



COMMITTEE OF
EUROPEAN
AUDITING
OVERSIGHT
BODIES

CEAOB 2022-031
Adopted on 4 November 2022

CEAOB Market Monitoring 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 Market Monitoring sub-group facilitates the monitoring of the quality and competitiveness of the market for providing statutory audit services to public-interest entities, with tasks as assisting the Commission in preparing joint reports. The sub-group contributes to the convergence and coordination of the monitoring carried out by national authorities.

This work plan sets out the key priorities and activities for the period to the end of 2023.

2. Objectives

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

1. **Harmonising regulatory approaches:** the sub-group collects and shares information, expertise and best practices among competent authorities regarding audit activities.
2. **Sharing expertise and experience:** the sub-group focuses on actual topics in the audit market. It interacts and cooperates with other CEAOB sub-groups in order to share and analyze information on audit market.
3. **Contributing to EU policy on statutory audit and other assurance:** the sub-group provides transparency on its activities and on information collected. The market monitoring report covers statistics of the auditing sector through the EU. The report is targeted to CEAOB members, authorities and to the general public and it tries to fulfill the objective to increase the general knowledge of the structure and functioning of the audit market.

3. Longer term outlook

Given that a primary focus of the sub-group is to facilitate monitoring the European audit market, our goal is to continually improve the data collected to ensure that it is timely, accurate and of greater relevance to National Competent Authorities ('NCA') and our external stakeholders.

To assist in this, we continue to refine out our current data gathering tools and where appropriate utilise external sources to provide a more detailed, cohesive picture of the PIE audit landscape within the EU. In cooperation with the Inspection sub-group, we will continue to perform a detailed analysis of audit quality indicators within the European audit market, in order to identify areas of potential systemic risk along with possible mitigation techniques and will collaborate in the identification of member states that do not upload inspection data to the ISG's inspection database.

4. Summary

Below is a summary of our planned activities for 2023:

- Drafting of the 3rd market monitoring report:
 - Validation questions on data gaps and any data anomalies/error identified
 - Consolidation process
 - Report production
 - Quantitative
 - Qualitative
- Development of the indicators to be used for the 4th market monitoring report. This will include:
 - The introduction of new indicators to monitor changes in the audit market brought about the audit regulation (Directive 2014/56/EU and Regulation (EU) 537/2014);
 - Identifying ways to achieve consistency in national market reports across member states and to ensure a higher level of comparability and ease of aggregation of data collected;
- In respect of the EU Commission's study of the Audit Regulation and Directive, submit recommendations to the Commission on improvements to Art. 27 (and related articles) of Regulation (EU) 537/2014 to allow for greater consistency, relevance and timeliness of market monitoring data;
- Continue cooperation with the Inspection sub-group withing the CEAOB in order to provide an analysis to the European Commission on audit quality market monitoring indicators for the purposes of market monitoring report;
- Contribute to CEAOB annual report.

	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023
Set up					
Update 2023 work plan for presentation to CEAOB					
Work steps for 2023					
Drafting of the 3 rd market monitoring report					
Work with the Inspection sub-group (ISG) to indicate member states that do not upload inspection data to the ISG's inspection database and to identify areas of potential systemic risk along with possible risk mitigation techniques.					
Continue the cooperation with the ISG in order to provide an analysis to the European Commission on audit quality market monitoring indicators for the purposes of market monitoring report.					
Refinement of existing market monitoring indicators in addition to the creation of new indicators relevant to the monitoring of the audit market (in particular for the 4 th market monitoring report).					
Submit recommendations to the Commission on potential changes to the audit Regulation that would promote greater consistency, relevance and timeliness when gathering market monitoring data.					
Other matters					
Input into annual CEAOB report					