



PRESS RELEASE

16TH MEETING OF THE INSPECTION SUB-GROUP OF THE CEAOB

05-11-2024

THE INSPECTION SUB-GROUP OF THE CEAOB MEETS TO SHARE EXPERTISE AND EXPERIENCE AMONGST REGULATORS, TO LIAISE WITH INTERNATIONAL STANDARD SETTERS AND TO ENGAGE IN DIALOGUE WITH EUROPEAN NETWORKS OF AUDIT FIRMS.

The 16th meeting of the Inspection Sub-Group (ISG) of the CEAOB was hosted by the Hellenic Accounting and Auditing Standards Oversight Board (HAASOB) in Chania, Crete on 16-18 October 2024 and hosted virtually on 5 November. The meeting was chaired by the Luxembourg Commission de Surveillance du Secteur Financier (CSSF) and was attended by 29 countries (EU and EEA countries).

Highlights of the meeting include:

Dialogue with the leadership of the International Standard Setters

The membership of the CEAOB ISG, jointly with the International Auditing Standards Sub-Group (IAS SG) met with the respective Chairs and representatives of the International Audit and Assurance Standards Board (IAASB) and of the International Ethics Standard Board for Accountants (IESBA) to discuss their standard setting activities, including standards for assurance on sustainability reporting.

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 met with representatives of PwC to discuss the network firms' plans and activities to further improve the quality of their audits. Topics included matters related to the CSRD (Corporate Sustainability Reporting Directive) implementation, the implementation of the International Standards on Quality Management (ISQM) in relation to Independence and Resources and Governance and Leadership. As a permanent agenda item, the meeting also addressed the results of PwC's internal monitoring and CEAOB inspection findings.

The PwC College and the organising committee of the ISG will follow up on discussions of the above topics and other quality initiatives at European and Global levels.

Sustainability Reporting and Preparation for Corporate Sustainability Reporting Directive (CSRD)

The ISG received a presentation of the CEAOB guidelines on limited assurance on sustainability reporting and an update on the technical advice to the European Commission on ISSA 5000. The ISG members discussed the challenges for the preparation for sustainability inspections.

Colleges of Regulators Activities

ISG members received a presentation from the Colleges Facilitators on the outcome of the Independence and Resources thematic review performed both at Firm and National Competent Authority levels.

Task Force Activities

The Financial Services Task Force presented the output of a survey performed on crypto assets across National Competent Authorities.

The IT Task Force presented a paper analysing the challenges and applications of advanced technologies in audit firms including status, trends, examples, and tools.

Common Audit Inspection Methodology (CAIM)

As part of the ongoing enhancement of the CEAOB inspection methodology, the ISG members adopted the revised CAIM work program on ISA 600 (revised). A public version of the CAIM work programs will be available on the CEAOB's website.

Other areas covered during the meeting

Members discussed their perspectives on private equity investments and ownership of audit firms.

As a permanent agenda item, members discussed on the usage of the inspection database and were provided with an analysis of the Member profile.

Within the virtual meeting ISG members approved the 2025 work plan of the subgroup, the work plans of the Financial Service Task Force, The IT Task, Force, the Training Task Force and the CAIM Task Force and the work plans of the Colleges of regulators for 2025.

About the CEAOB and the Inspection 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 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 Inspection 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.