

International Forum of Independent Audit Regulators

PRESS RELEASE

Meeting of the International Forum of Independent Audit Regulators, Tokyo, 23 March 2007

On 22 and 23 March 2007, independent audit regulators from 22 countries attended the first meeting of the International Forum of Independent Audit Regulators ("IFIAR"), since it was formed in September 2006. The host for the meeting was the Certified Public Accountants and Auditing Oversight Board ("CPA AOB") of Japan.

Regulatory authorities from Finland, Korea, Sri Lanka, Switzerland and the United States were admitted as members. Existing members from Australia, Austria, Brazil, Canada, Denmark, France, Germany, Ireland, Italy, Japan, the Netherlands, Norway, Singapore, South Africa, Spain, Sweden, and the United Kingdom all attended the meeting.

The Financial Stability Forum, the World Bank, the International Organisation of Securities Commissions, the Basel Committee, the Public Interest Oversight Board and the European Commission were also present as observers.

Key areas for discussion at the meeting included:

- Drivers of audit quality.
- Exchange of information between regulators.
- Discussion of the availability of high quality audits, where the market for audit services is concentrated.
- Relations with countries in the process of establishing independent oversight authorities.
- Continue dialogue with other international organizations, which have an interest in audit quality.
- Registration of auditors of foreign issuers.

It was decided to hold a workshop for members on audit inspection techniques.

Drivers of Audit Quality

The meeting discussed the drivers of audit quality based on the feedback of IFIAR members on the publication 'Promoting audit quality', issued by of the UK Financial Reporting Council. The meeting decided that the issue of audit quality should remain an important area for discussion at future meetings.

International Forum of Independent Audit Regulators

Exchange of information between audit regulators

IFIAR also discussed issues on exchange of information among audit regulators based on a survey of members to assess factors affecting the exchange of information. The survey focused on member regulators' abilities and experiences to access to information outside of their jurisdictions. Members decided that the issue of the ability of members to exchange information should be monitored.

Discussion of the availability of high quality audits

A workshop was held to consider alternative strategies to ensure the sustainability of high quality audits, given the concentration of the audit market. In this context, IFIAR members felt that they would like to dialogue with other authorities.

Audit inspection workshop

Audit inspections will remain a key area of focus for IFIAR. IFIAR has arranged for two-day workshop to be held in Amsterdam on 30 and 31 May 2007. This workshop will provide an opportunity for the exchange of inspection techniques and experiences, which is consistent with one of the key objectives of IFIAR to enhance the exchange of information between audit regulators.

The position of countries in the process of establishing independent oversight authorities

IFIAR members recognised the desirability of promoting audit quality globally and to that end it agreed it will assist countries that are in the process of creating independent auditor oversight bodies. Accordingly, the meeting adopted arrangements for allowing persons, which were independent of the auditor profession and aspiring to meet IFIAR's other membership criteria to participate in relevant IFIAR discussions, with the agreement of IFIAR members.

Dialogue with other international organizations, which have an interest in audit quality

IFIAR agreed to continue discussions with other international organizations with an interest in audit quality, including the Public Interest Oversight Board, Monitoring Group and the Financial Stability Forum.

Registration of auditors of foreign issuers.

Members discussed a range of issues raised by legislative requirements in a number of countries for the registration of auditors of foreign issuers. They agreed to monitor such legislative changes.

International Forum of Independent Audit Regulators

The next meeting of IFIAR

The next meeting of IFIAR will be hosted by the Canadian Public Accountability Board ("CPAB") in Toronto on 24-25 September 2007.

Further details

For further information about this press release, please contact either:

- the IFIAR Chairman - Mr Jeffrey Lucy, AM, Chairman of the Australian Securities and Investments Commission on 612 9911 2001 or by email to his assistant, peter.mcmaster@asic.gov.au
- the IFIAR Vice-Chairman, - Mr Paul Boyle, Chief Executive of the Financial Reporting Council in the United Kingdom on 44 20 7492 2300 or by email to his assistant, d.green@frc.org.uk