



Federation of European Accountants
Fédération des Experts comptables Européens

FEE Communiqué

November 2008

FEE Executive met on 25 November 2008 under the chairmanship of President Jacques Potdevin.

FINANCIAL TURMOIL AND ECONOMIC DOWNTURN

Further to the Executive's decision to issue FEE statements on the crisis, three draft papers have been discussed, each looking at the crisis from a specific angle: general comments from the perspective of the European Accountancy Profession, role of auditors (especially the impact of the crisis on audit reports related to financial statements at the end of the current year and the handling of possible going concern problems) and a call for action to support SMEs and safeguard their access to finance.

These drafts build on FEE agreed positions; the Executive will seek further input from working parties and further develop the papers with a view to submit them to Council on 17 December.

FINANCIAL REPORTING

The Executive received reports of Deputy President Hans van Damme on developments in International Financial Reporting Standards, in particular regarding FEE participation in the IASB Roundtable of 14 November 2008 on the global financial crisis. The Deputy President also reported the approval of the EFRAG Supervisory Board of the proposals to enhance EFRAG's governance, organisation structure and operating procedures.

The Executive noted with satisfaction that the European Parliament's Legal Affairs Committee adopted the EC Proposal to simplify disclosures in the 4th Directive and only amended the recitals of the Proposal with a call to consider a Member State option to exempt micros and to prepare a proposal on a coherent and harmonised accounting framework in the context of the overhaul of the Accounting Directives. For this purpose, the Commission convened an informal "SME ad hoc reflection group"; the Executive nominated Henri Olivier, FEE Secretary General, to represent FEE.

AUDITING

The Executive considered the draft report by MEP Mr. Bert Doorn on the Implementation of Directive 2006/43/EC on Statutory Audit of Annual Accounts and Consolidated Accounts. FEE noted in particular the call for the adoption of ISAs by the European Commission without undue delay.

The European Commission issued a consultation paper on control structure in audit firms and their consequences on the audit market. The Executive decided that FEE will take part in the consultation. It asked the Qualification and Market Access Working Party to lead the work with contributions of the Auditing Working Party and the Ethics Working Party.

The Executive welcomed reports on the last meeting of the European Auditing Standard Setters and on the preparation of the FEE conference on Audit Regulation on 9 December.

The Executive discussed the outcome of the first meeting of the XBRL task force and supported the need to raise awareness on XBRL related issues in the profession and reflect in particular on the impact of XBRL on auditing/assurance.

SMEs – SMPs

Further to the report of the SME/SMP Working Party, the Executive decided that the next FEE SME/SMP Congress should be held in Venice (Italy) in spring 2010. It was felt that the most appropriate frequency for the congress would be every two year which will be reassessed after 2010.

Both the Executive and the Working Party discussed the feedback received from the SME Advisory Panel and welcomed it as an important source of strategic input for FEE.

GOVERNANCE

The President discussed the staff performance with the Executive and expressed his keen gratitude for their efforts and the support received during his term; thanks to the outstanding commitment of the Secretariat much has been achieved despite high constraints on resources.

Further to the discussions in the FEE Development and Coordination Meeting held in Copenhagen on 4 September on the occasion of the FEE Congress, the Executive welcomed the idea of setting up ad-hoc task forces.

The Executive also reviewed the organisation of the General Assembly. The presence of the Chair of CESR, Mr Eddy Wymeersch and Director General Internal Market Mr Jorgen Holmquist as keynote speakers was confirmed.

The Executive also reviewed the preparation of the IFAC-FEE Roundtable: Assurance on Carbon Emissions Information including the launch of the FEE Discussion Paper “Sustainability Information in Annual Reports – Building on Implementation of the Modernisation Directive”(5 December) and the launch of the FEE Discussion Paper on “Implementation of Accrual Accounting: Impact on Public Sector Audit (8 December).

This Communiqué is intended for the sole benefit of FEE Member Bodies. It is not an official record of the meeting or of the decisions taken and has not been approved by the Executive. The agenda and the minutes of the meeting can be found on FEE Extranet as soon as they are available. For further information, please contact the FEE Secretariat.