



## Consultation Paper - IAASB A Framework for Audit Quality

Overall the framework is developed on a comprehensive basis. Stating factors from the national, firm and through to engagement levels. This document therefore can then provide a good basis for discussion between the different stakeholder groups. Ultimately, enabling an improvement in audit quality.

From the perspective of our SAI, we would like to comment on the section relating to "Consideration relating to specific audits" (section 5).

### 5.1.1 Inputs

Paragraph 250:

Public sector auditors mandate and the scope and types of audits that SAIs are performing. The paragraph states "On a national level in many countries public sector entities are often not for profit organizations and as a result they may be more focused on matters such as:

- Entities general performance
- Achievement of the objectives...
- Compliance with laws and regulations and
- Environmental issues

This statement is not correct. As the emphasis of an audit is dependent on the public interest and not on the type of entity. Therefore it is equally possible that a government entity operating on commercial lines may be subject to the same focus areas listed above.

Furthermore, SAIs perform much broader audits (including performance, compliance and regularity) that need to be understood and explained in the context of this section. It is also essential to give regard to the ISSAI Framework which is needed to contextualize the public sector perspective.

A final issue under the inputs section, (Paragraph 245) relates to the explanation of the competences required to audit performance information and compliance to laws and regulations. "The need for partner and technical competences to reflect the mandate", this is simply a competency requirement in terms of professional standards required and need not be stressed.



#### 4.4 Corporate Governance

Paragraph 224, refers to the appointment or reappointment of auditors. The public sector is not usually subject to this arrangement as the audits are statutory and therefore ongoing.

#### 5.1.4 Contextual Factors

Paragraph 252, “applicable financial reporting framework.....”

This paragraph does not provide any information or explanation relating to the implications of the absence or incompleteness of such conditions.