

Summary of uae auditing law

Law



United Arab Emirates Auditing Law United Arab Emirates Auditing Law The United Arab Emirates auditing law-Federal law (22) of 1995 became constitutional after the perusal of the provisional constitution in regard to a number of factors; organizing accountancy and auditing, insurance companies and agents, the functions of ministries and the authority of ministers who serve therein, recommendations of the ministry of Economics and Commerce, commercial companies and commercial transactions. The implementation of the law aimed at reorganizing, re-institutionalizing, and protecting the auditing profession (Alexander, 2002). This paper intends to provide a rich review on the elements that encompass the United Arab Emirates auditing law in regard to the organization of the auditing profession.

The Law has it chapters each containing a number of articles therein. Each chapter handles one perspective explicitly the first chapter has only one article the main thing herein is the definition of terms therein used or referred in the law. Chapter two is on the schedule of auditors and qualifications for entry therein. The following get stipulated in this chapter the function of the ministry in regard to the scheduling of auditors, mechanisms to prevent quacks from entering the industry, the rights of a member and the qualifications, the exception of nationals from the qualification of having a bachelor degree in a recognized university as stipulated, in clause five of article four, conditions for registration and registration of a qualified but inexperienced national, conditions for a non-national to be registered, the method of auditors training, and function of the ministry in the determination of remunerations for parties involved in the training

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Chapter three expounds on the application process for one to be a registered auditing practitioner, the enactment and operation of the committee responsible for the application process, and the role of the ministry of Economics and Commerce in the integration of the whole application process. Chapter four provides a layout of the formation, the constitution and authorities of a high audit commission in regard to the directions of the ministry therein concerned (Alexander, 2002).

Chapter five tackles the rights and duties of individuals registered to be auditing practitioners. Under this chapter auditor own the right to audit and approve balance sheets of all organizations, right to observe and maintain professional ethics, right not to be involved in active participation of any cooperation or organization, must have more than five years experience in the field to approve and audit co operations, organizations and companies balance sheets,

Chapter six is on accountability and discipline of auditors. Under this chapter, the ministry concerned is mandated to put in place a disciplinary board to facilitate justice to complainants. If the practitioner be found guilty, he may be removed from the register of auditors through the decision of the board or the ministry. If the name of a practitioner gets taken off the register, the subject affected can register again after three years of penalty.

Chapter seven is on penalties. Any practitioner found to have against the expectations of professional ethics, the disciplinary board or the ministry herein involved shall get fined between 10 000 to 20 000 Dirhmas, or imprisoned for six months or both. Chapter eight is on general and final provisions of the law. Under this chapter, all auditors currently working in the state should align with the requirements of the law, exception of auditors

who have been in the field and have required academic papers from training, cancellation of Federal Law No (9) of 1975, execution mandate to minister in charge, cancellation of any other contradicting law, official publication, and implementation dates of the law

This law has accounted for every point of manipulation and abuse of office (O' Regan 2003). The implementation process should efficiently produce the extrapolation of this law. All parties involved must be partakers and defenders of this law if it shall bear fruit.

References

Alexander, N. (2002). Dubai: Business law handbook. Washington, DC: International Business Publications.

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