

International Forum of Independent Audit Regulators

PRESS RELEASE

Meeting highlights

- IFIAR Members agreed that IFIAR will join the Monitoring Group upon invitation
- IFIAR Members held discussions with the Global CEOs of the six largest international audit networks
- IFIAR Members shared findings of recent inspections and discussed recent audit policy developments
- IFIAR Members held discussions with the Chairs of IAASB and IESBA.

On 26-28 September 2011, independent audit regulators participated in the tenth meeting of the International Forum of Independent Audit Regulators (“IFIAR”). The host for the meeting was Thailand’s audit regulator (Securities and Exchange Commission, SEC). Regulators from Albania, Croatia and Poland have become Members of IFIAR since the previous IFIAR plenary meeting, bringing the number of Members to 41.

IFIAR considered its role as an Observer in the Monitoring Group¹ and agreed that IFIAR would join the Monitoring Group as a full member upon invitation.

IFIAR Members held discussions with the Global CEOs of the international networks of BDO, Deloitte Touche Tohmatsu, Ernst & Young, Grant Thornton, KPMG and PricewaterhouseCoopers. Discussion topics included issues relating to the role of the auditor, auditor communications, audit committees and their processes surrounding sovereign debt. The Members also discussed a report from the IFIAR Global Public Policy Committee (GPPC²) working group on the actions that the networks have taken with regard to frequently-occurring issues discussed with the networks at the Abu Dhabi IFIAR meeting in March 2010. These issues are Professional Scepticism, Group Audits, Engagement Quality Control Review and Revenue Recognition. Each of the networks has agreed to meet periodically with the working group to discuss policy issues as well as to provide an update on their progress in addressing the issues.

IFIAR Members discussed recent national developments, including non-confidential inspection findings. Examples of areas of inspection findings included:

- Auditing of disclosures;
- Quality of audit evidence;
- The use of auditors’ experts; and
- The provision of non-audit services and other threats to auditor independence.

¹ The Monitoring Group is a group of international regulatory bodies and related organisations committed to advancing the public interest in areas related to international audit quality and comprises the Basel Committee of Banking Supervision, the European Commission, the Financial Stability Board, the International Association of Insurance Supervisors, the International Organization of Securities Commissions and the World Bank.

² The GPPC comprises the six largest international audit networks.

Prof. Arnold Schilder, Chair of the International Auditing and Assurance Standards Board (IAASB), provided IFIAR with a presentation on the IAASB work programme, its strategy and its process to consider comments from audit oversight bodies. Topics discussed included ISA implementation, auditor reporting, disclosures and audit quality.

Ken Dakdduk, Chair of the International Ethics Standards Board for Accountants (IESBA), informed IFIAR about the IESBA's current work and the status of the Code of Ethics. Topics discussed included the provision of non-audit services, audit firm rotation, inadvertent breaches of the IESBA Ethics Code and the enforceability of the Code.

Discussions with the Chairs of IAASB and IESBA provide important feedback from IFIAR Members' inspection activity into the Boards' standard setting activities.

IFIAR Members discussed audit policy topics including issues relating to the auditor's reporting model, enhancing auditor independence, objectivity and professional scepticism and improving audit transparency. IFIAR Members agreed on the IFIAR work plan for the period to April 2013 including reviewing its communication activities. IFIAR will hold its next plenary meeting in Busan, Korea in April 2012 at the invitation of the Financial Services Commission and the Financial Supervisory Service of Korea.

Further details

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

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- The IFIAR Vice-Chairman – Daniel Goelzer, Board Member of the US Public Company Accounting Oversight Board, on +1 202 207 9252 or by e-mail to (internationalaffairs@pcaobus.org)

Notes to editors

1. Details of the membership of IFIAR can be found on the IFIAR website (www.ifiar.org).
2. The meeting was chaired by Paul George, Chairman of IFIAR and Director of Auditing and the Professional Oversight Board at the UK's Financial Reporting Council, and Daniel Goelzer, Vice-Chair of IFIAR and Board Member of the US Public Company Accounting Oversight Board.
3. Representatives of the Financial Stability Board, the International Association of Insurance Supervisors, the International Organization of Securities Commissions and the World Bank participated as Observers and presented their work relevant to audit. Members also received written reports from the Basel Committee on Banking Supervision, the European Commission and the Public Interest Oversight Board on their work relevant to audit.
4. IFIAR agreed that the next IFIAR Inspection Workshop will be held in Abu Dhabi in March 2012 at the invitation of the Abu Dhabi Accountability Authority. The format of the workshop consists of a main Workshop and a half-day Induction Workshop aimed at new IFIAR Members.