



**6th plenary meeting of the Committee of European Auditing Oversight Bodies (CEAOB)**  
**Centre Albert Borschette (Room 2D)**  
**Brussels, 27 February 2018**  
**Summary of operational conclusions**

Chair: Ralf BOSE, Chief Executive Director, Germany's Audit Oversight Body (AOB)

Vice-Chair: Dorota ZALIWSKA, Head of Unit Audit and Credit Rating Agencies, DG FISMA replacing Director Investment and Company Reporting, DG FISMA

**1. Adoption of the agenda**

**Decision:** The agenda was adopted without changes.

**2. Adoption of the minutes and the summary of operational conclusions of the previous meeting**

**Decision:** The minutes and the summary of operational conclusions of the previous meeting held on 13 November 2017 were approved.

**3. Chair's introductory remarks**

The Chair briefly updated the CEOB members on progress since the last CEOB meeting. Two meetings were held in January in Berlin with the Consultative Group and the sub-group Chairs. Main topics of discussion covered the progress with regard to the work plans of the sub-groups, possible areas of interaction between the sub-groups and the Draft Annual Report. A common CEOB response to the public consultation of the Monitoring Group was adopted and published.

**4. Vice-Chair's introductory remarks**

The Vice-Chair updated the committee on developments from the Commission side and two Commission initiatives were presented to the members: Sustainable Finance and FinTech. The Vice-Chair thanked everyone for the contribution to the public consultation on the reform of the standard setting bodies and provided with an overview of the received replies and of the next steps of the reform.

**5. Main business**

**5.1. Adoption of the CEOB Annual Report 2017**

Rules of Procedure 3 (6) require the CEOB to adopt an Annual Report in the first plenary meeting of each year. The Chair and Vice-Chair representative did a brief presentation of the draft version of the CEOB Annual Report 2017 submitted for approval and thanked the members for their contribution to the report. They mentioned that according to Rules of Procedure 17.2, the Annual Report will be published on the CEOB webpage once approved.

**Decision:** The report was adopted without changes. It will be published on the CEOB webpage.

## 5.2. Initiative on "Monitoring of the fee cap of non-audit services"

Following the discussions in the Consultative Group on specific topics for which the CEAOB might want to develop non-binding guidelines or opinions, it was decided that the monitoring of the fee cap is one topic for which further guidance will be useful in the future.

One member made a presentation of the initiative and explained to the members the main steps and outcome envisaged. Members were encouraged to contribute to the development of the table by sending questions and replies related to this topic on the Wiki.

## 5.3. Presentation by ESMA on Common Enforcement Priorities

The ESMA representative presented the main activities related to the coordination of IFRS enforcement at EU level.

In October 2014, ESMA published guidelines on the enforcement of financial information addressing European enforcers (i.e. national competent authorities) and other bodies to which enforcement activities are delegated. Moreover, there is a regular publication of extracts of enforcement decisions that is meant to contribute to a consistent application of the IFRS in the EEA and to proactively prevent accounting misstatements.

## 5.4.. Mechanism for the notification of temporary prohibitions according to Article 30f(2) of the Audit Directive

According to Article 30f(2) of the Audit Directive, the competent authorities are required to communicate to the CEAOB the temporary prohibitions referred to in points (c) and (e) of Article 30a(1) of the Audit Directive. The CEAOB plenary decided on what information should be communicated to the CEAOB as well as the tool to be used for the respective communication.

## 5.5. Reports of the sub-group Chairs

The sub-group Chairs presented the activities of their respective sub-groups since the previous plenary meeting held on 13 November 2017.

The Chair of the **International Adequacy and Equivalence sub-group** presented to the plenary a revised equivalence assessment framework and asked the members for their feedback on the proposed approach and indicators.

The Chair of the **Enforcement sub-group** presented the sub-group's activities that are focusing on issuing guidance as well as collecting statistics and issuing reports.

The Chair of the **Inspections sub-group** noted the sub-group's meeting in Dublin in October 2017 and reported on the different activities of the task forces. The Financial Services task force had a meeting in Berlin and also took part in the preparation and running of the meeting with the ESRB and auditors of G-SIFIs organised in Frankfurt. The IT task force had its first conference call.

The Chair of the **International Auditing Standards sub-group** noted the CEAOB letter for the Monitoring Group public consultation that was sent and published on 8 February 2018. The sub-group is currently working on the follow-up of the panorama on the use of ISAs in EU Member States by looking at the differences between the ISAs and the national provisions in the EU Member States.

The Chair of the **Market Monitoring** sub-group reported on work on the indicators to be used by the EU Member States for gathering data in the last quarter of 2018 and first quarter of 2019. Another ongoing task of the sub-group is the audit committee questionnaire.

## **5.6. Presentation by EC of the new EU General Data Protection Regulation and its implications for cooperation with third countries**

The DG JUST representative presented to the members an overview of the main rules and principles in place for data protection and explained the main progress brought by the new Regulation that will enter into force in May 2018. The presentation was followed by a questions and answers session.

## **6. Stakeholder Outreach**

### **6.1. Presentation by representatives from the Common Content Project followed by internal discussion**

The Common Content Project unites the leading accountancy bodies from most major jurisdictions in the EU and has the objective of harmonising accountancy education, including that for statutory auditors, in the EU.

The Common Content Project representatives made a presentation of their organisation and its activities that touched the following main points: project current membership and operational structure, project materials and documents with education requirements, project purpose and background, the common content model and benefits and the strategy for the next years. The representatives expressed their interest on further dialogue between the project and the CEOB in the future.

The presentation was followed by an internal discussion on the role of the CEOB in the area of education.

### **6.2. Report on meeting the ESRB and CEOB with auditors of G-SIFs Committee**

The Chair reported on the first ESRB/CEAOB meeting with statutory auditors of G-SIFs that took place on 24 November in Frankfurt at the ECB premises. Representatives of the seven CEOB member countries with G-SIFs, the Chair and the Vice-Chair participated in the meeting.

The discussions covered three main important topics: i) the impact of IFRS 9 on the G-SIFs, ii) the implementation of Solvency II and the iii) interest rate risk. The CEOB explained their working approach and provided with an overview of the inspection findings within the insurance and banking sectors.

## **7. Member reporting (CZ, EL, UK)**

The presentations of the members aim to encourage information sharing and dialogue between competent authorities.

The national competent authorities of Czech Republic, Greece and the UK presented their authorities and the main challenges they are facing.

## **8. Adoption of a short summary for publication on the webpage**

Several members suggested some changes and additions in the summary document. The updated version of the document will be re-circulated to the members and published.

## **9. Any other business**

The dates for the next CEOB plenary meetings in 2018 are 14 June and 24 October.