20th plenary meeting of the Committee of European Auditing Oversight Bodies (CEAOB)

Room 0.C
Centre De Conférences Albert Borschette
Rue Froissart 36 - 1040 Brussels

Summary of operational conclusions

Chair: Patrick Parent, Senior Advisor to the Chair of H3C, 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

3 November 2022

1. Welcome

The Chair welcomed the participants to the 20th plenary meeting of the CEAOB.

2. Adoption of the agenda

Decision: The agenda was adopted.

3. Adoption of the minutes and of the summary of operational conclusions of the CEAOB plenary meeting on 4 and 5 July 2022

Decision: The minutes and the summary of operational conclusions of the previous meeting held on 4-5 July 2022 were approved with some editorial suggestions.

4. Update from the Chair

The Chair updated the CEAOB members on developments since the latest CEAOB 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 next steps as regards the adoption of European Sustainability Reporting Standards (ESRSs), the ongoing proposal for the European Single Access Point (ESAP) and the initiative related to corporate reporting - improving its quality and enforcement.

6. Study on the implementation of the Audit Directive and Regulation in the EU. Interaction with the consultant

Representatives of the consortium responsible for the development of a study on the implementation of the Audit Directive and Regulation provided members with a presentation of the main outcomes of the study and methodologies used for the performance of the study.

The presentation was followed by a questions and answers session with the members.
7. Outreach session with the GPPC. Presentation of the interactions the GPPC has with various institutions and update on risks that may have an impact on 2022 audits

GPPC provided members with an overview on future perspectives and challenges as regards the audit and assurance market followed by a questions and answers session.

8. Sustainability reporting: update on EFRAG work reporting from the CEAOB’s two observers. Expectations from the Commission regarding work to be done by the CEAOB in 2023

The Chair of the CEAOB International Auditing Standards Sub Group updated members on the recent developments regarding sustainability reporting in Europe, in particular on the work of EFRAG on the development of ESRs (European Sustainability Reporting Standards) and the comments provided by CEAOB on the public consultation on this topic.

CEAOB members were also updated on assurance for sustainability reporting issues in the framework of the CSRD, including the development of future sustainability assurance standards.

9. Carbon Tracker’s reports (“Flying blind” & “Still flying blind”). Presentation of the main findings and discussion on potential actions from the CEAOB and its members

Members discussed the conclusions of the Carbon Tracker’s reports (“Flying blind” & “Still flying blind”) and any potential impact on the work of statutory auditors and audit oversight bodies.

4 November 2022

10. Outreach session with Accountancy Europe. Discussion to be focused mainly on recent work from AE in particular in the field of sustainability reporting and assurance

AE provided members with a presentation on the current state of play of the assurance of sustainability related information in Europe. The presentation consisted of current practices, main requirements of the CSRD and future action needed in this area. The presentation was followed by a questions and answers session with the members.

11. Presentation of a summary of the October 2022 ESRB-CEAOB meeting

The Chair presented the main outcomes of the 6th ESRB/CEAOB Meeting (24-25 October 2022 Frankfurt am Main). Representatives of audit firms participated in the second day of the meeting.

12. Update from the ARD task force

The ARD task force chair presented members the paper prepared by the task force. The paper identifies issues and problems as regards the implementation of the Audit Directive and Regulation and proposes improvements to these pieces of legislation.

The presentation was followed by a discussion between the members on the content of the paper.

Decision: The paper will be slightly modified to take into account the comments provided by members and the updated version will be submitted for approval by the members via written procedure.

13. Update from the Sub-Group Chairs on ongoing work

The Enforcement sub-group Chair presented to the members the plans for the next activities of the sub-group: a meeting scheduled end of November 2022 in Warsaw as well as a webinar in December 2022.
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.

The Market Monitoring sub-group Chair gave an update on the state of play of the 3rd Market Monitoring Report.

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.

An Inspections sub-group representative reported on the planned meeting for end of November 2022. A joint meeting with the International Auditing Standards sub-group will also take place at the same time in Amsterdam.

### 14. Approval of the 2022 Enforcement Report

The Enforcement sub-group chair presented members the 2022 Enforcement report and its related annex. Presentation was followed by a discussion among members on the conclusions of the report.

**Decision:** The report was adopted and it will be published on CEAOB’s website.

### 15. Discussion on whether creating a “Sustainability Sub-Group” (4 Nov. - 14:00-14:30) would be appropriate

Members discussed the need to create a sustainability sub-group following the adoption of the CSRD.

It was concluded that for the time being there is no need to create a separate sustainability sub-group for this work stream. Work in this area will continue in the different formats that are already currently in place.

### 16. Approval of the Sub-Groups’ Work plans for 2023

**Decision:** The 2023 Sub-Groups Work Plans were adopted. They will be published on CEAOB’s website.

### 17. Approval of the CEAOB Work programme for 2023

**Decision:** The 2023 CEAOB Work programme was adopted without objections. It will be published on CEAOB’s website.

### 18. Plans for splitting audit and advisory activities – State of play and areas of concern for NCAs

Members discussed about plans for splitting audit and consulting services at an audit firm with a view towards any impacts on audit quality and oversight matters and shared their thoughts on the matter.

### 19. Follow-up on meeting with APOB, including potential next steps regarding how requests for becoming an observer should be handled by the CEAOB

The Audit Public Oversight Body of Ukraine (APOB) expressed their interest in becoming an observer of the CEAOB. Members exchanged views on this request.

**Decision:** The vote on this request will be held in the next plenary meeting.

### 20. Consequences of war in Ukraine: updates from the Colleges’ interlocutors and from members on national publications (if any)

Members exchanged on updates from the previous plenary meeting as regards the consequences for networks of the events in Ukraine.
### 21. Dates and location of future Plenary and Sub-Group meetings

The dates and location of the 2023 plenary meetings were communicated to members:

- 20 and 21 March 2023, virtual meeting
- 29 and 30 June 2023, physical meeting
- 23 and 24 November 2023, physical meeting.

### 22. Adoption 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 CEAOB members. It will be published on CEAOB’s website.

### 23. Any other business

None.