

International Forum of Independent Audit Regulators

PRESS RELEASE

On 22-24 March 2010, independent audit regulators from 30 jurisdictions participated in the seventh meeting of the International Forum of Independent Audit Regulators ("IFIAR"). Details of the membership of IFIAR can be found on the IFIAR website (www.ifiar.org). Since IFIAR's last meeting in Singapore in September 2009, the Hellenic Accounting and Auditing Oversight Board, Greece, has joined IFIAR. The host for the meeting was the Abu Dhabi Accountability Authority (ADAA).

The meeting was chaired by Steven Maijoor, Chairman of IFIAR and Managing Director, Netherlands Authority for the Financial Markets, and Paul George, Vice-Chairman of IFIAR and Director of Audit at the UK's Financial Reporting Council.

Representatives of the International Organization of Securities Commissions, the Basel Committee on Banking Supervision, the International Association of Insurance Supervisors, the Public Interest Oversight Board, the World Bank and the European Commission participated as Observers and presented their work in the field of audit. The Monitoring Group's assessment of the effectiveness of the IFAC Reforms was also discussed.

IFIAR Work Plan

The IFIAR work plan was presented by the IFIAR Officers and approved by the IFIAR members. It covers the period up to the April 2011 plenary meeting. The main work streams include the ongoing dialogue with the international audit networks, holding inspection workshops, dialogue with investors, international cooperation between audit oversight bodies and engagement with international standard setters.

For part of the meeting IFIAR was joined by senior delegations from each of the international networks of BDO, Deloitte Touche Tohmatsu, Ernst & Young, Grant Thornton, KPMG and PricewaterhouseCoopers to discuss at a general level issues emerging from audit inspections, their possible root causes and the response taken by the individual networks to address them. The topics covered included: group audits; the role of auditor scepticism, particularly in relation to auditing fair value measurement; revenue recognition; and the role of the engagement quality control reviewer. As part of the series of meetings which IFIAR holds with individual networks, IFIAR separately discussed with Ernst & Young the implications of their evolving global structure for audit regulation and audit quality.

Audit inspections remain a core area of focus for IFIAR. IFIAR held a fourth inspection workshop for Members in Paris on 9-12 February 2010. The workshops continue to provide an opportunity for the sharing of inspection techniques and experiences. The Paris inspection workshop followed a similar structure as previous workshops, but also included a half-day introductory workshop discussing inspection proceedings and processes aimed at new IFIAR Members and IFIAR Members that are in the process of developing an inspection programme. Further, the common elements in the

inspection process and global financial markets conditions were discussed. More specific topics, such as audit evidence and documentation, ISA implementation, and inspection reporting were discussed in break-out sessions. The next Inspection Workshop will be hosted by the US Public Company Accounting Oversight Board (PCAOB) early in 2011 in Washington.

Proposals were agreed for further work in the coming months on options for the format of future plenary sessions, on the production of a public report of IFIAR's activities and on conducting work in the area of good practices or core principles for audit oversight. In the area of international cooperation it was agreed to study examples of ways in which Members might exchange information and might cooperate in the oversight of global firms. It was also agreed that IFIAR Members would engage more intensively in the work of the international standard setters relevant to audit quality.

IFIAR Verein

Members reached agreement in principle in Singapore on the establishment of a legal entity to facilitate the collection and disbursement of membership fees. The Articles of Association were approved during an inaugural meeting and thereby the IFIAR Verein, a legal entity under Swiss law was formally established. Frank Schneider (Chief Executive Officer, Swiss Federal Audit Oversight Authority) was elected as Treasurer for the IFIAR Verein for the financial years 2010 and 2011.

Next Plenary Meeting

IFIAR will hold its next plenary meeting in Madrid on 27-29 September 2010 at the invitation of Spain's Accounting and Auditing Institute (ICAC).

Further details

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