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THE CHAIRPERSON

International Auditing and Assurance Standards Board
James Gunn
Technical Director
529 Fifth Avenue 6th Floor
New York
NY 10017

15 May 2013

Ref: **A Framework for Audit Quality**

Dear Mr Gunn

The European Banking Authority (EBA) welcomes the opportunity to comment on the IAASB's Consultation Paper: A Framework for Audit Quality (hereinafter referred as the framework).

As a prudential banking regulator we have a strong interest in promoting sound and high quality audit practices supporting high quality financial reporting by banks which is a crucial element of market confidence and discipline.

We believe the framework could be a valuable contribution to improving audit quality, in the way it outlines the key drivers which contribute to audit quality. However, we are unclear of the status of the framework and how it will inform the development of future auditing, ethical and educational standards. We would also observe, in the light of the findings from recent audit inspection reports, that there could be greater emphasis on professional scepticism in the framework, as well as further detail provided on the audit of internal controls related to financial statements.

We welcome the references in the framework to interactions between the auditor and the regulator and, for more guidance on this area, would point the IAASB to the recently published BCBS consultation paper on the "External audit of banks".

If you have any questions regarding our comments, please feel free to contact Ms. Patricia Sucher (+44 20 3461 8159) in her capacity as Chair of the technical group that coordinated the response.

Yours sincerely

A handwritten signature in blue ink, which appears to read 'Andrea Enria', is positioned below the text 'Yours sincerely'.

Andrea Enria

CC: Ms Patricia Sucher