

IFIAR: International Forum
of Independent Audit Regulators

IFIAR Update

World Bank/CFRR Workshop
Vienna, April 26, 2018
Martin Schmidt



Content



- Activities
- Inspection workshop



Enforcement Working Group

- Chair: Claudius Modesti, PCAOB, USA
- Enforcement officials to exchange information on effective approaches to investigating and adjudicating alleged auditor misconduct
- Survey of Enforcement Regimes 2015

Activities 2/7



Global Audit Quality Working Group (GAQWG)

- Chair: Melanie McLaren, FRC, UK
- Ongoing dialogue with the six largest international audit networks
- Audit quality initiatives
 - 25% reduction of inspection findings over a four-year period
 - Root cause analysis
 - Project management

Activities 3/7



Investor and Other Stakeholders Working Group (IOSWG)

- Chair: Gerben Everts, AFM, Netherlands
- dialogue with investor representatives and other stakeholders
- Discussion papers
 - Current trends in the audit industry
 - Audit committees and audit quality
- Inspection workshop 2018 with an Audit committee chairman and an investor



International Cooperation Working Group (ICWG)

- Chair: Martijn Duffels, AFM, Netherlands
- Study examples of ways in which Members might exchange information, including inspection reports, and how Members may cooperate in the oversight of global firms
- Multilateral memorandum of understanding (MMoU) concerning co-operation in the exchange of information for audit oversight



Standards Coordination Working Group (SCWG)

- Chair: Marjolein Doblado, H3C, France
- Early input on projects and prepares consensus views on behalf of IFIAR Members on proposals or documents issued by standard setters
- Recent Public Comments
 - Comments on the IAASB Request for Input on ISA 540 (Revised) - July 31, 2017
 - Comments on the IESBA Proposed Revisions Pertaining to Safeguards in the Code - Phase 2 - May 29, 2017
 - Comments on the IAASB Request for Input: Exploring the Growing Use of Technology in the Audit, with a Focus on Data Analytics - February 5, 2017

Activities 6/7



Other activities

- The Smaller Regulators Task Force (SRTF)
- Chair: Lalani Naweed, Dubai FSA, UAE
- Was established in 2015 to identify ways to assist smaller audit regulators address the unique challenges they face
 - Skilled persons database (members only)
 - Secondment register (in- and outbound; members only)
 - Joint trainings

Activities 7/7



Other activities

- Inspection Findings Survey Task Force
- Chair: Liza McAndrew Moberg, PCAOB, USA
- Collecting and analysing inspection findings and preparing the public annual inspection Findings Survey Report

Inspection workshops 1/5



IFIAR Inspection workshops

- Organized by the Inspection Workshop Working Group (IWWG)
- Chair: Chris Hibbert, FRC, United Kingdom
- Forum for independent audit regulators to meet and discuss inspections practices
- Annual basis with changing locations (Europe / Asia)
- 3 days

Inspection workshops 2/5



Agenda 2018

- Topics also covered last year
 - Project management, including Audit Quality Indicators (AQIs)
 - Root cause analysis
 - IT audit inspections, including data analytics
 - Inspection of bank audits – advanced
 - Inspection of insurance audits
 - Key considerations in the design and development of audit inspection regimes
 - Key challenges and potential solutions with a smaller regulatory environment
 - Enforcement related topic (EWG)
 - Extended audit reports

■ New topics

- Revenue recognition - approaches/ findings (including IFRS 15)
- Oil and Gas and Mining - approaches/ findings
- Culture of firms - considerations/ approaches of how to monitor
- Integration of corporate reporting and inspection teams
- Communicating with senior members of audit firm
- Materiality thematic review (FRC)
- European Inspection Group (CEAOB ISG)
- Transparency standard (PCAOB)
- Inspection approach from medium sized IFIAR member (Danish Business Authority)
- Audit Oversight System of IFIAR member (Mauritius FRC)

Inspection workshops 3/5



How to organize inspections?

- “Key considerations in the design and development of audit inspection regimes” presented by Ireland and Dubai
- “Inspection approach from medium sized IFIAR member” presented by the Danish Business Authority
- “Audit Oversight System of IFIAR member” presented by FRC Mauritius
- “Key challenges and potential solutions with a smaller regulatory environment” presented by Dubai and Sri Lanka

Inspection workshops 4/5



Current topics in the auditor oversight

- “Project management, including Audit Quality Indicators (AQIs)” presented by France, Germany, UK and USA
- “Root cause analysis” presented by UK, Denmark and South Africa
- “IT audit inspections, including data analytics” presented by UK, USA, France and Switzerland

Inspection workshops 5/5



Current issues covered in inspections

- “Inspection of bank audits – advanced” presented by USA, UK, Germany, Switzerland
- “Inspection of insurance audits” presented by UK and Luxembourg
- “Revenue recognition - approaches/ findings (including IFRS 15)” presented by France, Germany and Sri Lanka



Thank you for your attention!