



Contact IFIAR:
IFIARSecretariat@pcaobus.org

Fact Sheet

IFIAR 2014 Plenary Meeting

IFIAR continued to grow in membership over the past year, with admission of five new members, which brings the total number of members to 50. These regulators – over 40 of which attended IFIAR’s 2014 plenary meeting – together conduct independent oversight of public company audits in jurisdictions representing more than 80 percent of total global market capitalization.

IFIAR aims to be a leading forum for cooperation and a global clearing house for the exchange of information on auditing issues. Members at the plenary meeting discussed topics relevant to audit regulation today. Portions of the plenary meeting were opened to invited guests, including audit committee chairs and investor representatives, academics, other regulators, standard setters, and the global chief executive officers of six international networks of audit firms.

IFIAR discussed with these guests a variety of issues, including:

- How audit can better serve investors and audit committee members. A joint session of IFIAR’s Investor Working Group and GPPC Working Group included the following panelists:
 - Dr. Werner Brandt, a member of the Executive Board and the Chief Financial Officer of SAP AG. Dr. Brandt also is a member of a number of audit committees, including Deutsche Lufthansa AG.
 - Linda de Beer, who serves as the Chair of the Consultative Advisory Group of the International Auditing and Assurance Standards Board (IAASB) and also as an independent non-executive Director on the boards of three South African listed companies.
 - Fumio Muraoka, the Director and Chairman of the audit committee of Toshiba Corporation and a Member of the International Financial Reporting Standards (IFRS) Advisory Council.
 - Dennis M. Nally, the Chairman of PricewaterhouseCoopers International Ltd.

- Don Nicolaisen, the audit committee Chair of Morgan Stanley and a number of other major issuers. Mr. Nicolaisen is the former Chief Accountant for the U.S. Securities and Exchange Commission.
- Ralph Whitworth, the Founder of Relational Investors LLC, a major asset management firm in the United States, who also serves as the Chairman of the Hewlett-Packard Board of Directors and is a Director at a number of other public companies.

During this session, the issues discussed included what investors expect from audit committees and auditors; how audit committees and auditors can best meet the needs of investors; and how audit regulators can assist audit committees in performing their jobs. The background document submitted for this joint session with the GPPC Working Group is available on the [IFIAR website](#).

- Audit quality indicators and the challenges of measuring audit quality
- Consideration of the economic and business model of audit firms, including how the model affects audit quality
- Risk identification and assessment as a tool to advance a risk-based inspection approach and audit oversight more generally
- Standard-setting topics, including current projects under development by the IAASB and the International Ethics Standards Board of Accountants (IESBA), to ensure the views of audit regulators are understood in the development of audit-related standards
- Anticipation of future demands arising from IFIAR's various initiatives and alternatives, including the discussion of establishing a permanent administrative secretariat

IFIAR members also discussed other initiatives within the organization and its working groups to promote collaboration and information-sharing. IFIAR approved a communications policy to enhance external and internal communications and to facilitate IFIAR's ability to comment on standard-setting projects. An ongoing IFIAR project explores the potential of a multilateral arrangement for information-sharing for investigation and enforcement activities. IFIAR's annual workshops – the most recent of which was held in March 2014 in Kuala Lumpur – promote the sharing of information among IFIAR members' inspection staff, incorporating information learned through IFIAR activities as well as individual members' experiences.

To ensure communication and collaboration with other international bodies with an interest in audit quality, IFIAR welcomes at its plenary meetings representatives of its official observer organizations: the Basel Committee on Banking Supervision, the European Commission, the Financial Stability Board, the International Association of Insurance Supervisors, the International Organization of Securities Commissions, the Public Interest Oversight Board and the World Bank.

IFIAR's 2015 plenary meeting will be hosted by the Financial Supervisory Commission of Chinese Taipei in April 2015.