

PRESS RELEASE 15/17

14TH MEETING OF THE EUROPEAN AUDIT INSPECTION GROUP

On March 25 and 26 2015, the **European Audit Inspection Group (EAIG)** held its 14th plenary meeting in Budapest, which was hosted by the Hungarian Auditors' Public Oversight Authority. The EAIG provides a pan-European platform for cooperation of audit regulators. The European Commission attends the EAIG meetings as an observer, except for those parts where confidential supervisory information is discussed.

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.

In Budapest, the EAIG members covered a number of matters. This included a session with representatives of PwC, an update on setting up sub-groups with the largest audit networks and on populating the database of audit inspection findings and a decision to extend the Common Audit Inspection Methodology (CAIM).

Meeting with the European leadership of PwC

The EAIG members met with representatives of PwC to discuss matters relevant to PwC's member firms within Europe. The meeting was the third of a series of meetings with the largest audit networks (which also include KPMG, Deloitte, EY, Grant Thornton and BDO). The focus of this meeting was PwC's approach to maintaining and improving the quality of their audits.

Setting up EAIG sub-groups for the largest audit networks

Sub-groups for the largest audit networks have been set up, or are in the process of being set up. The objectives of these working groups of the EAIG are to share inspection findings specific to the relevant audit network, to prepare for the annual meetings with the networks and to maintain ongoing contact with them after these meetings.

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.

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.

In Budapest, the EAIG members agreed to start developing common workprogrammes on selected areas of audit engagement reviews.

Way forward

The next meeting of the EAIG will take place in June 2015 in Warsaw at the invitation of Polish Office of the Audit Oversight Commission at the Ministry of Finance.

Commission de Surveillance du Secteur Financier

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

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