

OPINION

SPOTLIGHT SERIES ON EXTERNAL FINANCIAL AUDITING IN THE UAE WHY YOUR AUDIT IS MUCH MORE THAN JUST A TICK-BOX EXERCISE



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With intense pressure on costs, it would be understandable for UAE businesspersons to ask themselves if they can't just appoint the lowest-priced auditor. We would advise caution in adopting such an approach.

Employing **staff with the requisite experience and qualifications** means that audit firms who are able to provide the service necessitated by the new regulatory environment, particularly with regard to Corporate Tax, are likely to be more expensive than firms who cannot meet these standards. It is therefore **vital to select the right external audit firm** in the UAE, as this will ensure an effective and comprehensive auditing process. A business should always look for an audit firm with **extensive industry experience and a good track record of providing high quality audit services**.

New audit practice licence regulations have been introduced in the UAE to increase confidence in the accounting and auditing profession.

Ministerial Resolution 111-2 of 2022, requires accounting professionals to have passed **mandatory exams** in international financial reporting standards (IFRS), international standards in auditing (ISAs) and UAE tax and regulation before applying for a licence. Your auditor should meet these standards and ideally have **access to experts in IFRS and UAE taxation for complex technical audit issues**.

It is increasingly evident that both the auditing and the accounting landscapes are changing out of all recognition. What was previously best practice, will now become simple compliance. It is therefore highly recommended you **research the capabilities of your current auditor** carefully as failure to meet accounting and auditing legal requirements may result in administrative penalties.

Apart from the legal requirement, there are **considerable benefits in having a professional external audit**. The need for companies' financial statements to be audited by an independent external auditor has been a **cornerstone of confidence** in the world's financial systems. The primary objective of external audit is to ensure financial transparency and accuracy of financial statements, which **provide assurance to the different stakeholders** that the financial information gives a true and fair view of affairs of a business.

Another significant objective of an external audit is to **identify any major potential frauds** or irregularities to help companies **safeguard their assets** and prevent financial misconduct. An external auditor also ensures that businesses adhere to applicable accounting standards, regulatory requirements, and other industry-specific regulations, to **promote best corporate governance** and company secretarial practices.

How can we help

RAA is a top international quality, UAE-headquartered audit firm. We provide audits ranging from small entrepreneurs to complex multinationals. We offer our clients high quality and competent auditors at **prices that are far more competitive** than Big 4 and other UAE-based international offices.

An external audit by a reputed firm smooths the way for investors and **helps to secure financing** by building credibility and trust in a business. External lenders, suppliers, regulators, authorities, and other stakeholders often insist on accounts being professionally audited to validate the financial health, robustness, and creditworthiness of the company. In addition, a rigorous audit process will, almost invariably, identify insights about some areas where management may **improve their controls or processes**.

Who we are

RAA Auditing is a UAE-registered audit and accounting firm in Dubai, with extensive experience of auditing in both the UAE mainland and most of the free zones.

We are focused on providing entrepreneurial businesses of varying sizes with timely, proactive, and customized business solutions from start-up and early development to the latest stages of a business's lifecycle. Our audits aim to help clients mitigate risk, improve operational efficiencies, and safeguard their business by providing clarity on issues that matter.

Our audit and liquidation assignments are led by independent auditors with a commitment to the highest standard.

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