



**12th plenary meeting of the Committee of European Auditing Oversight Bodies (CEAOB)**  
**Centre Albert Borschette (Room 2D)**  
**Brussels, 3 March 2020**  
**Summary of operational conclusions**

Chair: Ralf BOSE, Chief Executive Director, Germany's Audit Oversight Body (AOB)

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

**1. Adoption of the agenda**

The Chair welcomed the participants to the 12th plenary meeting of the CEOB.

**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 meeting held on 27-28 November 2019 were approved.

**3. Chair's introductory remarks**

The Chair briefly updated the CEOB members on developments since the latest CEOB 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. Main business**

**5.1. Adoption of the CEOB annual report 2019**

Rules of Procedure 3 (6) require the CEOB to adopt an annual report in the first plenary meeting of each year. The Chair gave a brief presentation of the draft version of the CEOB Annual Report 2019 submitted for approval and thanked the members for their contribution to the report. He mentioned that according to Rules of Procedure 17.2, the annual report will be published on the CEOB webpage once approved.

**Decision:** The report was adopted without changes.

**5.2. Update on the state of play of non-binding guidelines or opinions**

Leaders of the three task forces that will develop non-binding guidelines or opinions in the future reported on the state of play of the guidelines. All task forces started work on their areas and had their first discussions to define the scope of the documents.

### 5.3. Update on CEAOB new Chair election in June 2020

The CEAOB will have to elect a new Chairman or Chairwoman in its 2020 June meeting. According to Art. 30 (6) of the EU Audit Regulation, the Chair of the CEAOB is elected by a majority of 2/3 of the members from a list of applicants who represent the competent authorities united at the CEAOB. Members discussed and approved the voting process to be followed in the next plenary meeting.

### 5.4. Update on ongoing negotiations with PCAOB on new data protection agreements

The Vice-Chair updated members on the ongoing negotiations between two members and the PCAOB for data protection agreements. The possibility of further work to be done by the CEAOB in order to coordinate regarding this topic was discussed among members.

## 6. Sub-group reporting including the approval of the 2019 Enforcement Survey Report

**The Enforcement sub-group** Chair made a presentation of the 2019 Enforcement Survey Report containing enforcement statistics across Member States based on the annual survey sent by the sub-group in 2019. The sub-group is currently working on the organisation of a meeting and enforcement workshop.

**Decision:** The 2019 Enforcement Survey Report was adopted.

**The International Equivalence and Adequacy sub-group** Chair presented the main priorities identified for the sub-group's work during 2020.

**The Inspections sub-group** Chair reported on the preparations for the next meeting to be held in June. The meeting will include discussions with two audit firms and inspection related issues.

**The Market Monitoring sub-group** Chair reported on the ongoing work and activities: the review of the indicators in view of the next report, data gathering and audit committees.

**The International Auditing Standards sub-group** Chair reported on the main activities covering discussions on implementation issued of the previously adopted guidelines for auditors regarding the audit of financial statements prepared in ESEF and discussions with the standards setters on the initiatives currently under their review.

## 7. Update on recent Dutch and UK audit market developments

One member provided with an update of recent developments taking place in the Dutch national audit market as well as the main conclusions of the Brydon report published in the UK in December 2019. This was followed by a discussion among the members.

## 8. Update on educational qualifications initiative

One member provided with an update of the main outcomes of the meeting held on 25 February in Amsterdam with the national authorities responsible for professional qualifications.

## 9. Stakeholder's Outreach

### **9.1. Update on this year's stakeholder invitations**

The Chair provided with an update of the stakeholder outreach invitations for the next meetings scheduled in 2020.

### **9.2. Presentation by a representative of the European Auditing Research Network (EARNet) followed by Q&A and internal discussion**

The EARNet representative provided members with a presentation on research findings and practitioners' perspective on auditor reporting for going-concern uncertainty. Of particular interest to the members were links between regulatory oversight and the issuance of going-concern opinions.

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

### **9.3. Presentation by representatives of European Audit Committee Leadership Network (EACLN), followed by Q&A and internal discussion**

The EACLN representatives provided insight by sharing and discussing their views on different topics related to audit committees' work and audit quality. Specific topics discussed were measurements of audit quality, benefits and challenges of technology in audits as well as other important insights from the work of audit committees of large European companies. The importance of an interaction between audit regulators and audit committees to reach a common understanding on what constitutes and furthers audit quality was stressed by both parties.

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

## **10. Update on third country observer participation in the CEAOB**

Members discussed further developments in relation to existing and potential observer participation requests.

## **11. Member reporting (MT, BE)**

The purpose of the members' presentations is to present the main characteristics of their oversight systems, how they carry out their work and what kind of challenges they face, with an overall objective to encourage information sharing and dialogue between competent authorities.

This time the presentations were given by Malta and Belgium.

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

An updated version of the document will be circulated among the members and the adopted version of the document will be published on CEAOB's website following the meeting.

## **13. Any other business**

The dates for the next 2020 CEAOB plenary meetings are:

- 24 June;
- 24 November in the afternoon and 25 November the whole day.