

Athens, 16 October 2017

ANNOUNCEMENT 024/2017

3rd MEETING OF THE CEAOB INSPECTIONS SUB-GROUP

The 3rd meeting of the CEAOB Inspections sub-group (CEAOB ISG) was hosted by the Irish Auditing & Accounting Supervisory Authority (IAASA) in Dublin from 11 to 13 October 2017.

Highlights of the meeting include:

Dialogue with the European leadership of EY

As part of the audit regulators' ongoing dialogue on improvements in audit quality with large European audit networks, the CEAOB ISG members met with representatives of **EY**. The focus of the discussions was the firms' initiatives in continuing to improve the quality of their audits, including the presentation of new tools and policies put in place, the use of **data analytics**, the analysis of root causes for audit quality instances and the implementation of **audit quality indicators** to enhance the effectiveness of actions (presentation of new tools and policies).

Meeting with representatives of the International Auditing and Assurance Standards Board (IAASB) and the International Ethics Standards Board for Accountants (IESBA).

The CEAOB ISG members and the CEAOB SSG members met the representatives of **IAASB** and **IESBA**. The CEAOB ISG presented an update on common findings on International Standard on Quality Control (ISQC1). Other topics discussed included main issues identified from the findings database (**ISA 540 and ISA 315/330**) and **data analytics**.

CEAOB ISG work program for 2018

The CEAOB ISG Organising Committee presented the work program for years 2018 – 2019 which was supported by the members.

CEAOB ISG Colleges activities and workplan for 2018

The four Colleges' facilitators updated the group on the activities in 2017 and introduced workplans for 2018. A common approach had been adopted for the four colleges on several topics such as **root cause analysis**, **data analytics**, **EQCR**, approach regarding **key audit matters** and implementation of the **new audit regulation in respect of independence requirements**.

Update on CEAOB ISG Common Audit Inspection Methodology (CAIM)

The CEAOB ISG presented CAIM guidance on selection for inspection of Public-Interest Entities audit files and selection of inspection areas. The CEAOB ISG was also updated on the **development of the Revenue work program**.

Presentation of inspection organisation in Greece

The deputy chairman of the Hellenic Accounting and Auditing Standards Oversight Board (HAASOB) Panagiotis Giannopoulos presented the Greek system of inspections. This included information on the audit market in Greece, inspection approach, quality inspection procedures, findings, recommendations and sanctions.

About the CEAOB and the Inspections sub-group

The CEAOB is the framework for co-operation between national audit oversight bodies at EU level. Its role is to strengthen EU-wide audit oversight. By facilitating supervisory convergence, the CEAOB contributes to the effective and consistent application of the new EU audit legislation throughout the EU. The CEAOB is composed of representatives of the national audit oversight bodies of the EU and the European Securities and Markets Authority (ESMA).

The purpose of the CEAOB Inspections sub-group is to further enhance the cooperation and consistency among CEAOB members on the subject of inspection activity and to have effective communications with the audit firms and other third parties, with the aim of supporting the objective of the CEAOB to improve audit quality and confidence in audits.

The Chairman of the HAASOB

Prof. George Venieris