

PRESS RELEASE

Meeting of the International Forum of Independent Audit Regulators Cape Town, 22-24 September 2008

On 22-24 September 2008, independent audit regulators from 21 countries participated in the fourth 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 Independent Regulatory Board for Auditors (IRBA) of South Africa.

The meeting was chaired by Paul Boyle, Chairman of IFIAR and Chief Executive Officer, UK Financial Reporting Council, and by Prof Dr Steven Maijor, Vice-Chairman of IFIAR and Managing Director, Netherlands Authority for the Financial Markets.

The European Commission also participated as Observer on 24th September.

IFIAR was joined by delegations led by the global CEOs of the international networks of each of BDO, Deloitte Touche Tohmatsu and KPMG for individual discussion with each firm regarding their global quality monitoring arrangements. Similar discussions were held at IFIAR's previous meeting in April in Oslo with delegations led by the global CEOs of the international networks of Ernst & Young, Grant Thornton and PricewaterhouseCoopers.

New Members

The Auditors' Public Oversight Committee (Hungary), UDVA (Audit Oversight Authority, Slovakia) and the Financial Supervisory Commission (Chinese Taipei) were admitted as members, thus bringing the membership up to 27 jurisdictions.

IFIAR Charter

The Members adopted the Charter which had been drawn up at the previous meeting in Oslo. The Charter confirms that the activities of IFIAR are as follows:-

- i. Sharing knowledge of the audit market environment and practical experience of independent audit regulatory activity, with a focus on inspections of auditors and audit firms.*
- ii. Promoting collaboration and consistency in regulatory activity.*
- iii. Providing a platform for dialogue with other organizations that have an interest in audit quality.*

The Charter sets out IFIAR's procedures for decision-making and its internal administrative arrangements. The Charter will be published in full on the IFIAR website (www.ifiar.org).

Officers

Members decided that, as a transitional measure, the existing Officers should continue in office until the end of IFIAR's next plenary meeting in April 2009. New officers will be elected at that meeting under the terms of the Charter.

Advisory Council

IFIAR elected an Advisory Council to assist and advise the Officers in their duties. The Members from France, Norway and Singapore were elected to serve until the first half of 2011 and those from Germany, Japan and US were elected to serve until the first half of 2013.

Audit inspection workshops

Audit inspections remain a core area of focus for IFIAR. IFIAR will hold its third workshop for Members in Stockholm on 12-13 February 2009. The workshop will provide an opportunity for the continuing sharing of inspection techniques and experiences.

Current market conditions

Members updated each other on their activities. They provided generic updates on their work on issues related to current market conditions, including identifying issues they were focussing on, such as the adequacy of audit evidence to support fair values and going concern, and the reliance by auditors on specialists.

Audit quality

Members exchanged information on their understanding of efforts made to develop measures of audit quality. It was agreed that the definition and measurement of audit quality remained an important topic and Members will continue to keep this under review.

Foreign auditor registration

Members updated each other on the arrangements in place in a number of jurisdictions requiring the registration and/or notification of the auditors of foreign issuers.

Exchange of information between audit regulators

IFIAR continues to address the challenges to exchange of information and has extended its work on information sharing to international cooperation because of the importance of this to effective and efficient inspections of audit firms, given the global nature of audit networks. IFIAR will continue to share developments affecting cross-border cooperation.

Issues relating to International Standards on Auditing

IFIAR agreed to continue its consideration of International Standards on Auditing, in which interested Members share information about their views on pronouncements issued by the International Auditing and Assurance Standards Board (IAASB) and International Ethics Standards Board for Accountants (IESBA), particularly in light of the insights Members obtain in their roles as audit regulators conducting inspections. Members agreed to continue to express their comments directly to the standard-setting bodies in individual submissions.

Audit market concentration and choice

Members received updates on the steps taken in some jurisdictions to examine the issues of concentration and choice in the audit market, and on limitation of auditors' liability.

International Federation of Accountants

Members received a presentation from Bob Mednick, Chairman, Compliance Advisory Panel, on IFAC's Membership Compliance Program.

Dialogue with other international organizations

IFIAR received reports from several of the Observers on their work on the inspection work of auditors. It will maintain its dialogue with other international organizations with an interest in audit quality.

Next meeting

IFIAR will hold its next meeting in Basel on 27-29 April 2009 at the invitation of the Federal Audit Oversight Authority, Switzerland.

Further details

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

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