

**PRESS RELEASE****10<sup>TH</sup> MEETING OF THE INSPECTIONS SUB-GROUP OF THE CEAOB**

19-11-21

**THE INSPECTIONS SUB-GROUP OF THE CEAOB MEETS TO PROMOTE AUDIT QUALITY AND CONSISTENCY AMONG REGULATORS**

Given public health restrictions arising from the ongoing COVID-19 pandemic, the 10<sup>th</sup> meeting of the Inspections Sub-Group (ISG) of the CEAOB took place virtually from 17 to 19 November 2021. The meeting was chaired by the Commission de Surveillance du Secteur Financier (CSSF) Luxembourg and was attended by 28 countries.

**Highlights of the meeting include:***Dialogue with the leadership of the International Standard Setters*

Continuing the audit regulator's dialogue with the standard setters, the members of the CEAOB Inspection Sub-Group and the International Auditing Standards Sub-Group met for the fifth time with the leadership of the International Audit and Assurance Standard Setting Board (IAASB) and the International Ethics Standard Board for Accountants (IESBA) to discuss their standard setting activities and the potential for enhancement to standards to address issues raised by inspectors.

*Dialogue with the leadership of EY EMEIA*

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 EY EMEIA to discuss the firms' plans and activities to further improve the quality of their audits. Topics included presentation of methodology and results of internal monitoring and external regulatory reviews.

The audit firm's college and the organising committee of the ISG will follow up on discussions, particularly on subject dealing with the new quality management system the firms have to implement and other global quality initiatives.

*CAIM work program*

ISG members adopted the CAIM work program for inspection of Information Security & Cybersecurity at the audit firms.

*Launch of a training task force*

ISG members have decided to create a new task force responsible for identifying the training needs for inspectors, establishing an annual training plan and coordinating the organisation of the trainings.

*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 within the firms and standards setters. Based on analysis of the database entries, the ISG members discussed the nature of findings related to Information Technology audit work as well as potential causal factors for these findings. An Infographic on that topic is attached to this press release and will be available on the CEAOB's [website](#).

*Presentation of detailed inspection approach*

The ISG continued a series of presentation by individual members of their inspection approach. The CSR-CTR presented the approach adopted in Belgium.

*Other areas covered during the meeting*

ISG members shared their experience on a number of other topics, including an insight on the relevant developments in audit markets based on an IFIAR report published in July 2021, a presentation on the updated CEAOB guidelines on the auditor's involvement on financial statements in ESEF, an update on the materiality survey performed at CEAOB level and discussed the ISG's work plan and the work plans of the College of audit regulators for 2022 and co-operation with third country audit regulators.

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*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 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.



*CEAOB ISG virtual meeting*

*November 2021*

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](mailto: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.