

IFIAR Celebrates 10 Years of Cooperation in International Audit Regulation

Decade At-A-Glance: Driving Audit Quality Around The World



September 15, 2016 marked the 10th anniversary of the International Forum of Independent Audit Regulators (IFIAR). Established in Paris in 2006 by independent audit regulators from 18 jurisdictions, IFIAR has grown to 52 Members around the world.

IFIAR's mission is to serve the public interest and to enhance investor protection by improving audit quality globally. Since the beginning, IFIAR has focused on sharing knowledge of the audit market environment and the practical experience of independent audit regulatory activity, promoting collaboration and consistency in regulatory activity, and providing a platform for dialogue with other international organizations interested in audit quality. IFIAR has grown to become the leading international organization in auditing matters.

Every year, IFIAR convenes a plenary meeting for more than 100 Member representatives to discuss progress on its strategy, emerging regulatory issues, challenges facing the audit profession, and strategic approaches to sustainable audit quality. During these meetings, IFIAR meets with the leadership of the six largest global network firms, international standard setters, and investor and audit committee representatives. It has established a number of Working Groups and Task Forces to address matters important to audit regulators, along with annual Inspections and Enforcement Workshops. To help identify audit quality trends, IFIAR conducts an annual Inspection Findings Survey which informs IFIAR's collective efforts to promote audit quality globally, complementary to individual regulators' audit firm inspection and oversight regimes. Results are made public every year.

As part of its outreach program, IFIAR delivers dozens of presentations, responds to requests for comment regarding proposed standard setting, and actively engages with non-Member jurisdictions interested in developing an independent auditor oversight regime. IFIAR also collaborates on audit-related matters with its Observer organizations, such as the Basel Committee of Banking Supervisors (BCBS), the European Commission, the Financial Stability Board (FSB), the International Association of Insurance Supervisors (IAIS), the International Organization of Securities Commission (IOSCO), Public Interest Oversight Board (PIOB) and the World Bank.

Milestones

- 2006**

 - At a roundtable hosted by the Haut Conseil du Commissariat aux Comptes (H3C) in Paris, France, regulators from Australia, Austria, Brazil, Canada, Denmark, France, Germany, Ireland, Italy, Japan, Mexico, the Netherlands, Norway, Singapore, South Africa, Spain, Sweden, and the United Kingdom agreed to create IFIAR. The group appoints as inaugural Chair Jeffrey Lucy, Chair of the Australian Securities and Investments Commission and Paul Boyle, Chief Executive Officer of the UK Financial Reporting Council as Vice Chair.
- 2007**

 - The first meeting of IFIAR is held in March 2007 in Tokyo, hosted by the Japanese Certified Public Accountants and Auditing Oversight Board (CPAAOB). Regulatory authorities from Finland, Korea, Sri Lanka, Switzerland and the United States are admitted as Members. All existing Members attend.
 - First Inspections Workshop is held in Amsterdam. Nine have been held since then.
- 2008**

 - IFIAR Members ratify the organization's Charter which sets out common goals and guiding principles and rules regarding its activities.
 - IFIAR embarks on meetings with the leadership of the six largest global audit networks to better understand the networks' structures and roles, and to discuss audit quality matters.
- 2009**

 - IFIAR organizes a first dialogue session with a regionally diverse group of investor representatives at its plenary meeting.
 - An Advisory Council of a small number of IFIAR Members formally starts its operations to assist and advise the IFIAR Chair and Vice Chair in their duties.
- 2011**

 - IFIAR establishes 11 Core Principles for Independent Audit Regulators which seek to promote effective independent audit oversight globally.
 - IFIAR joins the Monitoring Group comprising international financial institutions and regulatory bodies committed to advancing the public interest in areas related to international audit standard setting and audit quality.
- 2012**

 - IFIAR publishes its first annual report.
 - IFIAR launches its first annual Inspection Findings Survey Report summarizing issues identified by Members around the world. The Survey is designed to identify the level of inspection activity and common inspection findings related to the audits of public companies, and responds to a request from the FSB to provide information regarding findings from the inspections of audits of major financial institutions. Three surveys have been conducted and published since then.

- 2013** ○ IFIAR issues its first comment letter to the International Auditing and Assurance Standards Board (IAASB), marking a new step in its ongoing discussions with international audit standard setters.
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- 2014** ○ IFIAR reaches 50 Members.
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- 2015** ○ IFIAR Membership approves the Multilateral Memorandum of Understanding Concerning the Co-operation in the Exchange of Information for Audit Oversight (MMOU). The MMOU will facilitate the exchange of confidential information among Members regarding public oversight of audit firms and auditors, including inspections, investigations, enforcement and registration.
- IFIAR releases *Current Trends in the Audit Industry* – a thought leadership publication that explores the current state of, and trends in the audit industry in six key areas (firm revenue and growth, competition in the audit market, governance within the global network structure, partnership model and the threat of litigation, quality and extent of resources in the labor market, impact of emerging technologies on the audit).
- IFIAR releases its Report on Survey of Enforcement Regimes and the first Enforcement Workshop is held in Chinese Taipei.
- IFIAR issues its first Thematic Review report, addressing how IFIAR Members apply IFIAR's Core Principles 9 and 11 on risk-based inspections and on inspections reporting.
- IFIAR's Global Audit Quality Working Group (GAQWG) and the six largest network firms agree on a new initiative to improve audit quality globally. IFIAR's Working Group that engages regularly with the largest global audit firms has set a measurable target for the reduction of audits with findings: a reduction of at least 25 per cent in the next four years in audits with at least one finding as reported by the members of this Working Group.
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- 2016** ○ IFIAR Members approve establishing a permanent Secretariat in Tokyo, Japan. Together with the implementation of IFIAR's new Board-led governance structure as of April 2017 this will significantly enhance IFIAR's organizational capabilities and accelerate its ability to take actions aimed at improving audit quality.
- IFIAR establishes an Advisory Group comprising high level representatives from the investor and audit committee community from around the world.
- IFIAR publishes its Reference Guide intended to assist non-member jurisdictions to implement independent auditor oversight systems.
- **IFIAR celebrates 10 year anniversary.**

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