



CEAOB International Equivalence and Adequacy

Sub-group

Work-Plan 2022 and Outlook 2023



1. Introduction

This work plan sets out the key priorities and activities for the current period to the end of 2022 as well as the longer term as the activities of the sub-group span a number of years.

Given the interconnectivity of economies worldwide and the global operations of audit networks, the purpose of the sub-group is to ensure sound cooperation between European and third country audit regulators, coordination at EU level and promote high-standards of statutory audit both in the EU and globally.

2. Objectives

Through its ongoing work, the sub-group facilitates the aims of the CEOB's pillar objectives and, in particular, contributes to the following objective:

3. **Interconnectivity:** Contributing to the equivalence and adequacy technical assessments of third country audit regulatory framework facilitates cooperation with third country regulators up to high audit regulatory standards. Considering the impact of Brexit, the sub-group will follow-up the developments and, where necessary, adopt the necessary measures including the revision of those equivalence decisions relying on the UK oversight system for auditors. In light of the EU audit regulatory framework, the subgroup will monitor third countries previously assessed equivalent as well as consider the assessment of new possible requests from third countries. In relation to third country auditors' registration, the subgroup will assess the possibility to set up EU data base of third country auditors and develop best practices on updating the registration information. Finally, the sub-group will also explore how to provide guidance to members to support them in their bilateral interactions with third countries'

3. Longer term outlook

Given that a primary focus of the sub-group is to contribute to a sound cooperation between European and third country audit regulators, the sub-group's goal is to continually support this cooperation through the equivalence and adequacy assessments of third country audit regulatory framework. To this end, the sub-group will perform, as necessary, the revision of previously adopted equivalence decisions and where relevant, prepare new equivalence and adequacy technical assessments. The sub-group will also continually explore ways to support CEOB members in their interactions with third country audit oversight authorities.



4. Summary

The sub-group has identified a list of desirable activities to be performed during 2022-2023. However, due to the lack of resources, the sub-group has established a prioritisation of the different work streams. Priority is provided with the number in brackets at the end of each work stream:

- Equivalence assessments
 - The sub-group will follow-up and provide any necessary technical input to the European Commission, the Audit Regulatory Committee and the European Parliament on the technical equivalence assessment of the audit oversight system of the United States of America. (1)
 - The sub-group will follow-up on the impact of the UK being no longer a Member State and becoming a third country from the audit oversight perspective and the equivalence decision. In this regard, the sub-group will assess the need to take appropriate measures in relation to national competent authorities tasked with audit regulation as well as at the CEAOB level. (3)
 - The sub-group will also assess the impact of the UK becoming a third country on those equivalence decisions adopted for other jurisdictions relying in the UK audit oversight system. The sub-group will, where necessary, revise the underlying equivalence assessments to evaluate whether the equivalence assessments would need to be revised. (5)
 - Based on priorities defined in previous years by the IEA, the sub-group will continue assessing and/or revising the equivalence assessments of third-country audit legal frameworks adopted based on the 2006 EU Audit framework. (7)
 - The sub-group will set up and/or continue the dialogue with third countries that have expressed an interest to be included in the equivalence assessment programme. (11)
- Adequacy assessments
 - The sub-group will follow-up and provide any necessary technical input to the European Commission, the Audit Regulatory Committee and the European Parliament on the technical adequacy assessment of the audit oversight system of the United States of America. (2)
 - The sub-group will follow-up on the impact of the UK being no longer a Member State and becoming a third country from the audit oversight perspective and the adequacy decision. (4)
 - The sub-group will also assess the adequacy decisions of those jurisdictions relying on the UK audit legal framework. (6)
 - The sub-group will set up and/or continue the dialogue with third countries that have expressed an interest to be included in the adequacy assessment programme. (12)



- Registration of third country auditors
 - The sub-group will analyse members' practices in the registration as well as on the process of the updates of the registration information for third country auditors to identify best practices in their registration and update of the information. (8)
 - The sub-group will analyse members' practices in the supervision of third country auditors to identify common issues and best practices. (9)
 - The sub-group will set up a common data base regarding third countries auditors' registration in the EU. (10)
- Implementation of the legal framework
 - The sub-group will explore how to provide guidelines on the content of the cooperation agreements and exchange of information with third-country competent authorities under article 36 of the audit regulation and its articulation with the cooperative and working arrangements under articles 46 and 47 of the audit directive. (13)
- Interact with Inspection and Enforcement sub-groups
- Contribute to CEAOB annual report

Further detail on the timing for each project is provided in the table below



	Q4 2021	2022	2023
Set up			
Finalise work plan for presentation to CEOB			
Equivalence assessments			
Follow-up on the technical equivalence assessment of the audit oversight system of the United States of America			
Follow-up developments on of the UK's withdrawal and identification of possible necessary actions to adopt			
Assessing the need for revision of those equivalence decisions relying in the UK audit oversight system			
Revision of the third-country equivalence assessments in view of the 2014 EU Audit framework based on predetermined priorities			
Adequacy assessments			
Follow-up on the technical adequacy assessment of the audit oversight system of the United States of America			
Follow-up developments on the UK's withdrawal and the impact on the adequacy decision			
Assessing the need for revision of those adequacy decisions relying in the UK audit legal framework			
Registration of third country auditors			
Analyse registration and supervisory practices in relation to third countries auditors			
Set up a common data base for third country auditors			
Implementation of the legal framework			
Scoping the content of the guidelines on cooperation agreements and exchange of information with third-country competent authorities.			
Interaction with other sub-groups			
Dialogue with CEOB Inspection and Enforcement sub-group			
Other matters			
Input into annual CEOB report			



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