

May 13, 2013

International Auditing and Assurance Standards Board (IAASB)

RE: A Framework for Audit Quality

Dear Board Members,

We are sending in the attached appendix the opinion of the Argentina Federation of Professional Councils in Economic Sciences (FACPCE) on the document "A Framework for Audit Quality ", who gives the opportunity to submit comments by May 15, 2013.

If you have any questions about our comments, please contact us to facpce@facpce.org.ar.

With warm regards,

Dr. Daniel Carlos Feldman

Secretary

Dr. Ramón Vicente Nicastro

Chairman

“A FRAMEWORK FO AUDIT QUALITY”

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

The document is very comprehensive, but very descriptive of situations that normally occur in large practices and large customers. At the end there is an area for the audit of small entities. We understand that it would be good to include in the individual chapters further reference to what happens with small practitioners who do not have the facilities of the major studios for many of the suggestions and recommendations of the document that can do it much more applicable to reality of certain countries.

- 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?**

We believe it should be more developed the situation in which companies have not constituted an audit committee, hence all the responsibility for the preparation and issuance of financial statements rest with management, even though the ultimate responsible for them is the Board of Directors (in corporations), being this situation very common in many countries.

- 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?**

Introduce to professionals and users in general, although in a reduced format, which favors those areas judged most applicable to the problem of auditing in our country.

- 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?**

We understand the priority areas are the 6 to 10 and for different reasons. Area 7 given the need to reduce the “expectation gap” between users of audit reports, and this requires consensus whether the changes introduced into it will satisfy these expectations and that they would not be degraded as they begin to be used. Area 6 should shed light on the different problems that are observed in the audit practice in countries with dissimilar development in

capital markets and thus the different concerns facing regulators, audit firms themselves and users in general.

Also, considering that Audit Committees are not yet widespread in many countries, areas 9 and 10 require further development and dissemination, especially as key corporate governance practices for better quality in the accounting information available to third parties and of valuable assistance to the auditor's job. It is suggested joint tasks between IAASB and representatives of regulatory bodies' organs. In the same direction, improving communication with regulators (point 8) is an area that needs to be strengthened in many countries and also we suggest a joint work with these regulators bodies.

Finally we believe the situation where the auditor is also a provider of other services should be considered as an area to explore, both in relation to the client and internal factors of the audit firm needed to protect the quality of the audit work, including, for example, the valuation and compensation of different professionals assigned to each of the areas. We understand that this point should be focused within the identified item 2.