



PRESS RELEASE

11TH MEETING OF THE INSPECTIONS SUB-GROUP OF THE CEAOB

30-6-22

THE INSPECTIONS SUB-GROUP OF THE CEAOB MEETS TO PROMOTE AUDIT QUALITY AND CONSISTENCY AMONG REGULATORS

The 11th meeting of the Inspections Sub-Group (ISG) of the CEAOB took place virtually from 28 to 30 June 2022. The meeting was chaired by the Dutch Authority for the Financial Markets (AFM), from the Netherlands and was attended by 28 countries.

Highlights of the meeting include:

Dialogue with audit networks' leadership of KPMG and of BDO

As part of the audit regulators' ongoing dialogue on improvements in audit quality with large European audit networks, the ISG members met with representatives of KPMG to discuss the firms' plans and activities to further improve the quality of their audits. Topics included the results of internal monitoring and external regulatory reviews, as well as data analytics, culture, governance and ISQM1 implementation within the network and the member firms.

With the same objective, the ISG members met with representatives of BDO to discuss quality outcomes and the firm's plans and activities to further improve the quality of their audits. Topics included the results of internal monitoring and external regulatory reviews, recent developments relating to BDO's network structure and governance, ISQM1 implementation and their audit approach and technology.

The audit firm's college for KPMG and the organising committee of the ISG will follow up on discussions, particularly on subject dealing with the new quality management system the firms are implementing and other quality initiatives at European and global levels.

Task force updates

ISG members received updates from the Financial Services, the IT, the Common Audit Inspection Methodology and the Training Task Forces of the CEAOB ISG.



CEAOB ISG virtual meeting

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Discussion of common inspection findings

The ISG maintains a database of inspection findings for its members to share knowledge and to identify any recurring findings from inspections that warrant further discussion with the firms and/or standards setters. Based on analysis of the database entries, the ISG members discussed the nature of findings related to the auditors' responses to assessed risks (ISA330) as well as potential causal factors for these findings. An Infographic on that topic including key findings and messages is attached to this press release and will be available on the CEAOB's [website](#).

Presentation of inspection approach

The ISG continued a series of presentations by members of their inspection approach. The ICAC presented details of the inspection approach adopted in Spain.

Other areas covered during the meeting

ISG members shared their experience on a number of other topics, including an update on a survey on materiality performed at CEAOB level, cooperation with third country audit regulators, consequences for the main audit networks of the events in Ukraine, inspections in a post-pandemic world, and the last updates on the Corporate Sustainability Reporting Directive.

About the CEAOB and the Inspections 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 Inspections 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.



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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.