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Independent Audit Regulators Agree in Principle to the Text of a Multilateral Arrangement for the Exchange of Information

April 28, 2015 – Members of the International Forum of Independent Audit Regulators (IFIAR) were hosted by the Financial Supervisory Commission (FSC) in Taipei at their annual meeting to advance their common interest in promoting high quality audits.

Members discussed and reached agreement in principle on the text of a Multilateral Memorandum of Understanding (MMOU) that would provide a framework for information sharing among those IFIAR members that decide to sign the MMOU once it is finalized and opened for signature. This project was commenced in 2013 and the Officers are pleased to have reached agreement in two years.

IFIAR addressed how changes in the economic environment and the market for audit services have impacted or may in the future impact the audit industry and audit quality, in particular disclosure of audit quality. The discussions with invited panelists and leaders from the audit profession included:

- Firm revenue and growth;
- Competition in the audit market;
- Governance within the global audit firm network structure; and
- Quality and extent of resources in the labor market for auditors.

A related background paper title “Current Trends in the Audit Industry” prepared by the Investor and Other Stakeholders Working Group and Global Public Policy Committee Working Group is available on the [IFIAR website](#).

IFIAR members shared insights on developments and changes to the auditor’s report and audit committee reporting, focusing on experiences to date with extended reporting in a panel discussion with the Chairman of the International Auditing and Assurance Standards Board (IAASB) and an investor representative.

IFIAR members were updated on a coordinated, multijurisdictional audit inspection undertaken to assess practices in group audits. Also, IFIAR members from smaller regulators met to discuss initiating additional work targeted to serving their needs going forward.

IFIAR members approved for publication a report summarizing the results of an Enforcement Working Group survey conducted for the purpose of developing an understanding of the mandates, objectives, and legal authority of IFIAR members’ enforcement regimes, with the

goal of sharing information and enhancing discussion of current and emerging enforcement issues, methodologies, and techniques. The [report](#) and a [fact sheet](#) provide additional information about the survey. The Enforcement Working Group held its first Enforcement Workshop in Taipei on April 24, which was also hosted by the FSC.

IFIAR reached agreement in principle to establish a governing board in place of the current governance structure and is evaluating the establishment of a permanent secretariat.

Following the meeting, IFIAR will be led by Chair Janine van Diggelen of the Netherlands Authority for the Financial Markets, and Vice Chair Brian Hunt, CEO of the Canadian Public Accountability Board. “I am delighted to announce Janine and Brian as IFIAR’s new Officers. I look forward to the next two years and am confident that IFIAR will thrive under their leadership”, said outgoing Chair Lewis Ferguson.

IFIAR elected members from Germany, Japan, and the United States to its Advisory Council. They join current Advisory Council members from Australia, France, Singapore and the United Kingdom. IFIAR expressed gratitude to outgoing Advisory Council members from Abu Dhabi, Canada, and Sri Lanka for their service.

IFIAR members approved a work plan for the new Officers’ term. The work plan sets forth IFIAR’s key initiatives, including intensifying the conversation with global audit firm networks around global audit quality, deepening IFIAR’s dialogue with stakeholders, considering audit standard setting and its governance, and maturing IFIAR’s structures and processes to enhance its effectiveness.

About IFIAR

IFIAR is composed of 50 independent audit regulators from jurisdictions in Africa, the Americas, Asia, Europe, the Middle East and Oceania. It was formed in 2006 to provide a forum for regulators to share knowledge of the audit market environment and the practical experience gained from their independent audit regulatory activity. IFIAR’s official observer organizations are the Basel Committee on Banking Supervision, the European Commission, the Financial Stability Board, the International Association of Insurance Supervisors, the International Organization of Securities Commissions, the Public Interest Oversight Board and the World Bank. For further information about IFIAR and its activities, visit <www.ifiar.org>.