

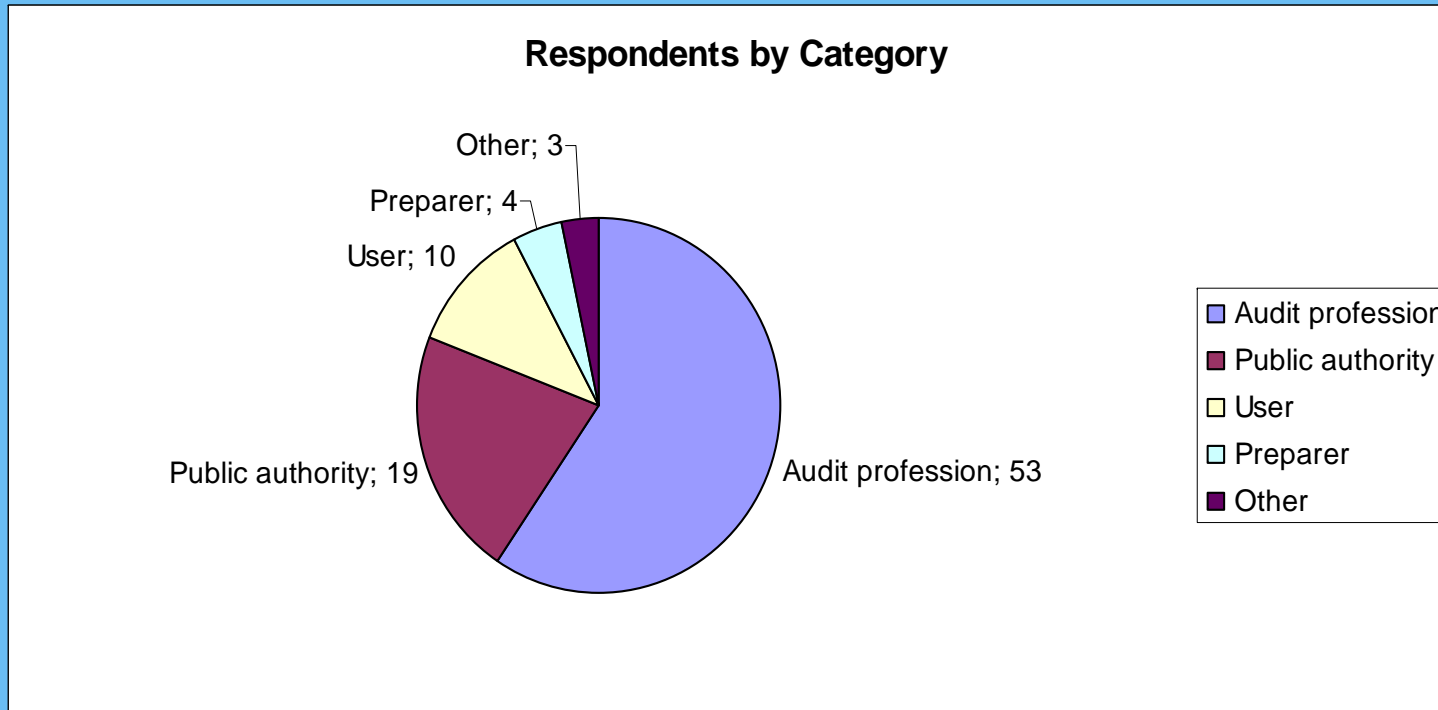
# Meeting of European Auditing Standard Setters

## Results of the ISA consultation

Margaret Butler / Jean-Philippe Rabine  
FEE Brussels – March 30, 2010

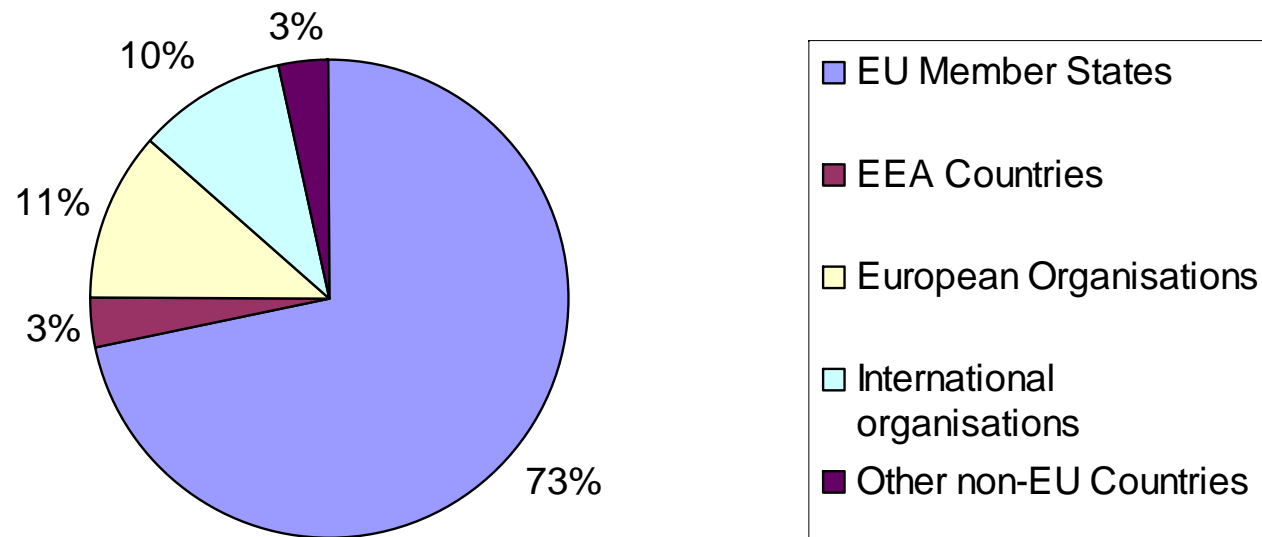
Internal Market & Services DG

# Respondents



# Geographical spread

Respondents by Geographical location (%)



# International acceptance (Q1)

- Majority consider that international acceptance of the ISAs is sufficiently demonstrated

# Amendments to ISAs (Q 2 + 3)

- Commission should limit amendments
- Instead EC participation in future IAASB proposals encouraged
- Add-ons by MS – in limited cases
- Carve-outs by MS – none or extremely limited
- Should only affect part 2 of audit report

# Study on benefits & costs (Q4)

- A majority agreed with the overall conclusions of the study
- Some comments on:
  - Smaller audits and small audit firms
  - Calculations
  - Need to review over time

# Application Material / ISQC1 (Q5 + Q6)

- Majority in favour of inclusion of Application Material in adoption process
- Should not be labelled as best practice
- Majority in favour of the inclusion of ISQC1
- Some suggestions e.g. choice ISQC1 or existing national QC standards

# Audit report (Q7)

- Wording of report – profession prefer a reference simply to ISAs. Others prefer a ref to ISAs as adopted in EU
- Harmonisation
  - Loose (4th directive)
  - Average (ISA 700 + departure)
  - High (A28 – 8th directive)
  - No reply



# Possible adoption (Q8 and Q9)

- Majority of respondents in favour of ISA adoption
- Option 3 preferred option (all statutory audits)

# Timing (Q10)

- No clear consensus
- Soon - FoF
- Medium term – Public Authorities/non FoF
- SMPs may need more time

# Issues raised – examples

- SME audits – guidance, documentation requirements, proportionality of ISAs, thresholds
- Status of Application material
- ISQC1 – effects on SMPs
- Governance of IAASB