



**PRESS RELEASE**

**7<sup>TH</sup> MEETING OF THE INSPECTIONS SUB-GROUP OF THE CEAOB**

21-11-2019

**THE INSPECTIONS SUB-GROUP OF THE CEAOB MEETS TO SHARE GOOD PRACTICE AND PROMOTE CONSISTENCY AMONG REGULATORS**

The 7<sup>th</sup> meeting of the Inspections Sub-Group (ISG) of the CEAOB was hosted by the Romanian Authority for Public Oversight of the Statutory Audit Activity (ASPAAS) in Bucharest on 20 and 21 November 2019. The meeting was chaired by the German Auditor Oversight Body (AOB) and was attended by 26 countries.

**Highlights of the meeting include:**

*Dialogue with the leadership of the International Standard Setters*

Continuing the audit regulators' dialogue with the standard setters, the members of the CEAOB Inspections Sub-Group and the International Auditing Standards Sub-Group met with the leadership of the International Audit and Assurance Standard Setting Board (IAASB) and the International Ethics Standards Board for Accountants (IESBA) to discuss their standard setting activities and the potential for changes to standards in reducing the level of audit quality related findings by inspectors.

*Dialogue with the leadership of EY EMEIA*

As part of the audit regulators' ongoing dialogue on improvements in audit quality with large European audit networks, the ISG members met with representatives of EY to discuss the firms' plans and activities to improve the quality of their audits. The EY College and the organising committee of the ISG will follow up on these discussions.

*Discussion of common inspection findings*

The ISG maintains a database of inspection findings for its members to share knowledge and to identify any recurring findings from inspections that should be discussed with the firms and standard setters. Based on analysis of the database entries, the ISG members discussed the nature of findings related to the audit of entities in the retail and consumer product industry and in the insurance industry, as well as potential causal factors for these findings.



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*Presentation of detailed inspection approach*

The ISG continued a series of presentations by individual members of their inspection approach. The ASPAAS presented the approach adopted in Romania.

*Other areas covered during the meeting*

ISG members shared experience on a number of other topics, including an update on the work of the different task forces, and discussed the ISG's work plan and the work plans of the Colleges of regulators for 2020.

*Communication approach*

In order to ensure transparency of its activities the ISG has started to develop some "Infographics" to share information on a single page format. The first Infographics have been presented in the ISG meeting. They contain results of the ISG's analysis of common inspection findings in the banking and insurance industry as well as the industrial products and the retail and consumer product industry. The Infographics attached to this press release will be available on the CEAOB's [website](#).

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*About the CEAOB and the Inspections Sub-Group*

The Committee of European Auditing Oversight Bodies (CEAOB) is the framework for co-operation between national audit oversight bodies at an EU level. Its role is to strengthen EU-wide audit oversight. By facilitating supervisory convergence, the CEAOB contributes to the effective and consistent application of the new EU audit legislation throughout the EU. The CEAOB is composed of representatives of the national audit oversight bodies of the EU and the European Securities and Markets Authority (ESMA).

The purpose of the CEAOB Inspections Sub-Group is to further enhance the cooperation and consistency among CEAOB members on the subject of inspection activity and to have effective communication with the audit firms and other third parties, with the aim of supporting the objective of the CEAOB to improve audit quality and confidence in audits.

Further information about the CEAOB can be found on its [website](#). For further information about this press release, please contact [EC-CEAOB-SECRETARIAT@ec.europa.eu](mailto:EC-CEAOB-SECRETARIAT@ec.europa.eu).

*About Colleges of audit regulators*

Colleges of regulators have been set up in accordance with Article 32 of the EU Audit Regulation (No 537/2014) to encourage increased co-operation between certain EU competent authorities for audit in



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respect of quality assurance monitoring activities. Currently four Colleges are in place, one for each of the four largest audit firm networks, each led by a College facilitator.