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Agenda Item

7

Committee International Ethics Standards Board for Accountants

Meeting Location: Mandarin Oriental, Singapore

Meeting Date: November 2-3, 2010

EC Green Paper

Objective of Agenda Item

1. To discuss EC Green Paper “Audit Policy: Lessons from the Crisis”

Background

On October 13, 2010, the European Commission issued a green paper entitled “Audit Policy: Lessons from the Crisis”. The paper notes that the Commission would like to open a debate on the role of the auditor, the governance and independence of audit firms, the supervision of auditors, the configuration of the audit market, the creation of a single market for the provision of audit services, the simplification of rules for Small and Medium Sized Enterprises (SMEs) and Practitioners (SMPs) and the international co-operation for the supervision of global audit networks.

The paper also notes that the Commission will launch an external study to assess the implications and impact of current rules as well as to gather further data on the structure of the audit market. The results of the study will be available in 2011.

The Green Paper is open for public consultation until December 8, 2010.

IFAC as an organization intends to respond to the Green Paper. Isabelle Sapet is chairing a group to consider matters in the Green Paper that are relevant to the activities of IESBA and will lead the discussion at the meeting.

Material Presented

Agenda Paper 7	This Agenda Paper
Agenda Paper 7-A	EC Green Paper “Audit Policy: Lessons from the Crisis”

Actions Requested

1. IESBA members are asked to read the EC Green Paper