



COMMITTEE OF
EUROPEAN
AUDITING
OVERSIGHT
BODIES

CEAOB 2022-030
Adopted on 4 November 2022

CEAOB INSPECTION SUB-GROUP

Work Plan 2023 and Outlook 2024

1. Introduction

In order to further trust in informative, reliable, and independent audit reports, the CEAOB fosters the improvement of audit quality in Europe. To fulfil this mission, the Inspection sub-group supports the development of expertise in its members, and it fosters sharing of experience, expertise and best practices in the area of inspections and has effective communication with the audit firms (through the coordination with the Colleges of Regulators) and other interest parties (international standard setters, public authorities and the general public).

This work plan sets out the key priorities and activities for the period to the end of 2024. This is later than the period of 2023 stated in the CEAOB work programme, because this way a full cycle of meetings with the audit firms can be planned. Any activity of the sub-group beyond the period covered by the 2023 CEAOB Work Programme may be subject to revision after the adoption of the 2023 CEAOB Work Programme.

2. Objectives

Through its ongoing work, the sub-group contributes to meeting the following CEAOB's core strategies:

1. **Harmonising regulatory approaches:** Increase consistency among the members through sharing and discussing inspection findings from different analysis perspectives (standard setting, practices relating to audits of Financial Services entities, IT) and development of the Common Audit Inspection Methodology (CAIM).
2. **Sharing expertise and experience:** Sharing inspection approaches, identifying training needs and solutions, coordinate interactions with third country audit regulators, organize dialogue with other CEAOB sub-groups, with other regulators (ESMA) and with the largest European networks of audit firms with the involvement of the Colleges.
3. **Contributing to policy making via regular dialogue with international standard setters:** Liaison with international standard setters in collaboration with the International Auditing Standards sub-group through the organisation of a joint meeting with IAASB and IESBA every year.

3. Longer term Outlook

Given that the primary focus of the sub-group is to improve audit quality, the sub-group goal is to enhance the quality of audit services and to better communicate its assessment of the quality through dialogue with the largest networks, but also by publishing infographics, for instance based on the analysis of the Findings Database.

The sub-group should also prepare for strategic changes in the audit profession as regards the revision of the audit directive and regulation and the corporate sustainability reporting directive and the additional role auditors may have to play in relation. The sub-group will evaluate the impacts, for auditors and inspectors in terms of knowledge, competency, training needs, audit services to be provided and related inspection procedures.

4. Summary

The table below sets out the proposed timings of each activity between 2022 and 2024.

	Nov. 2022 Amsterdam	June 2023 Ljubljana	Nov. 2023 TBD	June 2024 TBD	Nov. 2024 TBD
1. Harmonising regulatory approaches					
Sharing and discussing inspection findings through analysis of the Findings Database					
Consistency of inspection methodology: CAIM development and update (CAIM TF)					
Update from Financial Services task-force (FSTF)					
Update from IT task-force (ITTF)					
2. Sharing expertise and experience					
Sharing of inspection approaches and challenges					
Building of a training plan for inspectors and coordination of the delivery (Training task-force TTF)					
Update on interactions with PCAOB and other third countries audit regulators and coordinated quality assurance reviews between members					
Interaction with other CEAOB sub-groups / other regulators					
Dialogue with standards sub-group					
Dialogue with market monitoring sub-group					
Dialogue with enforcement sub-group					
Dialogue with ESMA					
Communication with audit firms					
Dialogue with Big-4 firms	PwC	Deloitte	EY	KPMG	PwC
Dialogue with the other firms		Mazars		GT	
Follow up on new quality initiatives by the firms, development of Data analytics and off-shoring activities					
Assess the main firms/networks to monitor					
Coordination with Colleges					
Update from Colleges					
Other communication matters					
Update work plan					
Input into annual CEAOB report					
Consideration of publication of surveys results and database findings					
3. Contributing to policy making via regular dialogue with international standard setters					
Joint meeting ISG-SSG with IAASB/ IESBA					