

## **Reaction on the IAASB draft “a framework for audit quality”**

We, the internal audit departments of the pension administrators MN Services and PGGM in the Netherlands, would like to take advantage of the opportunity to respond on the IAASB draft “a framework for audit quality”.

We find this framework a full-grown and well-developed document. This document is mainly written for external auditors who are performing financial audits. We would appreciate an explanation of reasons and purposes in the introduction of this document.

Our answers to your questions, as mentioned in your framework, are approached from an internal audit point of view.

### **1. Does the Framework cover all of the areas of audit quality that you would expect? If not, what else should be included?**

In this framework we are missing an explicit link to:

- ISA 600, “The Work of Related Auditors and Other Auditors in the Audit of Group Financial Statements” and the way in which an external auditor makes use of the work of for example internal audit departments.
  
- ISA 240, “The auditor’s responsibilities relating to fraud in an audit of financial statements”.

### **2. Does the Framework reflect the appropriate balance in the responsibility for audit quality between the auditor (engagement team and firm), the entity (management and those charged with governance), and other stakeholders? If not, which areas of the Framework should be revised and how?**

On page 21 “contextual factors”, a separate paragraph is dedicated to “corporate governance”. “Internal control framework” and “remuneration policies”, as separate contextual factors, are lacking in this paragraph.

### **3. How do you intend to use the Framework? Are there changes that need to be made to the form or content of the Framework to maximize its value to you?**

There are no changes needed to the form or content of the Framework to maximize its value.

### **4. What are your views on the suggested Areas to Explore? Which, if any, should be given priority and by whom? Are there additional Areas to Explore?**

Priority should be given to the following areas: 3,4,6 and 8.

An interesting additional area to explore is how to use data-analysis as an input factor (1.7.2) and what the restrictions (for example the privacy legislation) are to use this analysis.