



Federation of European Accountants  
Fédération des Experts comptables Européens

# INFO

*Standing for trust and integrity*

For immediate use: 20 November 2009

## Enhanced corporate reporting and auditor's assurance on corporate governance statements is a key factor in ensuring confidence in capital markets

Debate on corporate governance is needed with all stakeholders involved including regulators, directors, shareholders and the accountancy profession

**Brussels, 20 November 2009** – FEE (Fédération des Experts comptables Européens – Federation of European Accountants) announces the publication of a Discussion Paper on the Auditor's Role regarding providing Assurance on Corporate Governance Statements.

Based on a survey of its Member Bodies about corporate governance requirements and practices, FEE concluded that, despite the range of legal systems, institutional frameworks and traditions, there is considerable convergence across Europe in the individual issues addressed in national corporate governance codes. Most codes are closely related to the Organisation for Economic Cooperation and Development (OECD) Principles of Corporate Governance and include for public interest entities:

- The requirements of the amended Fourth and Seventh Directives for disclosures of certain corporate governance practices;
- The requirements of the Statutory Audit Directive to have an audit committee;
- The requirements of the Shareholder Rights Directive on exercising such rights; and
- Common additional disclosures on for instance remuneration, on the operation of the board and its committees, and further detail on risk management and internal control.

The involvement of a qualified independent auditor can increase the degree of confidence of users of corporate governance information. There are a range of practices across Europe in relation to assurance on corporate governance statements:

- The EU Directives require certain matters to be considered including the consistency of certain corporate governance information with the financial statements and whether certain other corporate governance information has been produced or included in a statement;
- Some countries have gone further and require mandatory reporting by the statutory auditor regarding other governance practices. This reporting is sometimes of factual findings, and sometimes is an assurance engagement.



**Hans van Damme, FEE President**, underlines that “the paper should be helpful to both preparers and practitioners as FEE also considered the potential for increased involvement by auditors with other common corporate governance information”.

**FEE CEO Olivier Boutellis-Taft** notes that “FEE has not only indicated what an auditor can do and cannot do but also developed some examples of what corporate governance reporting by auditors might look like in order to give a clear message to the market”.

**Philip Johnson, FEE Deputy President and Chairman of the Audit Working Party** adds that “this FEE Discussion Paper considers the role of the auditor in the area of corporate governance statements and hopes to stimulate debate. It may provide input to the IAASB and other as to the ways in which auditors can be involved in this area”.

**Erich Kandler, Chairman of the FEE Corporate Governance Working Party** commented that “financial reporting, and assurance, are key factors in ensuring confidence in capital markets which is crucial, in particular in the current times”.

The Discussion Paper is expected to be of interest to all parties involved in the corporate governance debate including regulators, the accountancy profession, executive and non-executive directors, shareholders and other stakeholders.

FEE would be interested to receive comments on any of the issues discussed in this paper.

– ENDS –

## NOTES FOR EDITORS

### About the paper

[http://www.fee.be/publications/default.asp?library\\_ref=4&content\\_ref=1167](http://www.fee.be/publications/default.asp?library_ref=4&content_ref=1167)

### About FEE

**FEE (Fédération des Experts comptables Européens - Federation of European Accountants) represents 43 professional institutes of accountants and auditors from 32 European countries, including all of the 27 EU Member States.**

In representing the European accountancy profession, FEE recognises the public interest. It has a combined membership of more than 500.000 professional accountants, working in different capacities in public practice, small and big firms, government and education, who all contribute to a more efficient, transparent, and sustainable European economy.

### Contacts

#### FEE:

Hilde Blomme, Director of Practice Regulation

Tel: + 32 2 285 40 77

[Hilde.Blomme@fee.be](mailto:Hilde.Blomme@fee.be)