

International Forum of Independent Audit Regulators

PRESS RELEASE

Meeting of the International Forum of Independent Audit Regulators, Toronto, 24-25 September 2007

On 24 and 25 September 2007, independent audit regulators from 21 countries participated in the second 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. The host for the meeting was the Canadian Public Accountability Board and the meeting was chaired by Jeffrey Lucy, Commissioner, Australian Securities and Investments Commission.

The Financial Stability Forum, the International Organization of Securities Commissions, the Basel Committee on Banking Supervision, the International Association of Insurance Supervisors, the Public Interest Oversight Board and the European Commission were also present as observers on 24 September.

Paul Boyle, Chief Executive Officer, UK Financial Reporting Council, was appointed as incoming Chairman and Prof Dr Steven Maijor, Managing Director, Netherlands Authority for the Financial Markets, as incoming Vice Chairman

Key areas for discussion at the meeting included:

- Possible implications for audit regulators of current market turbulence
- The role of audit inspections in driving audit quality
- Exchange of information between regulators
- Issues relating to International Auditing Standards.
- Audit market concentration and choice
- Cooperation between regulators in relation to registration and/or notification of auditors of foreign issuers
- The holding of workshops for members on audit inspection techniques
- Continue dialogue with other international organizations which have an interest in audit quality
- The future role and organization of IFIAR

Current Market Turbulence

Members discussed those aspects of the current market turbulence and possibly related issues, such as those relating to valuation, contingent liabilities and consolidation, which were of particular interest to audit regulators. They agreed to consider further the issues and possible implications as they may relate to audit regulators.

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Drivers of audit quality and the inspection process

Members continued their discussion of audit quality including drivers such as:

- The culture within the audit firm
- The skills and personal qualities of the audit partners and staff
- The quality of the audit process (including auditing and ethical standards)
- The reliability and usefulness of audit reporting

They discussed the importance of and the benefits from the audit inspection process and will further consider how best the inspection process might maintain and, where necessary, enhance audit quality.

Exchange of information between audit regulators

Members will continue to keep under review the impediments to information exchange between national regulators in relation to ongoing supervision, investigation and enforcement activities in respect of cross-border group audits and international audit networks.

Issues relating to International Auditing Standards

Members discussed the value of exchanging views on international auditing and ethical standards under development and their application.

Audit market concentration and choice

Members received reports on the steps taken in some jurisdictions to examine the issues of concentration and choice in the audit market.

Foreign auditor registration

Members exchanged views on the arrangements currently or shortly to be in place in a number of jurisdictions requiring the registration and/or notification of the auditors of foreign issuers.

Audit inspection workshops

Audit inspections remain a core area of focus for IFIAR. Following the successful workshop held in Amsterdam on May 2007 IFIAR agreed to hold a further workshop for members to provide an opportunity for the exchange of inspection techniques and experiences, and for discussing emerging issues. A working group was established to identify priorities for the next workshop, which will be held in Berlin in early 2008.

Dialogue with other international organizations

IFIAR will continue dialogue with other international organizations with an interest in audit quality to exchange views and to explore in which areas IFIAR might make the most effective contribution to audit quality

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Future role and organization of IFIAR.

Members reviewed the functioning of IFIAR over the year since it was established. They formed a task force to make recommendations to IFIAR's next meeting in April in respect of the IFIAR's future directions, organization, resourcing and governance.

Next meeting

IFIAR will hold its next meeting in Oslo in April 2008 at the invitation of Kredittilsynet-the Financial Supervisory Authority of Norway.

Further details

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

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