



## 14th plenary meeting of the Committee of European Auditing Oversight Bodies (CEAOB)

### Webex call

### Summary of operational conclusions

Chair: Patrick Parent, Senior Advisor to the Chair of H3C, France's Audit Oversight Body (H3C)

Vice-Chair: Alain Deckers, Head of Unit 'Corporate Reporting, Audit and Credit Rating Agencies', DG FISMA replacing Director of Financial Markets, DG FISMA

24 November 2020

#### 1. Adoption of the agenda

The Chair welcomed the participants to the 14th plenary meeting of the CEAOB.

**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 calls held on 24 June and 8 July 2020 were approved.

#### 3. Chair's introductory remarks

The Chair briefly updated the CEAOB members on developments since the latest CEAOB plenary meeting and provided members with an overview of the main topics included in the plenary's agenda.

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

The Vice-Chair provided members with an update on the current state of play of several activities under preparation by the Commission.

#### 5. Stakeholder outreach: presentation by ECG representatives followed by Q&A

The European Contact Group (ECG) representatives provided members with a presentation covering the following main topics: update on ESEF status quo and way forward, challenges brought in by the COVID pandemic and different proposals for an improvement of the EU legislation.

The presentation was followed by a Q&A session with the members.

**6. Reports of the sub-group Chairs (including the approval of the 2020 Enforcement Survey Report) and adoption of the 2021 sub-group work plans**

**The International Auditing Standards sub-group** Chair reported on key achievements since the latest plenary meeting. The 2021 international auditing standards work plan and its main activities were also presented to the members.

**Decision:** The 2021 international auditing standards work plan was adopted.

**The Inspections sub-group** Chair reported on the sub-group's call held on 19 and 20 November 2020. The 2021 inspections work plan and its main activities were also presented to the members.

**Decision:** The 2021 inspections work plan was adopted.

**The Enforcement sub-group** Chair made a presentation of its main activities since the previous plenary meeting and the main elements included in the 2021 enforcement work plan. The Chair presented also the 2020 Enforcement Survey Report containing enforcement statistics across Member States based on the annual survey sent by the sub-group in 2020.

**Decision:** The 2020 enforcement work plan and the 2020 Enforcement Survey Report were adopted.

**The Market Monitoring sub-group** Chair reported on the ongoing work and activities. The 2021 market monitoring work plan and its main activities were also presented to the members.

**Decision:** The 2021 market monitoring work plan was adopted.

**The International Adequacy and Equivalence sub-group** Chair presented the work of the sub-group since the latest plenary meeting. The 2021 international adequacy and equivalence work plan and its main activities were also presented to the members.

**Decision:** The 2021 international adequacy and equivalence work plan was adopted.

**7. Adoption of the 2021 CEAOB work programme**

Rules 3(5) of the Rules of Procedures require the CEAOB to adopt an annual work programme including work plans for its sub-groups. The annual work programme for the CEAOB is to be tabled at the last plenary meeting of each year.

**Decision:** The 2021 work programme was adopted.

**8. Appointment of ENF SG Chair**

**Decision:** The ENF sub-group Chair was reappointed for a period of one year.

**9. Update by the Vice-Chair on the study on audit legislation**

The Vice-Chair provided a presentation of the ongoing study on audit legislation. The purpose of the study is to provide data and analysis for the Commission services as part of the ongoing monitoring of the implementation of the Audit Directive and Regulation.

**10. Stakeholder outreach**

### **10.1. Report on CEAOB- ESRB meeting**

The fourth CEAOB-ESRB call with auditors of G-SIFIs took place on 3 and 4 November.

Main items discussed covered the COVID pandemic, fraud and cybersecurity risks.

### **10.2. Discussion on next year's stakeholder outreach activities**

The members had a discussion to identify the potential list of stakeholders to be invited during CEAOB's 2021 plenary meetings.

### **10.3. Presentation by EBA representatives followed by Q&A**

The EBA representative provided members with a presentation on the initiatives on monitoring IFRS 9 implementation and on the prudential treatment of software assets.

The presentation was followed by a Q&A session with the members.

## **11. Update on state of play of non-binding guidelines or opinions and task forces work**

### **11.1. Update on the CEAOB Ad-hoc Task Force**

The Chair provided members with an overview of the Ad-Hoc Task Force's objective, composition and work performed.

### **11.2. Update on the CEAOB Data Protection Task Force**

The Task Force leader provided members with an update of the work performed by the Task Force and the advancements done in reaching an agreement on a data protection agreement template.

### **11.3. Update on the state of play of non-binding guidelines currently under development**

All task force leaders reported on the state of play of the guidelines.

### **11.4. Discussion of potential topics for 2021 non-binding guidelines**

Members discussed potential topics for which the CEAOB could develop non-binding guidelines or opinions on in the future.

## **12. Adoption of non-binding guidelines on Art.16 Audit Regulation (AR)**

The guidelines proposed for adoption were discussed among the members.

**Decision:** The adoption of the guidelines was postponed subject to further discussions among members.

## **13. Adoption of updated CAIM (IT, quality control and ISA 540)**

**Decision:** The updated Common Audit Inspection Methodology for IT, quality control and ISA 540 was adopted.

**14. Adoption of the Analysis on Audit Committee indicators collected as part of the second Market Monitoring Report**

This analysis was performed by the Market Monitoring sub-group based on the replies received to the audit committee questionnaires sent in the Member States as a source of information for the national market monitoring reports sent to the European Commission.

**Decision:** The analysis was adopted.

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

A few changes were suggested in the summary document. The updated version of the document will be published on CEAOB's website following the meeting.

**16. Any other business**

The dates for the 2021 CEAOB plenary meetings are: 16 March, 22 June PM and 23 June, 23 November PM and 24 November.