

PRESS RELEASE 14/33

■ EUROPEAN AUDIT REGULATORS START DIALOGUE ON AUDIT QUALITY ISSUES WITH THE LARGEST EUROPEAN AUDIT NETWORKS

Independent audit regulators from Europe – including the CSSF – have entered into a series of structured meetings with the largest European networks of audit firms. The meetings shall contribute to a better understanding of network structures and procedures and the networks' approaches to maintain and improve the quality of their audits of financial statements or group accounts of Public Interest Entities (PIEs).

The meetings are organised within the framework of the European Audit Inspection Group (EAIG) which was established in 2011. The EAIG provides a pan-European platform for cooperation of audit regulators. The CSSF is a member of the EAIG.

At the EAIG's meeting in Copenhagen on June 24 and 25, 2014 hosted by the Danish Business Authority, the regulators met with representatives of the EY Europe LLP. The meeting was the first of a series of meetings with other networks (BDO, Deloitte, Grant Thornton, KPMG and PwC) structured on a pan-European basis that builds on the experience of the EAIG members throughout Europe and their previous interaction with the networks. Working groups of the EAIG will maintain an ongoing contact with the networks between these meetings.

The meeting in Copenhagen was the 12th meeting of the EAIG. Other topics discussed by the members included issues such as the EAIG's development of a Common Audit Inspection Methodology (CAIM) and changes in the EU regulatory framework relevant for inspections of PIE audit firms.

In December 2013 the EAIG launched a database of inspection findings that is used by the regulators to identify common issues in relation to particular networks or the application of particular standards by audit firms in practice. This will not only contribute to the meetings with the networks, but also to the dialogue with the audit profession at large and with standard setters such as the International Auditing and Assurance Standards Board (IAASB) and the International Ethics Standards Board (IESBA).

Inspections of audit firms of PIEs (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.

Further information about the EAIG is available on its website www.eaigweb.org.

For further information about the CSSF, please visit www.cssf.lu.

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