

PRESS RELEASE
18TH MEETING OF THE EUROPEAN AUDIT INSPECTION GROUP

CHAired BY : AFM - NETHERLANDS
HOSTED BY : FINANSTILSYNET - NORWAY

16-06-2016

IMPROVEMENT OF AUDIT QUALITY : EUROPEAN AUDIT REGULATORS CONTINUE DISCUSSIONS ON AUDIT QUALITY WITH THE AUDIT PROFESSION

The 18th plenary meeting of the European Audit Inspection Group (EAIG) was hosted by the Finanstilsynet in Oslo on June 15 and 16, 2016. The meeting was chaired by Netherlands Authority for the Financial Markets (AFM).

Highlights of the meeting include:

Dialogue with the European leadership of KPMG

As part of the audit regulators' ongoing dialogue on improvements in audit quality with the largest European audit networks, the EAIG members met with representatives of KPMG for the second time. The focus of the discussions was KPMG's initiatives in maintaining and continuing to improve the quality of their audits, including the use of root cause analysis to enhance the effectiveness of actions.

Meeting with members of the European Group of International Accounting Networks and Associations (EGIAN)

The EAIG members met with representatives of EGIAN, whose membership is made up of 24 mid tier audit firms outside the Big 6 network (including NEXIA, BAKER TILLY, MOORE STEPHENS and MAZARS). EGIAN provides a forum for the members to develop common positions on specific technical and legislative issues and to debate these issues with key stakeholders and regulators. The focus of the meeting was the EGIAN members' approaches to maintaining and improving the quality of their audits, and the firms' root cause analysis of the deficiencies identified during inspections.

EAIG Common Audit Inspection Methodology (CAIM)

Since 2015, the EAIG members adopted a suite of common work programmes for the inspection of firms' internal quality control procedures and selected areas of audit engagement reviews. These work programmes, which have been developed on the basis of the EU Directive on Statutory Audit and the International Standard for Quality Control, contribute to the harmonization of the inspections of audit firms across Europe. In Oslo, EAIG members approved the next steps to develop further programs for audit engagement reviews.

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, findings related to the firms' risk assessment (ISA315) were discussed within the membership.

Way forward

The next meeting of the EAIG will take place in November 2016 in Limassol at the invitation of Cyprus Public Audit Oversight Board. The activities of the EAIG will gradually be integrated within the framework of the Committee of European Audit Oversight Bodies (CEAOB) established by the new EU Audit Regulation.¹ The CEAOB will hold its inaugural meeting in Brussels on 12 July 2016.

About EAIG :

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.

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.

¹ Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities, [*Official Journal of the EU, Series L, N. 158 of 27 May 2014.*](#)