

Good day

I am commenting with respect to the “Invitation to Comment, Enhancing Audit Quality in the Public Interest: A Focus on Professional Skepticism, Quality Control and Group Audits” that the IAASB has recently put out.

I am particularly keen on the issue of Audit Quality Indicators as I am convinced that, by establishing such a framework, we will empower audit committees and boards in their decisions regarding selecting auditors or renewing audit contracts. Ultimately investor interests must be prioritized, and by empowering audit committees / boards with a clear cut framework for assessing auditors, we are protecting the investors.

Having said that, audit quality indicators should not be the preserve of Big Firms or even those that audit listed entities: perhaps we could consider different tiers of AQL's to cater for the different sized firms and entities, rather than a one-size fits all approach?

I am also convinced that audit firms should not see such a project in a negative light. Rather they should embrace and even seek to be at the forefront:

- Firstly, most firms already have some form of in-house quality indicators. By embracing these initiatives, firms would serve to strengthen their own already-existing structures
- Secondly, because organisations that are perceived to consistently strive for transparency are more likely to be viewed in a positive light and may well distinguish and make themselves more competitive
- Lastly because, by willingly sharing information, firms can mutually benefit through the enhanced ability to benchmark themselves

I am aware that different bodies have suggested various indicators that could possibly be adopted, such as:

- Firm leadership and tone at the top (eg measuring the effectiveness of messaging around quality, by way of internal firm surveys)
- Engagement team knowledge, experience and workload (eg number of years in the firm, at the specific client, within the industry,)
- Monitoring ( which would include results of the firm's own internal quality reviews, as well as external inspections)
- reliability of audit reports (which could focus on how often firms have to re-issue financial statements or reports on internal controls)
- most recent inspection results, and

- firm's financial stability and reputation

Ultimately I believe that if a global approach is taken towards this project, we should come up with a uniform framework which allows for measurability and comparability across different industries, sizes of entity and audit firms.

Kind regards

The logo for ZUVA (Zimbabwean Union of Accountants) features a stylized 'Z' composed of overlapping teal and dark blue geometric shapes. To the right of the 'Z' is the word 'ZUVA' in a bold, teal, sans-serif font.

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