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International Auditing and
Assurance Standards Board (IAASB)
545 Fifth Avenue, 14th Floor,
New York,
USA

Nieuwegein, 4 April, 2016

Re: IAASB Overview ITC: Enhancing audit quality in the public interest

Dear Sirs,

SRA is pleased to provide you with its comments on the above ED. SRA is an association of some 370 SMP's in the Netherlands, which cooperates in a covenant on oversight with the Dutch oversight body, the AFM. Taking into account the relevance of the subject matter to SMP's, our comments are limited to the questions regarding professional skepticism and an observation regarding quality control.

PS 1

In our view there is definitely no need to reinforce the concept of professional skepticism. We therefore do not subscribe to the starting point of the ITC, namely that the concept should be reinforced. Acknowledging the vital importance of a quality audit, we are convinced that the fundamental principles, included in the Code of Ethics, and the standards, applicable to the audit of historical financial information, already adequately cover this concept. In this regard it should be born in mind that both the Code and the standards apply to all audits, including audits of SMP's. It is in our view therefore superfluous to further define the concept and to reinforce it. For example: if audit information is inconsistent the principle of due care and the relevant audit standards require additional audit work, depending on the factual circumstances, in order to resolve the issue.

PS 2

The areas of investigation suggest that a substantial number of actions will be required to safeguard the adequate application of professional skepticism. We do not agree with this suggestion. However, in our view there is a need to more clearly describe the limitations of an audit of financial statements. Taking into account that usefulness and costs should be balanced, it should be made more clear when the auditor can conclude that he has enough comfort to be able to draw a conclusion on the audit.

Regarding drivers and impediments on professional skepticism reference is made to the Dutch project "In the public interest".

PS 3

Again reference is made to the Dutch project, mentioned above.
Observation regarding quality control

Standards on quality control, such as ISQC 1, should, in our view, be identical for both larger firms and SMP's.

These standards should include an option to make them scalable on an individual firm level. This could be achieved by inclusion of a general article, which allows to establish a firm quality system, taking into account the nature and size of the relevant firm.

Yours sincerely,
SRA

Paul Dinkgreve,
Chairman SRA