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11 May 2016

**Your Ref: Comment letter on Enhancing Audit Quality in the Public Interest
- A Focus on Professional Skepticism, Quality Control and Group Audits**

Dear Sir.

Thank you for giving us the opportunity to comment on your Invitation to Comment on Enhancing Audit Quality in the Public Interest - A Focus on Professional Skepticism, Quality Control and Group Audits.

Audit quality is at the heart of the International Auditing and Assurance Standards Board. The IAASB is working to improve audit quality by reviewing its International Standards on Auditing (ISAs) and International Standard on Quality Control (ISQC) 1, the standard addressing quality control for firms. The current consultation focuses on three main topic areas: professional skepticism; quality control; and group audits.

Professional skepticism

Professional skepticism is one of the key enablers that support professional judgment. It is important to note that both professional skepticism and professional judgment are heavily dependent on the auditor's continuing objectivity and independence. Therefore in carrying out audit work it is critical that auditors do not allow bias, conflict of interest, or the undue influence of others to override their professional judgment, and that their professional judgment is not, and cannot reasonably be seen to be, compromised. I call this the optimal level of professional judgment. This attitude, behavior and working style is the key to auditor integrity.¹

¹ See also the IESBA's definitions of Objectivity and Integrity in their Handbook of the Code of Ethics for Professional Accountants. 2015 Edition available at:
<http://www.ethicsboard.org/system/files/publications/files/2015-iesba-handbook.pdf>

Please note that the comments expressed herein are solely my personal views

It is also important that auditors should apply the appropriate level of professional skepticism when carrying out audit work. Whilst professional skepticism is difficult to measure in quantitative terms, the appropriate level of professional skepticism is the threshold at which the auditor's professional judgment is optimal, as described above. It is important to note that this threshold is not fixed, and its level may change depending on the particular circumstances of the audit. These circumstances include the complexity of the audit and its susceptibility to material misstatement, and the indications provided by audit evidence.

Finally, I would like to add that professional skepticism can and should be supported and even enhanced by regular communication, management of expectations and ongoing cooperation with other entities - for example, including audit committees, regulators and boards of directors. This is alluded to in the consultation paper, and I strongly support this.

Yours faithfully

C.R. Barnard

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