

Brussels, 14 December 2005

Internal Market: "European Group of Auditors' Oversight Bodies" created

The European Commission has set up a "European Group of Auditors' Oversight Bodies" (EGAOB). The Group will ensure effective coordination of new public oversight systems of statutory auditors and audit firms within the European Union. It may also provide technical input to the preparation of possible measures of the Commission implementing the 8th Company law Directive, such as endorsement of the International Standards on Auditing or assessment of third countries' public oversight systems.

Internal Market and Services Commissioner Charlie McCreevy said: "This group will help to make public supervision systems a reality in all 25 Member States, promoting practical day –to –day co-operation as it goes along. It is a key initiative in our drive to bring EU audit rules into the 21st century and restore faith in the profession."

The new 8th Company Law Directive, which was recently agreed by the European Parliament and the Council ([IP/05/1249](#)), requires Member States to set up public oversight systems for statutory auditors and audit firms. Such systems already exist in some Member States but not in others. Close co-operation in the establishment and operation of public oversight systems is crucial for successful implementation of the 8th Directive, which all Member States should complete by early 2008. Furthermore, the Group should offer to the Commission its technical expertise for the preparation of comitology measures including issues related to endorsement of the International Standards on Auditing, quality assurance, relations with third countries and cross-border inspections.

The EGAOB will be composed of high-level representatives from the entities responsible for public oversight of statutory auditors and audit firms in Member States or, in their absence, of representatives from the competent national Ministries.

Only non-practitioners can be designated as members of the EGAOB. In order to ensure input from the profession, the Commission will consult on the work of the group extensively and at an early stage with market participants, consumers, the audit profession and end-users in an open and transparent manner.

For further information on auditing in the EU see:

http://europa.eu.int/comm/internal_market/auditing/index_en.htm