



PRESS RELEASE

15TH MEETING OF THE INSPECTION SUB-GROUP OF THE CEAOB

13-06-2024

THE INSPECTION SUB-GROUP OF THE CEAOB MEETS TO SHARE EXPERTISE AND EXPERIENCE AMONGST REGULATORS, AND TO ENGAGE IN DIALOGUE WITH EUROPEAN NETWORKS OF AUDIT FIRMS.

The 15th meeting of the Inspection Sub-Group (ISG) of the CEAOB was hosted by the Latvian Ministry of Finance (MOF) in Riga on 12-13 June 2024. The meeting was chaired by the French Haute autorité de l'audit (H2A) and was attended by 29 countries (EU and EEA countries).

Highlights of the meeting include:

Dialogue with the leadership of KPMG and Grant Thornton

As part of the audit regulators' ongoing dialogue on improvements in audit quality with large European audit networks, the ISG met with representatives of KPMG to discuss the network firms' plans and activities to further improve the quality of their audits. Topics included matters related to the CSRD (Corporate Sustainability Reporting Directive) implementation and the implementation of the International Standards on Quality Management (ISQM) in relation to Independence and Resources. As a permanent agenda item, the meeting also addressed the results of KPMG's internal monitoring and CEAOB inspection findings.

The ISG met with representatives of Grant Thornton to discuss quality outcomes and the firm's plans and activities to further improve the quality of their audits. Topics included the firm's strategy and governance structure, recent developments with respect to quality monitoring, the implementation of the International Standards on Quality Management (ISQM), and sustainability reporting. As a permanent agenda item, the meeting also addressed Grant Thornton's internal monitoring results and CEAOB inspection findings.

The KPMG College, the Grant Thornton task force and the organising committee of the ISG will follow up on discussions of the above topics and other quality initiatives at European and Global levels.



CEAOB ISG Riga meeting

June 2024

Dialogue with EGLAN

The ISG discussed with EGLAN (European Group of International Accountancy Networks and Associations) representatives from three networks (Crowe Global, Nexia and PKF) the EGLAN organisation, the CEAOB database findings (overall results) on quality control and completed audit engagement reviews,, CEAOB infographics (IT audit work, ISA 330, ISA 600, Disclosures, Financial institutions audit and Banking & Insurance companies), the CEAOB CAIM work program (Common Audit Inspection Methodology), the EGLAN response to the CEAOB findings on their own quality management systems including ISQM, and the development of Generative Artificial Intelligence and its potential impacts on audit.

Analysis of inspection results

The ISG maintains a database of inspection results for its members to share knowledge and to identify recurring findings from inspections that warrant further follow-up with the firms and where relevant, standards setters. Based on the analysis of the database entries, the ISG discussed the nature of recent findings in relation to acceptance and continuance and the transition to ISQM1 on this topic. The presentation was followed by a discussion with the audience.

Presentation of inspection approach

The ISG continued a series of presentations by individual members of their inspection approach. The H2A presented the approach adopted in France.

Colleges of Regulators Activities

ISG members received an update from the Colleges Facilitators on the progress of their respective workplans.



About the CEAOB and the Inspection 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 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 Inspection 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.

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 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.