



COMMITTEE OF
EUROPEAN
AUDITING
OVERSIGHT
BODIES

CEAOB 2020-025
Adopted on 25 November 2020

CEAOB Market Monitoring Sub-group

Work-Plan 2021 and Outlook 2022

1. Introduction

This work plan sets out the key priorities and activities for the period to the end of 2021.

The purpose of the sub-group is to facilitate the monitoring of the quality and competitiveness of the market for providing statutory audit services to public-interest entities, relating to assisting the Commission in preparing joint reports. The sub-group will contribute to the convergence and coordination of the monitoring carried out by national authorities.

2. Objectives

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

1. **Communication:** Dialogue with key-stakeholders is a primary focus for the market monitoring sub-group. Through our work we engage directly with audit committees to understand the challenges they face in the promotion of audit quality, and the application of the Audit Regulation. In opening a dialogue we can try to ensure that we are aligned on the common goal of improving audit quality.
4. **Monitoring:** One of the core functions of the sub-group is to collect audit market data. This is collated and forms the basis of the Commission's market monitoring report. In order to ensure that data is of high quality and aggregatable we have an ongoing process of refinement of the data indicators. This ensures that all member states report information that is comparable which in turn provides better insights of the EU audit market.

3. Longer term outlook

Given that a primary focus of the sub-group is to facilitate monitoring the European audit market, our goal is to continually improve the data collected to ensure that it is timely, accurate and of greater relevance to National Competent Authorities ('NCA') and our external stakeholders. To assist in this, we continue to refine out our current data gathering tools and where appropriate utilise external sources to provide more a detailed, cohesive picture of the PIE audit landscape within the EU. In cooperation with the inspections sub-group, we will continue to perform a detailed analysis of audit quality indicators within the European audit market, in order to identify areas of potential systemic risk along with possible mitigants.

4. Summary

Below is a summary of our activities for 2021:

- Development of the indicators to be used for the 3rd market monitoring report. This will include:
 - the introduction of new indicators to monitor changes in the audit market brought about by the audit regulation (Regulation (EU) 537/2014).
 - Identifying ways to achieve consistency in national market reports across member states and to ensure comparability and ease of aggregation of data collected;
- Review of annual data gathering obligations among member states;
- Continue cooperation with the inspections sub-group in order to refine market monitoring audit quality indicators to ensure a greater degree of comparability across member states;
- Contribute to CEAOB annual report.

In 2021 the sub-group will continue to look at the publication cycle within the sub-group to determine what additional publications in respect of the audit market would fit within the sub-group’s brief. These publications can potentially utilise market monitoring data and provide insights on the European PIE market. Following publication of the Audit Committee analysis in 2020, the sub-group will continue to look our engagement with Audit Committees and how this engagement can be further developed.

	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021
Set up					
Update 2021 work plan for presentation to CEAOB					
Work steps for 2021					
Development and refinement of existing market monitoring indicators in addition to the creation of new indicators relevant to the monitoring of the audit market.					
Review of data gathering exercises undertaken within individual member states and identification of potential next steps for information sharing.					
Engagement with the inspection sub-group to identify ways to better utilise ISG database data as part of market monitoring audit quality indicators.					
Other matters					
Input into annual CEAOB report					