

FEE AUDIT REGULATION CONFERENCE

FEE calls for the continued development of public interest oversight as mandated by the Directive on Statutory Audit

Thursday 12 October 2006 – BRUSSELS – The European Federation of Accountants (FEE) calls for the continued development of public interest oversight in the EU as mandated by the Directive on Statutory Audit. "Oversight will protect the public interest and will foster consistent high standards of audit quality", stated FEE President David Devlin, speaking at the opening of the FEE Conference on Audit Regulation.

Mr. Devlin continued by emphasising that: "The FEE Conference on Audit Regulation is timely. It continues the debate on issues which are of mutual interest to both regulators and practitioners. It addresses issues of cooperation and mutual recognition between oversight bodies, both within the EU and with third countries such as the United States. It is with great pleasure that today we welcome to the Conference, Commissioner Charlie McCreevy and Mr. Mark Olson, Chairman of the Public Company Accounting Oversight Board (PCAOB)".

Deputy FEE President, Jacques Potdevin added: "It is also of utmost importance that a wide range of stakeholders are represented in any oversight system, including representatives of business, regulators and shareholders and not only government officials with a minority of practitioners playing an active role as well".

The aim of the Conference is to discuss the views of all relevant stakeholders in the European and transatlantic debate on audit regulation, including the implementation of the EU Statutory Audit Directive.

In a 2003 discussion paper on Co-ordination of Oversight of the Audit Profession, FEE strongly proposed the development of the public interest oversight and stated its view that public oversight structures are best organised at member state level, as the Directive on Statutory Audit now provides.

While the EGAOB¹ currently provides an EU mechanism to co-ordinate the national systems and to address cross border and other issues, FEE continues to believe that the creation of a dedicated body that would function as an EU co-ordination of national audit mechanisms should be prioritised in the near future by the European Commission.

This future development of the co-ordination of audit oversight mechanisms in the EU could:

- develop proposals for common principles and essential features for the organisation of national public oversight arrangements
- support appropriate convergence of good practices
- suggest improvements to arrangements and procedures for oversight at member state level
- provide a formal mechanism for timely exchange of information and co-ordination of oversight in cross border cases.

Such a European co-ordination body should be preferably established as a legal entity to be effective and to build confidence. It should be visibly structured in the public interest and involve all stakeholders appropriately.

“This approach would also help in working with the oversight systems in the USA and elsewhere, reducing the risk of unnecessary and burdensome duplication of oversight arrangements in accordance with the principles of the European Commission’s Better Regulation Initiative”, said David Devlin, President of FEE.

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¹ In December 2005 the European Commission set up a European Group of Auditors’ Oversight Bodies

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Notes for Editors:

1. The Fédération des Experts Comptables Européens (FEE) is the representative organisation for the accountancy profession in Europe. FEE's membership consists of 44 professional institutes of accountants from 32 countries. FEE member bodies are present in all 25 member states of the European Union and three member countries of EFTA. FEE member bodies represent more than 500,000 accountants in Europe.