



## **Common Audit Inspection Methodology (CAIM)**

Inspections of firms which audit PIEs (Public Interest Entities, usually listed companies, but also banks and insurance companies) are performed on a recurring basis and are undertaken with the objective of improving the quality of audits. They generally include a review of the audit firms' internal quality control procedures and a review of selected audit engagements to test compliance with relevant professional standards.

In November 2014, the former European Audit Inspection Group (EAIG) members adopted the first suite of common work programmes for the inspection of firms' internal quality control procedures and in October 2015, an updated version of this suite following the Audit reform in Europe. These work programmes, which have been developed on the basis of the EU Directive and Regulation on Statutory Audit and the International Standard for Quality Control, contribute to the harmonization of the inspections of audit firms across Europe.

In March 2016, EAIG members approved the first common work programmes developed on selected areas of audit engagement reviews.

The activities of the EAIG transitioned to the newly established Committee of European Audit Oversight Bodies (CEAOB), and the EAIG ceased operating with its final meeting in November 2016.

The consistency of inspection methodology with the ongoing process of the CAIM initiative is one of the mandate that was attributed by the CEAOB to its Inspection Sub-Group (ISG).

While there is no obligation to apply the methodology, it is likely that CEAOB Members will rollout the work programmes into their own jurisdictions. They might publish the public version on their own website, if required by legislation or deemed necessary otherwise by the regulator.

These public versions of the CAIM work programme are also published on the CEAOB website to promote the transparency of the work performed in the area of the quality assurance procedures.