

**WORKSHOP “ESTABLISHING A PRACTICE GROUP AUDITING”**  
**Saturday, 26<sup>th</sup> April 2008**

**MINUTE OF THE MEETING**

**1. Aim of the Workshop.**

The aim of the Workshop is to establish a new practice group “auditing” that enables Geneva Group International (GGI) to participate in tenders to audit medium and large companies.

We believe that there are important opportunities of business, but the members of GGI have to collaborate to develop this business.

**2. Actual situation.**

The member of Singapore explained that in Asia it is usual that companies have as auditor of the home office report one of the large international companies, but the local auditor is responsible for the legal audit and the tax returns.

Until now GGI has never appeared before potential clients as a single company, as GGI is not authorised to sign audit reports by itself. The audit reports have to be signed by the members firms.

The competition between small companies is very hard actually. The fees are higher in case of audits of larger companies. So it could be very interesting to get some mandates of larger companies that actually are audited by some of the “big fours”.

Another important issue is quality. Before the different auditing firms can work together, we have to assure that the level of quality is the same by the different members of GGI.

One important problem is the absence of an auditing company member of GGI in the United States. In case that the group to be audited had subsidiaries in USA, we had to contact local companies to perform the audit of these subsidiaries.

**3. Actions to be taken.**

- To prepare a questionnaire with the most relevant questions concerning auditing standards and quality controls applied in each country and some information about the members. This questionnaire should be sent to all GGI members in order to get a picture of the real strength of the auditing members. This questionnaire should include at least the following information:
  - a. Profile of companies.

- b. Number of employees.
- c. Experience in auditing.
- d. Accounting standards applied.
- e. Quality controls applied.
- f. Fee standards.

We have to inform all the members, that this information is essential to prepare a brochure offering the services of GGI.

- All the members interested in joining the practice group shall answer this questionnaire and, if possible, attend the next meeting of the practice group. The meetings of the practice group could be organised the day before the world and regional meetings, in order to facilitate the attendance of the members.
- Each member of the practise group should inform about how they are implementing quality controls. In case that some members do not apply any quality controls, we should study if GGI could implement some kind of control.
- Before organising any marketing structure, we have to develop in advance the internal structures that make possible to approach big clients as a single auditing group.
- Prepare a brochure similar to the brochure of the international tax planning practice group, that could be presented to potential clients.
- Once the internal structure is developed, we can focus on special clients that could be interested in changing auditors, specially companies that are not quoted in the stock market but that are not happy with the big four. These companies belong very often to family groups. Once the targets have been focused, we could establish a strategy to approach the clients and to offer our services.
- One important issue that has to be solved in advance is how GGI will appear before the clients. As GGI is not an auditing company and is not authorised to sign audit reports, the reports will have to be signed by the local auditors.
- To establish a guideline with minimum steps to be performed in any international audit.

Finally, it was decided to have the next meeting of the practice group on Saturday morning during the next World Conference in Rio de Janeiro.

26.04.2008