

*MEDIA RELEASE:*

## **DFSA Hosts Annual Audit Outreach**

**Dubai, UAE, 19 February 2018:** The Dubai Financial Services Authority (DFSA) hosted its annual outreach event for Registered Auditors (RAs) this week, during which it shared the results of its annual audit inspections carried out in 2017.

Mr Ian Johnston, Chief Executive of the DFSA, delivered the opening address where he commented on the significant progress being made in financial accounting standards, while noting that risks still remain in the audit process. He cited the International Forum of Independent Audit Regulators (IFIAR) fifth annual survey of findings issued last March for the year ended 31 December 2016, which noted a general decline in adverse inspection findings, yet a continued high level of material findings.

Mr Johnston said: “Major audit failures usually result in a regulatory response and as regulators, we seek to ensure that any regulatory response is conducted by persons independent of those involved in the regulatory failure. Once faults are identified, it is also incumbent upon the regulator to take the appropriate and proportionate course of action.

“The overarching objective of DFSA enforcement activities is to prevent, detect and restrain conduct that causes or may cause damage to the reputation of the Dubai International Financial Centre. We work proactively, where possible, to

resolve regulatory concerns by taking remedial action to bring firms back into compliance with our legal and regulatory regime,” he said.

The DFSA also briefed the participants about the DFSA’s preparedness for the upcoming Financial Action Task Force (FATF) mutual evaluation and provided an update on the Supervision Division restructuring plans. Presentations also covered the 2018 Audit Monitoring Focus as issued by the DFSA at the start of the year.

The event was targeted at managing partners, audit principals, money laundering reporting officers and senior audit staff of RAs. Over 90 stakeholders attended the event.

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**Editor’s notes:**

**The Dubai Financial Services Authority (DFSA)** is the independent regulator of financial services conducted in or from the Dubai International Financial Centre (DIFC), a purpose-built financial free-zone in Dubai. The DFSA’s regulatory mandate covers asset management, banking and credit services, securities, collective investment funds, custody and trust services, commodities futures trading, Islamic finance, insurance, an international equities exchange and an international commodities derivatives exchange. In addition to regulating financial and ancillary services, the DFSA is responsible for supervising and enforcing Anti-Money Laundering (AML) and Combating the Financing of Terrorism (CFT) requirements applicable in the DIFC. The DFSA also exercises delegated enforcement powers under the DIFC Companies Law. These include powers to investigate the affairs of DIFC companies and partnerships where a material breach of DIFC Companies Law is suspected and to pursue enforcement remedies available to the Registrar of Companies (Roc).

**Ian Johnston** was appointed as Chief Executive of the DFSA in June 2012. Mr Johnston joined the DFSA in November 2006, as a Managing Director, to head the Policy and Legal Services Division.

Mr Johnston was admitted to practice Law in Australia in the early 1980s and has spent most of his career in the private sector. He held a number of senior positions within the financial sector and was CEO of one of Australia’s major Trustee Companies. During that time, Mr Johnston played a leading role in the Trustee industry and served on the National Council of the Trustee Corporations Association.



In 1999, Mr Johnston joined the Australian Securities and Investments Commission where he held the position of Executive Director, Financial Services Regulation, and spent several terms as an acting Commissioner. In 2005, Mr Johnston took up a position with the Hong Kong Securities and Futures Commission as a Special Advisor.

Mr Johnston is a past Chairman of the Joint Forum, which comprises representatives of the major international regulatory standard-setters (IOSCO, IAIS and the Basel Committee). In November 2013, he was elected to the Steering Group of IOSCO's Growth and Emerging Markets Committee. He is also a member of the Financial Stability and Technical Committee (FSTC) of the IAIS, the global standard-setting body for insurance regulation, and was a member of the Board of Directors of the Financial Planning Standards Board (from Jan 2011 – Mar 2016).