

Dear Sir Donald,

Thank you for your time and candid comments last week.

It was also really interesting to hear about some of the issues that you are grappling with regarding audit.

The three areas that we look at when evaluating audits are:

- Audit plan with focus on scope and robustness of data collection and testing
- Allocation of resources including competency of dedicated staff (audit partner through to junior auditors) and technology infrastructure
- Culture of challenge (incentives, conflicts, governance)

Quite simplistic but we find most issues and proposals can be framed within the context of these three areas.

We are concerned that various solutions have been debated without a through evidence based review on how it impacts the core components of what determines audit quality.

Very happy to be a sounding board if you would like to discuss any specific ideas in more detail.

Regards

Mirza

Mirza Baig
Global Head of Governance