

# FEE CONFERENCE ON AUDIT REGULATION

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Brussels

## **Key points to be made in Panel Session**

- Audit regulation is undertaken in the UK alongside regulation of accounting, corporate governance and, since April 2006, actuarial practice
  - The issues are closely linked
  - Having an integrated regulator increases regulatory effectiveness
  
- The FRC is a market-led regulator but has some statutory powers
  - Extensive practitioner involvement
  - Current active audit practitioners excluded from direct involvement in audit regulation
  
- The UK was an “early adopter” of audit regulation
  - Independent inspections of audit commenced in 2004
  - Now in third year of inspections
  - Two tier system
    - Public interest audits      Direct inspection by FRC Audit Inspection Unit
    - Others                              Inspection of work of professional bodies QA system
  
- The UK market is very international and therefore the UK supports international regulatory co-operation
  - Active participation in European Group of Auditor Oversight Bodies
  - Promoted the establishment of International Forum of Independent Audit Regulators
  
- The drive for consistent audit quality across the world needs to be supported by greater consistency of regulatory requirements and greater regulatory co-operation
  - Progress will be gradual
  - Needs to reflect national sovereignty of regulatory authorities
  - Needs to engage audit firms in pursuit of a shared objective: profitable supply of audit services which add value to users of audit reports

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