



Federation of European Accountants
Fédération des Experts comptables Européens

INFO

Standing for trust and integrity

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International standards on review and compilation engagements need revision to respond to changing markets needs

Developments should be accelerated at international level and slowed down at national level to avoid further fragmentation says FEE

Brussels, 27 July 2009 – FEE (Fédération des Experts Comptables Européens – Federation of European Accountants) announces the publication of a survey on alternative assurance and related services across Europe.

Alternative assurance and related services are basically all services offered to entities other than an audit of their financial statements. They are in technical terms referred to by the international auditing standard setter, the IAASB, as accounts compilation and agreed-upon procedures services (non-assurance engagements), moderate level of or limited assurance services (e.g. reviews) and reasonable assurance services. A wide variety of such services are currently offered to entities in European countries.

A number of such services have a longstanding tradition, but most result from more recent initiatives taken in European jurisdictions. Some are a response to increases in audit exemption thresholds; others are answers to specific market demands and needs. A few appear to result from the reconsideration of the need for voluntary audits.

The vast majority, but not all, of the alternative assurance or related services are developed for audit-exempt entities. It appears that the increases in audit exemption thresholds over the last few years in a number of European countries have exacerbated the need for alternative services for Small and Medium Sized Entities (SMEs). This trend is also expected to continue in the near future. In some countries, these services are, or are considered to be, mandatory.

Amidst this heightened attention to alternative assurance and related services, the IAASB has started projects to revise its compilation and review standards as well as its general assurance standard, expected to be finalised by the end of 2011 or in 2012.



Hans van Damme, FEE President, underlines the fact that “the findings of the study demonstrate the diversity of services provided across Europe in response to clients needs. FEE therefore encourages the IAASB to consider the results of this survey for its expected revision of its Assurance Framework and standards on alternative assurance and assurance-related services”.

Philip Johnson, FEE Deputy President and Chairman of the Audit Working Party adds that “if no urgent action is taken, the risk of fragmentation in relation to the development and provision of alternative assurance and assurance-related services between European countries will increase”.

FEE CEO Olivier Boutellis-Taft notes that “the study also provides evidence of the profession's need for international standards for alternative assurance services which respond to client and the market demands”.

A swift IAASB response as an early indication of the latest international thinking in relation to alternative assurance services would undoubtedly help limit national initiatives from going in different directions.

FEE also calls on the national auditing and assurance standard setters in Europe, European Union Member States, other European regulators and FEE Member Bodies to reconsider their initiatives in light of the expected revisions to the IAASB assurance services standards.

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NOTES FOR EDITORS

About FEE

FEE (Fédération des Experts comptables Européens – Federation of European Accountants) represents 43 professional institutes of accountants and auditors from 32 European countries, including all of the 27 EU Member States.

In representing the European accountancy profession, FEE recognises the public interest. It has a combined membership of more than 500.000 professional accountants, working in different capacities in public practice, business, government and education, who all contribute to a more efficient, transparent, and sustainable European economy.

Contacts:

FEE:

Hilde Blomme, FEE Director of Practice Regulation

Tel: + 32 2 285 40 77

Hilde.blomme@fee.be