



## 22nd plenary meeting of the Committee of European Auditing Oversight Bodies (CEAOB)

### Room 3.C

#### Centre de Conférences Albert Borschette

#### 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

**29 June 2023**

#### 1. Welcome and introduction

The Chair welcomed the participants to the 22<sup>nd</sup> plenary meeting of the CEOB.

#### 2. Adoption of the agenda

**Decision:** The agenda was adopted.

#### 3. Adoption of the minutes and of the summary of operational conclusions of the CEOB plenary meeting on 20 & 21 March 2023

**Decision:** The minutes and the summary of operational conclusions of the previous meeting held on 20-21 March 2023 were approved with some suggested changes.

#### 4. Update from the Chair

The Chair updated the CEOB 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.

#### 5. Update from the Vice-Chair

The Vice-Chair provided members with an update on the current state of play of several activities ongoing or under preparation by the Commission: the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRSs), the development of sustainability assurance standards at EU level, the proposal for the European Single Access Point (ESAP) and the ESG ratings proposal.

#### 6. Adoption of ToR for a task force which would be in charge of:

- setting criteria for assessing requests from non-MS countries to become observers
- providing the Plenary with an assessment of such requests based on the criteria adopted at CEOB level

#### Call for candidates for this task force

**Decision:** Members agreed to set up of a task force that will be in charge of setting criteria for assessing requests from third countries to become CEOB observers to ensure a consistent approach towards

all observer requests. A call for candidates for the task force will be sent to the members via email after the plenary meeting.

#### **7. Feedback on the development of ESRs by EFRAG**

The Chair of the CEAOB International Auditing Standards sub-group updated members on the recent developments regarding sustainability reporting in Europe, on the work of EFRAG on the development of ESRs (European Sustainability Reporting Standards) and the state of play of their future adoption via a delegated act by the EC.

The presentation also included the following elements: the main amendments introduced by the EC in the delegated act compared to EFRAG's proposal, CEAOB's involvement in this process, main challenges for the audit/ assurance of sustainability reporting, development of sustainability assurance standards with a specific focus on ISSA 5000 under development by the IAASB and next steps.

#### **8. Outreach session with EFAMA**

EFAMA representative discussed with members several topics of common interest in relation to the state of play of the EU sustainable finance, with a focus on sustainability reporting.

#### **9. Feedback from FSB meeting in Madrid (1st & 2nd of June)**

The Chair provided members with a summary of the FSB Roundtable on External Audit held in Madrid on 1 and 2 June. This was followed by a discussion among members on topics of common interest.

**30 June 2023**

#### **10. Presentation from EBA on:**

- Risks in the market
- Experience built by banking regulators in ESG reporting, and lessons learned in view of the CSRD implementation

EBA representative provided members with a presentation on ESG risks and their disclosure and reporting in the banking sector. The presentation was followed by a questions and answers session with the members.

#### **11. Approval of the Enforcement report**

**Decision:** The 2023 Enforcement report was approved with some editorial changes.

#### **12. Update from the Sub-Group Chairs on ongoing work**

**The Inspections sub-group** Chair reported on the outcome of the sub-group meeting held on 21 and 22 June in Ljubljana. The next meeting of the sub-group is planned on 12 and 13 October in Brussels. A joint meeting with the International Standards sub-group, IAASB and IESBA will be held on 11 October in Brussels.

**The Enforcement sub-group** Chair presented the activities of the sub-group: a meeting held on 22 and 23 May 2023 in Vienna to share best practices and exchange information, to discuss the outcome of the 2023 enforcement questionnaire and to prepare the draft 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: EU - UK

relationship, registration of third country audit firms in the Member States, renewal of the adequacy decision for China, follow up of the adoption of equivalence and adequacy decisions for the US.

**The Market Monitoring sub-group:** a representative of ICAC Spain representing the former Chair gave an update on the state of play of the 3<sup>rd</sup> Market Monitoring Report: data collection and consolidation are already finished, and the drafting is stabilised. The sub-group is also planning to work on the refinement of existing market monitoring indicators and the creation of new indicators. Input from other sub-groups will be sought for this workstream.

**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 Chair provided an overview of the comment letters sent to the IAASB on recent initiatives (audits of group financial statements for Less Complex Entities, draft ISA 500 Audit Evidence and IAASB's proposed strategy and work plan for 2024-2027) as well as on the ongoing work on some other letters (IESBA's proposed strategy and work plan for 2024-2027, IAASB's exposure draft ISA 570 Going Concern and ISSA 5000 General requirements for sustainability assurance engagements).

**13. Updates from the Colleges' chairs (CEAOB Members only)**

Colleges' Chairs provided members with an update on their activities, terms of reference and membership.

**14. Debriefing from the two outreach sessions**

Members exchanged views on the two outreach sessions held with EFAMA and EBA.

**15. Approval of a short summary for publication on the webpage**

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

**Decision:** The draft short summary for publication on the webpage was approved with some changes suggested by the CEOB members. It will be published on CEOB's website.

**16. Any other business**

The date and location of the remaining 2023 plenary meeting was reminded to the members: 23 and 24 November 2023, physical meeting.