

Deloitte.

Audit quality

Independent Audit



Contents

- Acceptance
- Independence
- Risk assessment
- Learning & resources
- Ethics & compliance
- Audit methodology
- Quality assurance
- Peer review

Audit quality framework

Specific quality programs



Audit quality imperatives

1. Acceptance

<ul style="list-style-type: none">• Client Acceptance	<ul style="list-style-type: none">• Policies & procedures for accepting new clients and retaining clients
<ul style="list-style-type: none">• Engagement Acceptance	<ul style="list-style-type: none">• Procedures for accepting new engagements

2. Risk assessment

<ul style="list-style-type: none">• Normal• Greater than normal• Much Greater than normal	<ul style="list-style-type: none">• Determine audit strategy, plan and resources with relevant expertise based on risk classification
---	---

Audit quality imperatives

3. Independence

- | | |
|---|---|
| <ul style="list-style-type: none">• Fact and appearance• Monitoring Independence | <ul style="list-style-type: none">• Internal System to test and monitor independence; which is elementary to qualify for independent audit. |
|---|---|

4. Learning & resources

- | | |
|--|--|
| <ul style="list-style-type: none">• Relevant industry experience• Continuous update on relevant auditing and accounting standards• Continuous professional education | <ul style="list-style-type: none">• Learning curriculum in technical matters to all professionals• Dedicated learning programs for audit partners and managers. |
|--|--|

Audit quality imperatives

5. Ethics & compliance

- | | |
|---|---|
| <ul style="list-style-type: none">• Ethical behavior in observing Integrity & Objectivity | <ul style="list-style-type: none">• Comply with Ethical standards of IFAC and code of Ethics set by Local regulations |
| <ul style="list-style-type: none">• Compliance with relevant laws & regulations | <ul style="list-style-type: none">• Monitor compliance with local regulations |

6. Audit methodology

- | | |
|---|---|
| <ul style="list-style-type: none">• Systematic approach to the audit• Planning, execution & conclusion | <ul style="list-style-type: none">• Initial planning• Development of audit plan• Execution of audit plan• Conclusion & reporting |
|---|---|

Comprehensive approach to Audit quality



Audit quality imperatives

7. Quality assurance

- Quality control review
 - At engagement level
 - At practice level
- Assignment of experienced professionals to perform Q.A on audit engagements
- Perform regular practice wide review to ensure Compliance with relevant standards of audit quality and adherence to policies & procedures in relation to Independence, Ethics, CPE and HR in general

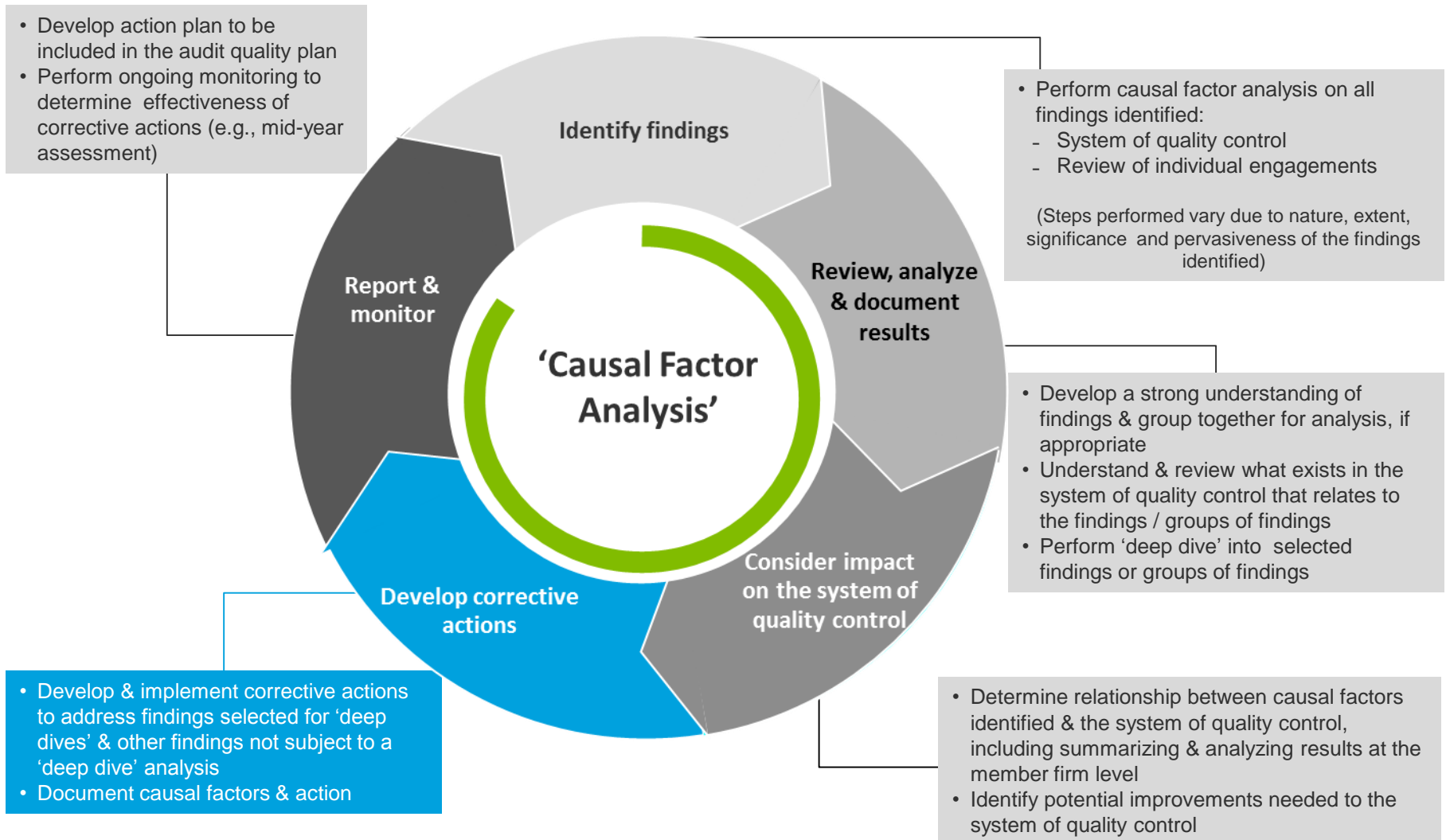
Audit quality imperatives

8. Peer review

- | | |
|--|---|
| <ul style="list-style-type: none">• Robust & systematic | <ul style="list-style-type: none">• Designed to help audit firms increase their focus on the proper design and operating effectiveness of their systems of quality control.• identifying systemic causes and appropriate remediation of nonconforming engagements and systemic weaknesses |
| <ul style="list-style-type: none">• Evolve with professional development | <ul style="list-style-type: none">• The AICPA Peer Review Board issued last week an exposure draft that describes proposed changes to the AICPA's current standards for performing and reporting on peer reviews. (the proposals are intended to reinforce the need for adequate planning and preparation for a peer review by firms and peer reviewers |

Causal factor analysis

Activities to be performed



Q&A



This communication contains general information only, and none of Deloitte Touche Tohmatsu Limited, its member firms, or their related entities (collectively, the “Deloitte network”) is, by means of this communication, rendering professional advice or services. No entity in the Deloitte network shall be responsible for any loss whatsoever sustained by any person who relies on this communication.

About Deloitte

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee (“DTTL”), its network of member firms, and their related entities. DTTL and each of its member firms are legally separate and independent entities. DTTL (also referred to as “Deloitte Global”) does not provide services to clients. Please see www.deloitte.com/about for a more detailed description of DTTL and its member firms.

Deloitte provides audit, tax, consulting, and financial advisory services to public and private clients spanning multiple industries. With a globally connected network of member firms in more than 150 countries and territories, Deloitte brings world-class capabilities and high-quality service to clients, delivering the insights they need to address their most complex business challenges. Deloitte’s more than 200,000 professionals are committed to becoming the standard of excellence.

About Deloitte & Touche (M.E.)

Deloitte & Touche (M.E.) is a member firm of Deloitte Touche Tohmatsu Limited (DTTL) and is the first Arab professional services firm established in the Middle East region with uninterrupted presence since 1926.

Deloitte is among the region’s leading professional services firms, providing audit, tax, consulting, and financial advisory services through 26 offices in 15 countries with more than 3,000 partners, directors and staff. It is a Tier 1 Tax advisor in the GCC region since 2010 (according to the International Tax Review World Tax Rankings). It has received numerous awards in the last few years which include Best Employer in the Middle East, best consulting firm, and the Middle East Training & Development Excellence Award by the Institute of Chartered Accountants in England and Wales (ICAEW).