



By E-mail

Mr James Gunn
Technical Director
International Auditing and Assurance Standards Board
545 Fifth Avenue, 14th Floor
New York, NY 10017
United States of America

13 May 2013

Dear Mr Gunn,

Comments on Consultation Paper – A Framework for Audit Quality

The Dubai Financial Services Authority (DFSA) thanks you for the opportunity to provide commentary on Consultation Paper – A Framework for Audit Quality. The DFSA is the independent regulator of financial and ancillary services conducted in or from the Dubai International Financial Centre (DIFC), a purpose-built financial free-zone in Dubai.

The DFSA regulates a broad range of Firms based in the DIFC, including banks, insurers, fund managers, advisory firms and brokers, exchanges and clearing houses. In addition, the DFSA's regulatory remit includes credit rating agencies, auditors and other ancillary service providers. With respect to auditors, the DFSA is responsible for the registration, oversight and suspension / removal of auditors in the DIFC.

The DFSA is a member of the International Forum for Independent Audit Regulators (IFIAR). The DFSA is providing its comments on this Consultation Paper in its capacity as an independent audit regulator, thus focusing on areas involving audit regulators.

Overall, the DFSA considers the Framework as a useful document that reinforces existing principles whilst expanding their perspective to include the role of all stakeholders in the financial reporting cycle.

The DFSA notes that the Framework does not define audit quality. We encourage the IAASB to formulate and include an appropriate definition of audit quality. At the same time, we recognise that a universally acceptable definition of audit quality may be difficult to establish.

We are also concerned over the length of the draft Framework.

The DFSA intends to use this Framework as a reference document for its Registered Auditors in the DIFC. This should assist smaller audit firms to self-assess whether they have achieved all elements required to undertake a quality audit. However, we recommend that IAASB devises a mechanism by which audit firms can self-assess and share the findings with their stakeholders.

If you require any further elaboration or clarification on the matters raised please contact Mr Naweed Lalani, Senior Manager on +971 4362 1549 or by e-mail on nlalani@dfsae.ae.

We look forward to participating in any further work on this area.

Yours sincerely



Matt Gamble
Director, Supervision
Head of Anti-Money Laundering



Comments on Consultation Paper

A Framework for Audit Quality

13 May 2013

Question 1

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

The DFSA is of the view that the Framework covers all the areas of audit quality.

As mentioned above, we note that the Framework does not define audit quality. We encourage the IAASB to formulate and include appropriate definition of audit quality.

At the same time, we recognise that a universally acceptable definition of audit quality may be difficult to establish.

Question 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?

The DFSA believes that the Framework reflects 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.

Question 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?

The DFSA intends to use this Framework as a reference document for its Registered Auditors in the DIFC. This should assist smaller audit firms to self-assess whether they have achieved all elements required to undertake a quality audit.

Question 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?

The DFSA is of the view that the suggested Areas to Explore are the most relevant ones with reference to the Framework. Prioritising one over the other is not preferred.

The areas to explore list is not exhaustive and should evolve over time.