

Inaugural meeting of the Committee of European Auditing Oversight Bodies (CEAOB)

Hosted by: The European Commission

Summary of operational conclusions

Brussels, 12 July 2016

I Adoption of the draft agenda

The meeting started at 9:15.

The Commission welcomed participants to the inaugural meeting of the CEOB.

The Commission informed participants that, on 11 July, it adopted a decision appointing a Director of the Directorate-General of Financial Stability, Financial Services and Capital Markets Union (FISMA) responsible for statutory audit policies as Vice-Chair of the CEOB. The DG FISMA Head of Unit in responsible for statutory audit policies will be a substitute.

The Vice-Chair chaired agenda items I to III.

Decision: The draft agenda was adopted without any comments.

II Presentation of the members of the CEOB

The Vice-Chair recalled that members of the CEOB include high-level representatives from the national audit oversight bodies of the EU Member States and from the European Securities and Markets Authority (ESMA). Representatives of national audit oversight bodies from the European Economic Area (EEA) also participate. The European Banking Authority (EBA) and the European Insurance and Occupational Pensions Authority (EIOPA) are observers. The European Commission is Vice-Chair and provides the Secretariat of the CEOB.

The Vice-Chair invited participants to introduce themselves and to present, where relevant, the main changes to the supervisory architecture that have taken place at national level as a result of the new EU legislation on statutory audit.

Decision: A list of the organisations that are part of the CEOB will be published, following a suggestion by the Vice-Chair. To that end, a webpage dedicated to the CEOB will be created on the Europa website.

Actions: The Secretariat will upload a list of the organisations that are part of the CEOB on the CEOB webpage. Participants who have not yet done so should indicate to the Secretariat who will represent their authority at the CEOB.

III Election of the Chair

The Vice-Chair invited participants to proceed with the election of the Chair, in accordance with Article 30 of the Audit Regulation, which establishes that the Chair of the CEAOB shall be a representative of one of the national oversight bodies of the EU.

Decision: The CEAOB appointed by consensus Ralf Bose, Chief Executive Director of Germany's Auditor Oversight Body (AOB), as Chair for a four-year mandate.

IV Chair's opening remarks

The Vice-Chair formally handed over the proceedings of the meeting to the Chair.

The Chair thanked the Committee and gave introductory remarks on his mandate, inviting all the organisations part of the Committee to contribute actively and collectively to making a success of the CEAOB. The Chair also thanked the Commission for its work as Chair of the former European Group of Auditors' Oversight Bodies (EGAOB).

V Adoption of the draft rules of procedure

The Chair referred to the draft rules of procedure developed in coordination with the national audit oversight bodies of the EU and the Commission to clarify the working arrangements of the CEAOB.

The Secretariat briefly introduced the draft rules of procedure, stressing that a stable version had been achieved in February 2016 in order to leave time to the members of the CEAOB to consider them internally.

Finanstilsynet (Norway) reminded participants that the new EU legislation on audit will be part of a specific EEA agreement.

Decisions: The CEAOB adopted the rules of procedure by consensus. The CEAOB also agreed to make the rules of procedure publicly available, following a suggestion by the Vice-Chair.

Action: The Secretariat will publish the rules of procedure on the CEAOB webpage.

VI CEAOB sub-groups

The Secretariat briefly introduced the five sub-groups of the CEAOB, on the basis of preparatory work developed with national audit oversight bodies:

- An international equivalence and adequacy sub-group;
- An inspections sub-group;
- An international auditing standards sub-group;
- A market monitoring sub-group; and,

- An enforcement sub-group.

The Chair stressed the importance of establishing the sub-groups to allow the CEAOB to become fully operational.

The Audit Regulation provides that ESMA shall chair the sub-group on international equivalence and adequacy. Chairs for other sub-groups shall be appointed by the CEAOB.

Decisions: The CEAOB appointed by consensus a representative of H3C (France) as chair of the sub-group on international auditing standards and a representative of IAASA (Ireland) as chair of the sub-group on market monitoring.

The CEAOB agreed to establish an organising committee for the inspections sub-group, with a representative from the FRC (UK) acting as coordinator. The CEAOB decided to appoint the chair of the enforcement sub-group at a later stage.

The CEAOB also agreed with the need to set up a specific task force to promote a consistent application of the new EU legislation on statutory audit. The Commission welcomed the opportunity to work with the CEAOB on that front.

Actions: The Chair will organise a conference call with the chairs of the sub-groups and the steering group of the inspections sub-group to discuss next steps. The Secretariat will circulate a call to CEAOB members and observers to express interest in joining specific sub-groups as participants. The Commission will reflect upon the format that the task force to promote a consistent application of the new EU audit legislation could take and discuss next steps with the Chair in September 2016.

VII Next plenary meeting and possible dates for 2017

The Chair informed the CEAOB that the next plenary meeting will take place on 25 November 2016 in Brussels.

Action: The Secretariat will liaise with the Chair to block the dates of the plenary meetings in 2017 and circulate them to the CEAOB.

VIII Presentation of the CEAOB's draft work programme

The Chair invited the CEAOB to consider the draft work programme, highlighting that the draft document was the outcome of collective work with the national audit oversight bodies and the Commission.

The Secretariat made a short presentation of the structure and the activities covered by the draft work programme. The FRC (UK) drew the CEAOB's attention to the next steps. The draft work programme will be discussed further in the next few months and considered for adoption at the November plenary meeting. The draft work programme can also provide useful guidance to the work plans of the sub-groups. In addition, the FRC stressed that, in accordance with the rules of procedure, the work programme, once adopted, will be made publicly available on the CEAOB's website.

The Chair invited all CEAOB members and observers to provide input and to work in a collaborative way to finalise the draft work programme in time for the next plenary meeting of the CEAOB.

Action: The Chair will consider the next steps based on the input from the CEAOB members. In case a Consultative Group is convened based on Rule 7 (3), the Chair will seek its advice on the draft work programme in order to prepare its adoption during the next CEAOB meeting.

IX Establishment of colleges of competent authorities

The Chair indicated that, according to the Audit Regulation, it is up to the CEAOB to establish colleges of competent authorities. Colleges, however, take place outside the CEAOB and only include competent authorities.

The Chair proposed to the CEAOB to consider the establishment of four different colleges similar to those already in place within the European Audit Inspection Group (EAIG). This would allow the work of the facilitators of the existing EAIG colleges to continue under the CEAOB's auspices.

Decision: The CEAOB will formally establish the colleges at the November plenary meeting.

Actions: The Secretariat will circulate a call for CEAOB members to express interest in joining one of the colleges. The Inspections sub-group will take the lead in developing a procedure to protect confidential information as set out in Rule 16 (3) of the Rules of Procedure, with the support of the Secretariat.

X Communications: press release on the establishment of the CEAOB

The Chair invited participants to consider a draft press release, prepared by the Secretariat, announcing the launch of the CEAOB.

Decision: The CEAOB agreed to the publication of the press release, including revisions suggested during the meeting, via the Commission's daily news platform on the day following the plenary meeting.

XI Any Other Business

The Chair thanked all participants for the input into the inaugural meeting of the CEAOB and looked forward to constructive and productive discussions.

The meeting closed at 15:00.