



Fédération des Experts
Comptables Européens

Press Release

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FEE CALLS FOR EUROPEAN CO-ORDINATION OF OVERSIGHT OF THE AUDIT PROFESSION

European Federation of Accountants unveil plans for oversight which aim to improve public confidence in financial reporting

Brussels, 15 September 2003: The European Federation of Accountants, (FEE), has launched a new publication which issues a series of recommendations focused on strengthening public oversight of the European audit profession. The FEE discussion paper details the necessary components of a robust public oversight system, and it calls for the swift introduction of a European co-ordination mechanism which would develop common principles for member state oversight systems.

Confidence in the public oversight of the audit profession is a fundamental prerequisite to achieving high quality financial reporting, as auditors can only lend credibility to financial statements if those who rely upon their reports are confident that the auditor has conducted the audit to the highest standards.

FEE, which represents more than 500,000 accountants throughout Europe, is now calling on the European Commission to quickly implement the proposals for oversight, as signalled by its Communication of 21 May 2003 "Reinforcing Statutory Audit in the EU". The FEE discussion paper, which goes further than the Communication, will help the European Commission to realise this objective.

The main conclusions of the FEE discussion paper are that:

- FEE supports the organisation of a robust oversight of the auditing profession in the public interest.
 - FEE expresses a preference for mechanisms combining the profession and independent non-practitioners, with non-practitioners in the majority.
- Public oversight structures are best organised at member state level.
- There is a need for an EU mechanism to co-ordinate the national systems and to address cross border issues.
- FEE believes that the creation of a body that would function as an EU co-ordination of national audit oversight mechanisms should be prioritised by the European Commission.
- The EU co-ordination of audit oversight mechanisms would

Page 1 of 3

- develop proposals for common principles and essential features for the organisation of national public oversight arrangements
 - suggest improvements to arrangements and procedures for oversight at member state level
 - provide a formal mechanism for exchange of information and co-ordination of oversight in cross border cases.
- The European co-ordination structure should be established as a legal entity to be effective and to build confidence.
 - The European co-ordination structure should be visibly structured in the public interest and involve all stakeholders appropriately.
 - The co-ordination structure would also help in working with the oversight systems to be developed in the USA and elsewhere, facilitating the elimination of unnecessary and burdensome duplication of oversight arrangements and supporting appropriate convergence of good practices.

Commenting on the launch of the discussion paper, David Devlin, President of FEE said:

“Robust public oversight ensures that the public can have confidence that the audit profession is committed to working in the public interest at the required highest level of quality. FEE supports the creation of a European-level body to co-ordinate oversight arrangements at member state level and to help address cross border issues.”

He added that:

“The European accountancy profession is playing its part in the process of restoring credibility to financial reporting. FEE’s proposals regarding oversight of the audit profession, if accepted, would serve to restore public confidence in the single European capital market.”

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For more information contact:

Derek McGlynn

Head of Communications

Tel: + 32 2 285 40 85

Fax: + 32 2 231 11 12

Email: derek_mcglynn@fee.be

Notes for Editors:

1. The new publication **Discussion Paper European Co-ordination of Public Oversight** was approved for publication by the FEE Council on 25 June 2003. It can be downloaded free-of-charge from the FEE website (<http://www.fee.be>) or ordered from Sylvie Romancide (Fax: + 32 2 231 11 12, Email: Sylvie_Romancide@fee.be).
2. For more information regarding the European Commission's Communication on Statutory Auditing visit the EC website:
http://europa.eu.int/comm/internal_market/en/index.htm

FEE's official response to the EC Communication on Statutory Auditing of 21 May 2003 is available from: <http://www.fee.be/secretariat/Positionpaper.htm>

3. The **Fédération des Experts Comptables Européens** (FEE) is the representative organisation for the accountancy profession in Europe. It groups together 41 professional bodies from 29 countries. FEE member bodies are present in all fifteen member states of the European Union, nine European Union candidate countries and three member countries of EFTA. Between them, these bodies have a combined membership of 500.000 individuals, of whom approximately 94% are from EU countries.