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Chris Barnard  
Germany

24 April 2013

**Your Ref: Comment letter on Consultation Paper  
- A Framework for Audit Quality**

Dear Sir.

Thank you for giving us the opportunity to comment on your consultation paper "A Framework for Audit Quality".

The objectives of the Framework for Audit Quality include: raising awareness of the key elements of audit quality; encouraging key stakeholders to explore ways to improve audit quality; and facilitating greater dialogue between key stakeholders on the topic. In general I welcome this contribution to the ongoing debate on audit quality, and believe that the Framework broadly achieves these objectives. However, it is important to seed the Framework with a more objective definition of audit quality, probably based on its achievement defined as:

"a quality audit is likely to be achieved when the auditor's opinion on the financial statements can be relied upon as it was based on sufficient appropriate audit evidence obtained by an engagement team that:

- Exhibited appropriate values, ethics and attitudes;
- Was sufficiently knowledgeable and experienced and had sufficient time allocated to perform the audit work;
- Applied a rigorous audit process and quality control procedures;
- Provided valuable and timely reports; and
- Interacted appropriately with a variety of different stakeholders."<sup>1</sup>

I would only recommend that "provide valuable and timely reports" should be amended to "provide appropriate and timely reports", as "valuable" is a subjective judgment that depends on the views, expectations and tolerances of the different stakeholders involved in the audit.

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<sup>1</sup> See Consultation Paper, "Forward from the IAASB Chairman", page 9.

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

Much of the debate on audit quality relates to the expectations of various stakeholders. In the past you have raised the issue of the expectations gap and the information gap, and I have raised the closely related issue of the perceptions gap.<sup>2</sup> I believe that the Framework would be more practicable if you could more specifically relate the key components of the Framework (input factors, output factors, key interactions, contextual factors and special considerations) to how they address the expectations gap, information gap and perceptions gap. This would add value and consistency to the Framework.

Yours faithfully

A handwritten signature in blue ink that reads "C.R. Barnard".

Chris Barnard

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<sup>2</sup> See for example paragraphs 13-24 of the IAASB Consultation Paper “Enhancing the Value of Auditor Reporting: Exploring Options for Change”, May 2011, and my comment letter thereon.