

Representatives of the Commission and 39 independent audit regulators participated in the Twelfth plenary meeting of the International Forum of Independent Audit Regulators, held from 1st to 3rd October 2012, in London, chaired by the Financial Reporting Council of the UK.

A considerable in contents information, obtained from the different countries that participated in the survey, was presented in regard to results of inspections of audit firms. Members commented on the recent findings from inspections which were mainly focused on the typical problematic issues prevailing in public-interest entities.

Furthermore, findings of the individual Member States relating to inspections of audits of major financial institutions including focus on the upcoming developments in auditing were discussed. On the basis of those discussions, it was decided that a comprehensive review of information would be processed and prepared for publication by the end of 2012.

Leading representatives of the community of investors from different countries - UK, USA, Canada, Japan, Germany, the Netherlands and Norway - presented their views on the quality of audits and the role of audit regulators in their jurisdictions to the Global Public Policy Committee which includes the main CEOs of the six largest audit networks in the world. In this regard questions were raised which the Committee should address. In particular: the role of auditors to raise confidence in financial markets; how to expand the audit report in order to better meet the expectations of investors and the provision of additional information about the views of auditors for specific risks and assumptions; enhancing the independence, objectivity and professional skepticism, and the benefits and problems that might arise as a result of mandatory rotation and ensuring consistency on a global basis for the distribution and implementation of quality audit; increasing the role of reporting to audit committees and enhancing the competition in audit, based on quality, not on price.

Representatives of the International Accounting Standards Board, International Auditing and Assurance Standards Board and the Professional Ethics Committee presented their views and plans for development in their respective areas to meet the public needs addressed for auditors. The main issues focused on the shape and size of audit reports, professional skepticism and fraud, using the work of internal auditors and projects related to quality control of audit work.

Representatives of the European Commission, the Basel Committee on Banking Supervision, the Financial Stability Board, the International Organization of Securities Commissions and the Public Interest Oversight Board for the public interest participated as observers and presented their work and initiatives on improving audit quality. The next plenary meeting of the IFIAR will be held in Amsterdam in April 2013.