

IFIAR 2024 Member Profile – ADAA

1. Jurisdiction	<p>1.1 Insert the name of the jurisdiction in English:</p> <p>Abu Dhabi, United Arab Emirates.</p>
2. Member ¹	<p>2.1 Insert the name of the Member, both in the local language and in English:</p> <p>جهاز أبوظبي للمحاسبة Abu Dhabi Accountability Authority (ADAA)</p> <p>2.2 Include relevant contact information, including postal address, telephone number(s), a general email address (if any) and a link to the Member’s website:</p> <p>Al Muntazah Office Building Al Muntazah Street Khalifa Park Area Abu Dhabi, UAE</p> <p>P.O. Box: 435, Abu Dhabi, UAE</p> <p>Tel.: +971 2 6392200 Fax: +971 2 6334122 Website: http://www.adaa.gov.ae</p> <p>2.3 Include the basis for establishment of the Member, as well as the legislation or regulations which provide the Member the authority/mandate with respect to audit regulation. Please describe with an appropriate level of detail the mission and responsibilities of the Member with respect to audit regulation:</p> <ul style="list-style-type: none"> • ADAA was established in accordance with Law No (14) of 2008. • In 2020 Law no. 19 was issued “Reorganization of ADAA” and it was amended by law no.9 of 2022. • In 2023 Law no.16 was issued “ organization of ADAA” <p>The new Law stipulates the following:</p> <ul style="list-style-type: none"> - Article 3 Objectives of the Authority: <i>One of ADAA objectives is to improve quality of audit services provided to subject entities in the Emirate</i> - Article 14 Mandates of the Authority: <i>Examine the independent and consolidated annual financial statements of subject entities that have</i>

¹ In the case where there are two or more regulators from the same jurisdiction that have been approved according to Section 2.3 of the IFIAR Charter, they together are considered as one Member. In that case, regulators are requested to include information for both organizations in the Member Profile.

	<p><i>laws requiring their financial statements be reviewed by an auditor, and examine the worksheets and reports of their auditors to ensure the financial statements provide a fair depiction of the financial position and performance of the entity, and the quality of the audits they performed, in accordance with the applicable audit standards and other rules set forth by the Authority as it deems fit, and present reports thereof.</i></p> <ul style="list-style-type: none"> - Article 15 Authority Powers: <i>Examine the working papers of external auditors regarding the financial audits of subject entities and peruse or take copies thereof.</i> - Article 19 Financial Oversight Activities: <i>Examine the independent and consolidated annual financial statements of subject entities that have laws requiring their financial statements be reviewed by a statutory auditor, and examine the working papers and reports of their auditors to ensure the financial statements provide a fair depiction of the financial position and performance of the entity, and the quality of the audits they performed, in accordance with the applicable audit standards and other rules set forth by the Authority as it deems fit, and present reports thereof.</i> <p>2.4 Please indicate whether the Member has responsibility for the following tasks within the area of Audit Oversight:</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Licensing <input checked="" type="checkbox"/> Registration <input checked="" type="checkbox"/> Audit and/or Ethics Standard Setting <input type="checkbox"/> Permanent Education / Continuous Training of Auditors <input checked="" type="checkbox"/> Inspection <input checked="" type="checkbox"/> Enforcement <input checked="" type="checkbox"/> Other: <p>1. Issuing accounting and auditing publications periodically .</p>
<p>3. Governing Body Composition and members</p>	<p>3.1 Describe with an appropriate level of detail the current composition of the Member’s governing body, including, where possible, the names, the organization they represent (if any) and brief backgrounds of the governing body members, or provide a link to a page on your website where this information is provided.</p> <p>Abu Dhabi Accountability Authority is a public body and is the supreme entity in charge of oversight over financial, accountability, integrity and transparency matters in the Emirate.</p> <p>The Authority is a legal person endowed with the legal competence required to perform its activities and achieve its objectives. The Authority is financially and administratively independent, and subject directly to the Ruler and reporting directly to His Highness Sheikh Mohammed Bin Zayed Al Nahyan, the Ruler of Abu Dhabi.</p>

	<p>More details are available on ADAA website: www.adaa.gov.ae</p> <p>3.2 What are the eligibility criteria / requirements and composition requirements for the members of the governing body? E.g. Does national legislation require representatives on the governing body from certain organizations, or with specific experience, etc.</p> <p>ADAA does not have a conventional board; instead it is being governed by a Chairman appointed by an Emiri Decree issued by His Highness the Ruler of Abu Dhabi.</p> <p>3.3 Is there a restriction or recusal process that is applicable to members of the governing body of the Member who are current or former auditors/practitioners?</p> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Does this include a “cooling-off” period for former auditors?</p> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If yes to either of the above, please describe:</p> <p>Article 10 stipulate the following: <i>No employee of the Authority may work for any of the subject entities where he discharged any of the duties of the Authority during his employment, except after a period of no less than two years since the termination of his service at the Authority, or with the approval of the Chairman, and in accordance with the relevant legislations.</i></p> <p>For more details, please refer to safeguards outlined in question 4.1.</p>
<p>4. Independence safeguards</p>	<p>4.1 Please describe the national independence requirements for the governing body and its members, and legal or regulatory requirements/provisions in place that safeguard their independence from the audit profession.</p> <p>The independence of ADAA’s Chairman and employees is governed and ensured by the Law:</p> <ul style="list-style-type: none"> • The Authority Chairman, Deputy, General Managers and Employees must act independently and objectively in discharging the Authority’s mandate, in accordance with the provisions of this article, and Article (10) of this law, as best possible. • The Chairman must not hold any other public or private employment without the approval of the Ruler, and may not engage in any financial, commercial or professional business, or

	<p>hold membership in any managerial board or any other committees subject to the Government or to subject entities, except in accordance with the provisions listed in the Chairman affairs regulations.</p> <ul style="list-style-type: none"> • The Deputy and the General Managers of the Authority must not hold any other public or private employment and may not engage in any financial or commercial or professional business, or hold membership in any managerial board or any other committees subject to the Government or to subject entities, except in accordance with the provisions listed in the Authority’s internal regulations. <p>Except for the Authority’s subjectivity as set forth in Article (2) of this law, the Authority, its Chairman, the Deputy, and General Managers are not subject in discharging their mandates and authorities, as stipulated in the provisions of this law, to the organization, or supervision or control of any subject or other entity.</p> <p>Are employees of the Member covered by the same or separate set of independence requirements?</p> <p><input type="checkbox"/> Same set of requirements <input checked="" type="checkbox"/> Different set of requirements</p> <p>If there are separate independence requirements for employees, please describe:</p> <ul style="list-style-type: none"> ▪ Government of Abu Dhabi has issued government employee code of conduct https://www.dge.gov.ae/en/policies-and-legislations ▪ ADAA has developed an internal code of conduct aligned with government and IESBA Code and other additional requirements that applies to all employees, directors and executive directors. The code is available on ADAA internal website. ▪ On annual basis all employees, directors and executive director sign a declaration that they don’t hold any financial interest that creates conflicts these include ownerships in listed companies, private companies and entities subject to ADAA mandate. <hr/> <p>4.2 Are there any additional safeguards in place that provide for the Member’s overall independence from the audit profession? E.g. through the appointment process, specific Board actions, etc.</p> <p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>If yes, please describe:</p>
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5. Funding Arrangements	<p>5.1 Describe the main funding arrangements of the Member, including the setting and approval of the budget:</p> <p>Article 5 stipulate: <i>The Authority shall have an independent budget approved by the Ruler and constitutes part of the general budget of the Emirate. The Chairman shall have the authority and jurisdiction required to administer and implement the Authority budget and transfer funds between its accounts in accordance with the financial and administrative rules and regulations of the Authority, to ensure the independence of the Authority from subject entities.</i></p> <hr/> <p>5.2 Is the funding free from undue influence by the profession?</p> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please describe with an appropriate level of detail the safeguards in place to prevent undue influence by the profession:</p> <p>Please refer to the article mentioned above.</p>
6. Audit Market	<p>6.1 Provide the number of audit firms subject to inspections. Include an indication of the number of public interest audits (PIEs) and other audits that fall under the Member’s oversight or mandate.</p> <p>Currently there are 10 registered statutory auditors. This list will be updated every three months and it will be published on ADAA official website. https://adaa.gov.ae/List-of-statutory-auditors.html</p> <p>ADAA’s subject entities comprise more than 500 organizations in which the government owns shares of 25% or more across the following sectors:</p> <ul style="list-style-type: none"> - Courts Affairs and Executive Authorities - Health and Educational Sector - Community Sector - Cultural Sector - Transportation and Logistics Services Sector - Oil and Gas Sector - Economic Sector - Energy Supply Sector - Public Investments Sector - Industry & Technology Sector <hr/> <p>6.2 Please describe the sizes (in terms of revenue / number of listed entity clients / number of partners and audit staff / etc. – whichever measure is commonly used and available in your jurisdiction) and market shares of each of the largest audit firms in the Member’s jurisdiction.</p> <p>Subject Entities Details are available on our website:</p>

	<p>https://adaa.gov.ae/aboutadaa.html</p> <p>Listed audit firms:</p> <p>https://adaa.gov.ae/List-of-statutory-auditors.html</p> <p>Publications : https://adaa.gov.ae/publication.html</p>
7. Inspection System	<p>7.1 Does the Member have the responsibility for recurring inspections of audit firms undertaking audits of public interest entities (PIEs)?</p> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <hr/> <p>7.2 Is this responsibility undertaken directly or through oversight of inspection conducted by another organization?</p> <p><input checked="" type="checkbox"/> Directly <input type="checkbox"/> Through Oversight</p> <p>If directly, please describe the responsibility, including the follow-up and reporting process, and the regulatory measures available to be taken as a result of inspections (if described in Question 11 Enforcement, please reference that section for details on such measures).</p> <p>If through oversight of another organization, please describe with an appropriate level of detail the other organization, its relation to the Member, its role, and the arrangements for oversight by the Member:</p> <p>Please see relevant information in the attached publication:</p> <p>https://adaa.gov.ae/assets/puplications/Auditors%20List%20-%20FAQ%20English%20Final.pdf</p> <hr/> <p>7.3 Please describe with an appropriate level of detail the requirements and practices regarding the frequency of inspections:</p> <p>Inspections are carried out according to an annual plan prepared based on ADAA internal risk assessment processes, which considers the financial value of subject entities, its impact as well as findings noted in prior years.</p> <hr/> <p>7.4 Does the Member have its own inspection staff, use reviewers from the professional body or sub-contract to third parties, independent contractors, etc. for the conduct of inspections? Please tick the boxes that apply: (multiple responses allowed) Note that there is no need to tick a box if non-employee reviewers are used very occasionally and are not a core staffing approach.</p> <p><input checked="" type="checkbox"/> Employees of the Member <input type="checkbox"/> Professional body</p>

	<p><input type="checkbox"/> Third Parties <input type="checkbox"/> Other</p> <p>Please explain below:</p> <p>ADAA team examine and inspect audit firms' files and working paper, and its own inspection methodology which is based on the international standards as well as the laws and regulations of Abu Dhabi.</p>
<p>8. Licensing</p>	<p>8.1 If the Member has the responsibility for <u>Licensing</u>, please indicate whether this responsibility is undertaken directly or through oversight of Licensing conducted by another organization?</p> <p><input type="checkbox"/> Directly <input checked="" type="checkbox"/> Through Oversight</p> <p>If directly, please describe the responsibility, including any changes, with an appropriate level of detail.</p> <p>If through oversight, please indicate the name of the other organization and its composition. Also, give a description of the powers of the other organization and procedure applied, as well as the role of the Member in these procedures.</p> <p>Auditors must first meet the Conditions and Requirements of the UAE's ministry of economy in order to be registered as statutory auditors. After that they must obtain a professional trade license from Department of Economic development in Abu Dhabi in order to be able to work in Abu Dhabi emirates.</p> <p>If the auditor wants to work with any ADAA subject entity, then they must register with ADAA. Please refer to section 9.</p> <p>Please see relevant information in the attached publication:</p> <p>https://www.moec.gov.ae/en/registering-natural-persons-in-the-working-auditors-records</p> <p>https://adaa.gov.ae/assets/puplications/Auditors%20List%20-%20FAQ%20English%20Final.pdf</p>
<p>9. Registration</p>	<p>9.1 If the Member has the responsibility for <u>Registration</u>, please indicate whether this responsibility is undertaken directly or through oversight of Registration conducted by another organization?</p> <p><input type="checkbox"/> Directly <input checked="" type="checkbox"/> Through Oversight</p> <p>If directly, please describe the responsibility, including any changes, with an appropriate level of detail.</p> <p>If through oversight, please indicate the name of the other organization and its composition (i.e. whether practitioners from the audit profession are involved in decision-making). Also, give a</p>

	<p>description of the powers of the other organization and procedure applied, as well as the role of the Member in these procedures.</p> <p>The ADAA regulates statutory auditor appointments.</p> <p>The ADAA maintains the list of approved statutory auditors on its website.</p> <p>Registration is done by the UAE Ministry of economy and then Abu Dhabi department of economic development. ADAA issues in its website a list of audit firms authorised to perform statutory audit services to its subject entities.</p> <p>ADAA ensures that all authorised auditors whom are on the list are registered by both entities and they meet all the requirement for the registration.</p> <p>More info of the requirement is below:</p> <p>https://adaa.gov.ae/assets/puplications/Auditors%20List%20-%20FAQ%20English%20Final.pdf</p>
<p>10. Audits and/or Ethics Standard Setting</p>	<p>10.1 If the Member has the responsibility for <u>Audit and/or Ethics Standard Setting</u>, please indicate whether this responsibility is undertaken directly or through oversight of Audit and/or Ethics Standard Setting conducted by another organization?</p> <p><input checked="" type="checkbox"/> Directly <input type="checkbox"/> Through Oversight</p> <p>If directly, please describe the responsibility, including any changes, with an appropriate level of detail.</p> <p>If through oversight, please indicate the name of the other organization and its composition (i.e. whether practitioners from the audit profession are involved in decision-making). Also, give a description of the powers of the other organization and procedures applied, as well as the role of the Member in these procedures.</p> <p>Article (34) Responsibilities of Subject Entity Auditors: The statutory and internal auditors of the subject entity shall adhere to the standards, rules and professional methodologies issued by the Authority, and shall report financial and administrative corruption to the Authority immediately upon discovering it.</p>
<p>11. Permanent Education / Continuous Training of Auditors</p>	<p>11.1 If the Member has the responsibility for <u>Permanent Education / Continuous Training of Auditors</u>, please indicate whether this responsibility is undertaken directly or through oversight of Permanent Education / Continuous Training of Auditors conducted by another organization?</p> <p><input checked="" type="checkbox"/> Directly <input type="checkbox"/> Through Oversight</p>

	<p>If directly, please describe the responsibility, including any changes, with an appropriate level of detail.</p> <p>If through oversight, please indicate the name of the other organization and its composition (i.e. whether practitioners from the audit profession are involved in decision-making). Also, give a description of the powers of the other organization and procedures applied, as well as the role of the Member in these procedures.</p> <p>The ADAA regulates statutory auditor appointments with SAAR rules, and within these rules in (Article 5.3.4) Statutory auditors must submit Details of the training courses attended by the audit team member and the number of continuous professional education (CPE) hours received within the last three years.</p>
12. Enforcement	<p>12.1 If the Member has the responsibility for <u>Enforcement</u>, please indicate whether this responsibility is undertaken directly or through referral to other organization(s)?</p> <p><input checked="" type="checkbox"/> Directly <input type="checkbox"/> Through Referral</p> <p>If directly, please describe the responsibility and procedures applied (including investigations, disciplinary actions or sanctions), as well as the reporting process for disciplinary action.</p> <p>If through referral, please indicate the name of the other organization and its composition (i.e. whether practitioners from the audit profession are involved in decision-making). Also, give a description of the enforcement powers of the other organization and procedures applied, as well as the role of the Member in these procedures.</p> <p>The ADAA may impose certain accountability actions on auditors in case of non-compliance with ADAA requirements, such as:</p> <ol style="list-style-type: none"> 1. Issue a notification letter to the audit firm or the engagement partner or both. 2. Direct the Subject Entity to terminate the appointment of the Statutory Auditor and appoint another Statutory Auditor in accordance with the standards and procedures set forth in these Rules. 3. Suspend the Statutory Auditor’s listing on the List of Auditors for a period not exceeding three years. 4. Remove the Statutory Auditor from the List of Auditors. 5. Refer the Statutory Auditor to The Ministry of Economy to be held accountable in accordance with the Law Regulating the Profession within The State. 6. Hold the Statutory Auditor accountable in accordance with the provisions of The Authority's Law.

	<p>7. Any other administrative measures The Authority deems appropriate.</p>
<p>13. Other Responsibilities in Audit Oversight or Audit Regulation</p>	<p>13.1 If the Member has the responsibility for <u>other tasks within the area of Audit Oversight or Audit Regulation</u>, please describe with an appropriate level of detail:</p> <p style="text-align: center;">N/A</p>
<p>14. Main Other Responsibilities of the Member <u>outside</u> the area of Audit Oversight or Audit Regulation</p>	<p>14.1 Please describe with an appropriate level of detail, the responsibility of the Member for <u>tasks outside the area of audit oversight or audit regulation</u> such as supervision of financial reporting or securities regulation:</p> <p>Special purpose Audit, Review and Examination – the ADAA has a team responsible for carrying out audits of Abu Dhabi government consolidated financial statements which are then presented to the Ruler. We also have a team responsible to carry out fraud investigation activities.</p> <p>Please refer to ADAA Establishment Law on http://www.adaa.gov.ae.</p>
<p>15. Member Update for public information (if any)</p>	<p>15.1 Are there any major news, activities, events or updates (on audit matters, the Member’s organization, the governing legislation or the authority/responsibilities) that you wish to keep the public informed of since completing last year’s Member Profile?</p> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If yes, please describe these changes with an appropriate level of detail:</p> <ul style="list-style-type: none"> • IESBA Board meeting on March 2023 • ADAA announcement of full adoption of the standards set by the International Ethics Standards Board for Accountants. <p>https://www.ethicsboard.org/news-events/2023-03/iesba-march-meeting-kicks-abu-dhabi-accountability-authoritys-announcement-adoption-iesba-code</p>