



COMMITTEE OF
EUROPEAN
AUDITING
OVERSIGHT
BODIES

CEAOB 2019-031
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CEAOB International Auditing Standards

Sub-group

Work-Plan 2020 and Outlook 2021

1. Introduction

This work plan sets out the key activities planned for the year 2020.

The purpose of the sub-group is to further enhance cooperation and consistency in audit oversight in the European Union regarding the adoption and use of standards on professional ethics, internal quality control of audit firms and auditing, to contribute to technical examination of international auditing standards, including the processes for their elaboration, with a view to their adoption, and to organise regular communication with the international standards setters, with the aim of supporting the objective of the CEAOB to improve audit quality and confidence in audits.

2. Objectives

Through its ongoing work, the sub-group facilitates in particular the aims of the following pillar objectives of the CEAOB:

1. **Cooperation:** The cooperation within the CEAOB is based on intensive sharing of experience, knowledge and information. Within the Sub-group, the development of common understanding and of common responses throughout the CEAOB activities related to standards facilitate the identification and promotion of practices which contribute to audit quality, through the enhancement of the auditing standards.
2. **Communication:** The Subgroup organizes the external communication and the interaction between the CEAOB and the international standards setters thereby increasing the influence on the importance of high quality audits and facilitating the commitment of those stakeholders to this goal. Regular meetings and the CEAOB comments prepared by the Subgroup on specific standards and related projects facilitate the external communication of the CEAOB with the standard setters and other stakeholders.

3. Longer term outlook

The recurring activities of the International Auditing Standards Sub-group (“the sub-group”) include:

- Exchanging information and experience on standard related issues, including on questions regarding the application or implementation of Regulation 537/2014 and Directive 2006/43/CE
- Discussing and sharing views on standard setting projects of relevance to the members, prepare views/comment letters for approval at CEAOB level
- Technical examination of ISAs, including the processes for their elaboration
- Dialogue with international standard setters (IAASB and IESBA) and oversight body (Public Interest Oversight Board)

- Exchanges with other CEAOB sub-groups where appropriate
- Contribution to CEAOB report

4. Summary

The table below sets out the proposed timings for CEAOB International Auditing Standards sub-group projects. Further detail on each project is provided below the table.

	Q1	Q2	Q3	Q4
Cooperation and consistency regarding standards				
Discuss relevant standards related issues regarding the application of EU regulations and directives on auditing matters				
Discuss impact of differences identified between ISAs and EU or national provisions applicable in the EU				
Discuss developments in current IAASB projects and determine whether and when the CEAOB should engage on selected issues				
Analyse the CEAOB database inspection findings pointing to deficiencies in ISAs				
Examine the Monitoring Group’s proposals on reform of the process for elaboration of ISAs				
Outreach and dialogue with standards setters				
Meeting with IAASB leadership				
Meeting with IESBA leadership				
Meeting with PIOB leadership				
Interaction with other sub-groups				
Dialogue with CEAOB Inspection sub-group				
Dialogue with CEAOB Enforcement sub-group				
Other matters				
Input into annual CEAOB report				

Discuss relevant standards related issues regarding the application/implementation of EU regulations and directives on auditing matters

The subgroup organises dialogue on questions that are faced by individual CEAOB members and when they are of relevance for other members applying the same EU framework (auditing directives, regulation). Those questions are raised by individual members or through the wiki platform.

One topic of relevance for the CEAOB will be the practical implementation of the ESEF provisions. The dedicated project team on ESEF will prepare guidance for national regulators, where relevant, to promote a consistent approach between auditors within the EU.

Discuss impact of differences identified between ISAs and EU/national provisions applicable in the EU

Further analysis of the differences which have been identified between ISAs and national provisions in EU countries will be detailed, on a standard by standard basis.

Discuss developments in current IAASB projects and determine whether the CEAOB should engage on selected issues

The subgroup will monitor the current standards setters' projects of relevance to the CEAOB members, and prepare responses to consultations, where relevant standards setters' strategy, group audit, risk assessment, quality control and audit evidence will be key areas of focus in 2020.

The subgroup will further examine the level of involvement needed on other IAASB research topics, like the audit for smaller or less complex entities.

Analyse CEAOB database inspection findings pointing to deficiencies in ISAs

The subgroup will ensure yearly monitoring of the inspections findings which are populated in the database by the Inspections subgroup of the CEAOB, and which causes stem from deficiencies in the standards. Those findings will be analysed to determine the possible solutions to enhance the standards.

Examine the Monitoring Group proposals on reform of the processes for elaboration of ISAs

Adoption of ISAs at European level is subject to several conditions set by the Audit Directive (2006/43/EC). One of the conditions for adoption is related to the appropriateness of the process for elaboration of ISAs. The Monitoring Group is currently exploring means to strengthen the governance and oversight of standards setting boards. The sub-group will continue to examine the proposals with a view to provide expertise on this matter.

Dialogue with standard setters and their oversight body leadership

The leadership of international standards setters (IAASB, IESBA) will be invited to discuss improvements of the standards and responsiveness to audit regulators' expectations. Dialogue with the PIOB leadership will also be organised.

Interaction with other CEAOB sub-groups

The sub-group will liaise in particular with the Inspections sub-group to discuss the Findings Database. A joint meeting with the International Auditing Standards sub-group and Inspections sub-group will be held to share and discuss inspection findings relevant for consideration by the standard setters and to meet with them.

Discussion with Enforcement subgroup Chair will also take place to determine whether topics of relevance stemming from enforcement cases need to be raised with standards setters.