

PRESS RELEASE

5TH MEETING OF THE INSPECTIONS SUB-GROUP OF THE CEAOB

THE INSPECTIONS SUB-GROUP OF THE CEAOB MEETS TO SHARE GOOD PRACTICE AND PROMOTE CONSISTENCY AMONG REGULATORS

The 5th meeting of the Inspections Sub-Group (ISG) of the CEAOB was hosted by the Abschlussprüferaufsichtsbehörde (APAB) of Austria in Vienna on 28 and 29 November 2018. The meeting was chaired by the Dutch Authority of the Financial Markets (AFM) and was attended by 28 countries.

Highlights of the meeting include:

Dialogue with the leadership of the International Standard Setters

As part of the audit regulators' ongoing dialogue with the standard setters, the members of the CEAOB Inspections Sub-Group and the CEAOB International Auditing Standards Sub-Group met with the leadership of the International Auditing and Assurance Standards Board (IAASB) and the International Ethics Standards Board for Accountants (IESBA) to discuss their standard setting activities and the potential for changes to standards in reducing the level of audit quality related findings by inspectors.

Dialogue with the leadership of PwC

As part of the audit regulators' ongoing dialogue on improvements in audit quality with large European audit networks, the ISG members met with representatives of PricewaterhouseCoopers to discuss the firms' plans to improve the quality of their audits.

Discussion of common inspection findings

The ISG maintains a database of inspection findings for its members to share knowledge and to identify any recurring findings from inspections that should be discussed with the firms and standard setters. Based on analysis of the database, the ISG members discussed the nature of findings related to the audit of inventory and disclosures, being among the most common inspection findings, as well as potential causal factors for these findings.

Presentation of detailed inspection approach

The ISG continued a series of presentations by individual regulators of their inspection approach. Finanstilsynet presented the approach adopted in Norway.

Other areas covered during the meeting

ISG members shared experience on a number of other topics, including inspections reporting and grading systems, the cooperation with the participants of the ESMA European Enforcers Coordinated Sessions and the preparation for the next Market Monitoring report.

About the CEAOB and the Inspections Sub-Group

The Committee of European Auditing Oversight Bodies (CEAOB) is the framework for co-operation between national audit oversight bodies at an EU level. Its role is to strengthen EU-wide audit oversight. By facilitating supervisory convergence, the CEAOB contributes to the effective and consistent application of the new EU audit legislation throughout the EU. The CEAOB is composed of representatives of the national audit oversight bodies of the EU and the European Securities and Markets Authority (ESMA).

The purpose of the CEAOB Inspections Sub-Group is to further enhance the cooperation and consistency among CEAOB members on the subject of inspection activity and to have effective communication with the audit firms and other third parties, with the aim of supporting the objective of the CEAOB to improve audit quality and confidence in audits.

Further information about the CEAOB can be found on its [website](#). For further information about this press release, please contact EC-CEAOB-SECRETARIAT@ec.europa.eu.

About Colleges of audit regulators

Colleges of regulators have been set up in accordance with Article 32 of the EU Audit Regulation (No 537/2014) to encourage increased co-operation between certain EU competent authorities for audit in respect of quality assurance monitoring activities. Currently four Colleges are in place, one for each of the four largest audit firm networks, each led by a College facilitator.