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AUDIT REGULATORS SHARE INSIGHTS FROM INSPECTIONS WITH STANDARD SETTERS

The 16th plenary meeting of the European Audit Inspection Group (EAIG) was hosted by the Maltese Quality Assurance Unit of the Accountancy Board in Sliema/Malta on October 27 and 28, 2015. The meeting was opened by the Honourable Professor Edward Scicluna, Minister of Finance of Malta, and was chaired by the German Auditor Oversight Commission (AOC). Matters discussed included the work program for 2016 and an update on the extension of the Common Audit Inspection Methodoloty (CAIM) developed and implimented by members of the EAIG. A meeting was also held with the the International Auditing and Assurance Standards Board (IAASB) and the International Ethics Standards Board for Accountants (IESBA).

The EAIG provides a pan-European platform for cooperation among audit regulators. The primary purpose of the EAIG is to create awareness of important issues and promote cooperation and consistency amongst European audit regulators on inspections. The group shares inspection practices and findings amongst its members and facilitates discussions on topics related to audit inspections with third parties, such as the audit standard setters (IAASB/IESBA boards) and the audit profession. The European Commission attends the EAIG meetings as an observer, except for those parts where confidential supervisory information is discussed.

Highlights of the meeting include:

Meeting with International Standard Setters

As part of the annual liaison with the international standard setters the EAIG met with the IAASB and the IESBA. Representatives of both boards updated the EAIG on their current workstreams and on how comments raised by regulators have been taken into account in their processes. Members of the EAIG regularly contribute to the standard setting process with comment letters, based on their exclusive insight in the application of standards in the audit practice as well as, in part, on an analysis of the pan-European audit inspection findings database which is maintained by the EAIG.

EAIG Common Audit Inspection Methodology (CAIM)

In November 2014, the EAIG members adopted the first suite of common work programmes for the inspection of firms' internal quality control procedures. These work programmes, which have been developed on the basis of the EU Directive on Statutory Audit and the International Standard for Quality Control, will contribute to the harmonization of the inspections of audit firms across Europe.

EAIG members discussed the progess in the implementation of the CAIM and the development of further common work programmes on selected areas of audit engagement reviews.

Dialogue with audit networks

As part of the audit regulators' ongoing dialogue on improvements in audit quality with the largest European audit networks sub-groups have been established within the EAIG. At the meeting the chairs of the sub-groups presented their plans for the forthcoming year. The sub-groups aim at a coordination of the inspection approaches of audit regulators with regard to a particular network. Potential network specific issues identified in the course of inspections will be disussed by the respective sub-group with representatives of that network.

On September 25, 2015 the EAIG Steering Group met in Lodnon with the European Contact Group, representing the six largest European Audit Networks (BDO, Deloitte, EY, Grant Thornton, KPMG and PwC) to discuss audit quality matters as well as certain aspects of the EU audit reform.

Way forward

The next meeting of the EAIG will take place in March 2015 in Athens at the invitation of the Hellenic Accounting and Auditing Standards Oversight Board (ELTE).

Further information about the EAIG can be found on its website (www.eaigweb.org).

For further information about this press release, please contact admin@eaigweb.org.