with DA Article 5.1.
2. To prevent diverging practices and approaches by auditing organisations, the Delegated Act should specify the assurance standard according to which the DSA audit should be performed. The international assurance standard ISAE3000 helps harmonising the audit and testing methodologies performance.

In addition, audit efficiency would be enhanced if the DA includes:

- Specifications on the DSA testing procedures,
 - Definitions of specific requirements, material topics, principles, and thresholds in relation to DSA compliance.
3. Finally, to clearly define the roles and responsibilities of the audited provider and the auditor, the DA should explicitly require a management assertion on the VLOP/SEs compliance with DSA requirements in a core Article.

Phasing in – limited and reasonable assurance

Having in mind that the whole DSA auditing process will go through a learning curve, to ensure that the right conditions and benchmarks are in place to efficiently perform a DSA audit with a reasonable level of assurance, we recommend adopting a two-step approach that will allow to build the right DSA audit framework over time and experience. The first DSA audits due in September 2024 would benefit from being performed with a limited assurance, and the reasonable level of assurance could be required for the second DSA audit exercise (2025), when the audited providers and the auditing organisations have a common understanding of the relevant criteria and standards.

Audit of the implementation report

If the audit opinion is not positive, the audited provider must release an implementation report - but the DA does not specify whether such audit implementation report should be reviewed and audited by the auditing organization, which would be consistent.

Finally, DSA audit reports should be made publicly available in a concise and comparable format to be easily readable by all stakeholders.

[Read the contribution on the European Commission's website.](#)