

**PRESS RELEASE**

**15<sup>TH</sup> MEETING OF THE EUROPEAN AUDIT INSPECTION GROUP**

**CHAired BY : FINANCIAL REPORTING COUNCIL - UK**

**HOSTED BY : THE AUDIT OVERSIGHT COMMISSION - POLAND**

25-06-2015

**AUDIT REGULATORS EXTEND CO-OPERATION ACROSS EUROPE**

The 15<sup>th</sup> plenary meeting of the European Audit Inspection Group (EAIG) was hosted by the Polish Audit Oversight Commission in Warsaw on June 23 and 24 2015. The meeting was chaired by the UK's Financial Reporting Council (FRC). Matters discussed included information sharing on topics relevant to the 2014 Audit Directive and Regulation; an analysis of findings from the EAIG database of inspection findings related to the quality control of audits and audit firms and an update on the extension of the Common Audit Inspection Methodology (CAIM) to certain aspects of audit engagement reviews. A meeting was also held with the European leadership of Deloitte

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.

*Topics relevant to the 2014 Audit Directive and Regulation*

Members discussed various topics relating to the new Audit Directive and Regulation, notably the role of Audit Committees and joint audit.

*European Database on Audit Inspection Findings*

The EAIG maintains a non-public database, which contains inspection findings in relation to the largest European networks of audit firms. The database is used by the EAIG to identify common issues in relation to particular networks or the application of particular standards by audit firms in practice. This contributes to the on-going dialogue of the EAIG with the audit networks and the audit standard setters. At this meeting an analysis of findings related to ISA220 and ISQC1 was presented to the membership, together with potential root causes.

*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 will now develop common workprogrammes on selected areas of audit engagement reviews.

*Meeting with the European leadership of Deloitte*

The EAIG members met with representatives of Deloitte to discuss matters relevant to Deloitte's member firms within Europe. The meeting was the fourth of a series of meetings with the largest audit networks. The focus of this meeting was Deloitte's approach to maintaining and improving the quality of their audits.

*Way forward*

The next meeting of the EAIG will take place in October 2015 in Malta at the invitation of the Quality Assurance Unit of the Maltese Accountancy Board. At this meeting, discussions will be held with representatives of the IAASB and IESBA boards.

Further information about the EAIG can be found on its website ([www.eaigweb.org](http://www.eaigweb.org)).

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