



24th plenary meeting of the Committee of European Auditing Oversight Bodies (CEAOB)

WebEx call

Summary of operational conclusions

Chair: Patrick Parent, Director in charge of prospective and international affairs, France's Audit Oversight Body (H3C)

Vice-Chair: Sven Gentner, Head of Unit 'Corporate Reporting, Audit and Credit Rating Agencies', DG FISMA replacing Director of Financial Markets, DG FISMA

12 March 2024

1. Welcome and introduction

The Chair welcomed the participants to the 24th plenary meeting of the CEOB.

2. Adoption of the agenda

Decision: The agenda was adopted without changes.

3. Adoption of the minutes and of the summary of operational conclusions of the CEOB plenary meeting on 23 and 24 November 2023

Decision: The minutes and the summary of operational conclusions of the previous meeting held on 23-24 November 2023 were approved subject to some changes requested by the members.

4. Update from the Chair

The Chair updated members on developments since the latest CEOB plenary meeting and provided them with an overview of the main topics included in the plenary's agenda (e.g., CSRD implementation and adoption of sustainability assurance standards, development of sustainability assurance guidelines, third country relations, technological developments and their impact on auditors' and oversight bodies' work).

5. Update from the Vice-Chair

The Vice-Chair provided members with an update on the current state of play of several activities on-going or under preparation by the Commission: mainly the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRSs), the European Single Access Point (ESAP) and the ESG ratings proposal.

6. Discussion on trends observed in the audit market and their potential consequences on enforcement (SSC, use of AI, development of additional missions for the auditors)

Members discussed the documents prepared for this agenda point, potential impact of new technologies and legislative developments on the auditors and their work and agreed that further follow up might be needed on these topics depending on the market's evolution.

7. Outreach session with the PCAOB

PCAOB representatives discussed with members several topics of common interest such as: an overview of the current cooperation with the EU audit oversight bodies, results and trends from PCAOB oversight and updates on PCAOB standards and rules.

8. Presentation and approval of a procedure for informing members of decisions resulting in temporary prohibitions

Members discussed with representatives of the secretariat the possibility of sharing the temporary prohibitions on the wiki.

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9. Updates from the Sub-groups Chairs

The Inspections sub-group Chair reported on the ongoing preparations of the next sub-group meeting to be held in Riga on 12 and 13 June.

The Enforcement sub-group Chair presented the activities of the sub-group: a webinar held on 18 December 2023 and three virtual meetings held in January and February 2024. Main topics of discussion were the preparation of the 2024 Enforcement Questionnaire and sharing of best practices. The organisation of the next sub-group meeting in Cyprus on 23 and 24 May 2024 is ongoing.

The International Auditing Standards sub-group Chair updated members on the ongoing work streams as regards the activities of the international standards setters for both statutory audit and assurance of sustainability reporting.

The Market Monitoring sub-group Chair presented the main activities of the sub-group: the publication of the 3rd Market Monitoring Report and the ongoing work on the refinement of existing market monitoring indicators, the creation of new indicators and the revision of the templates for the 4th Market Monitoring Report.

The International Adequacy and Equivalence sub-group Chair updated members on the ongoing activities to support the cooperation between European and third country audit regulators, mainly registration and supervision of third country auditors.

10. IEA SG update on equivalence and adequacy assessments in progress (including renewal of the adequacy decision for China)

The International Adequacy and Equivalence sub-group Chair updated members on the ongoing work related to two adequacy technical assessments.

11. MM SG - Update on template prepared for 2024 data collection

The Market Monitoring sub-group Chair presented members with an overview of the updates planned for the 4th Market Monitoring Report indicators and templates.

12. SSG - update on development of guidelines on assurance of sustainability reporting

The International Auditing Standards sub-group Chair updated members on the ongoing work as regards the development of guidelines on assurance of sustainability reporting. This work was triggered by a request received from the Commission.

The Commission provided some further explanations as regards this request. A letter was sent to the CEAOB Chair on 7 March and the letter was published to provide further clarity to the market as regards the next steps in the process of adopting limited assurance standards in the EU.

The Commission is asking CEAOB’s input as regards two main points. The first one concerns the development of non-binding guidelines (by end July 2024) to be submitted to a public consultation. The second one is technical advice for the development of EU specific add-ons (and possible carve-outs) to ISSA 5000 to be used for the preparation of the Delegated Act adopting limited assurance sustainability standards.

The presentations were followed up by a discussion between the members on this topic.

Decision: members voted on whether the CEAOB should continue working on this workstream. This work was approved with two objections.

13. Update on ESRS and CEAOB observership at EFRAG

The Chair of the CEAOB International Auditing Standards sub-group updated members on the recent developments regarding sustainability reporting in Europe. This was followed by a discussion with the members.

14. Approval of the 2023 Annual Report

Members provided some comments on the Annual Report.

The updated version of the report containing the comments received during the meeting will be submitted for approval by the members via written procedure.

15. Discuss proposed updated process to use the CEAOB wiki to share relevant information within the membership

The task force working on this project provided members with a presentation on the updated process to be used for sharing relevant information and questions on the wiki.

16. Outreach session with the NIBM

NIBM representative discussed with members their perspective on sustainability reporting and assurance and the need and use of reliable sustainability disclosures.

17. Outreach session with representatives of the civil society at EFRAG SRB

Civil society representatives discussed with members several topics of common interest such as the new elements brought in by sustainability reporting, elements of the sustainability reporting that need to be prioritised in audit and the strategic role of auditors and audit oversight bodies.

18. Debriefing from the outreach sessions

Members exchanged views on the outreach sessions held during this plenary call.

19. Adoption of a short plenary meeting summary for publication on the CEAOB webpage

The Chair presented the draft text of a short summary for publication on the webpage.

Decision: The document was approved pending some changes highlighted by members. Once updated, it will be published on CEAOB’s website.

20. Any other business. Dates and locations for the remaining plenary meetings in 2024

The date and location of the remaining 2024 plenary meetings were reminded to the members:

- 18 and 19 June (physical in Paris)
- 19 and 20 November (physical)