

Our ref: AASP\Responses\090116 SC0106

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16 January 2009

By email to k.billing@frc-apb.org.uk

Dear Keith

Consultation on whether UK and Irish auditing standards should be updated for the new international auditing standards

CIPFA is pleased to comment on this consultation paper, which has been reviewed by our Accounting and Auditing Standards Panel.

As we noted in our response to the consultation on Group Audits in March 2008, we consider that it would be helpful to have a single uniform transition to standards closely based on IAASB's improved suite of clarified ISAs. There will be inevitably be costs and transitional difficulties, but we fully support the adoption of clarified standards, and believe that the benefits outweigh the costs.

Invitation to Comment

Our responses to the questions in the Invitation to Comment are set out below

1. Do you agree that ISAs (UK and Ireland) should be updated to reflect improvements in the underlying international auditing standards? If not, please explain your reasons.

CIPFA agrees that ISAs (UK and Ireland) should be updated to reflect these improvements

2. If you agree that the ISAs (UK & Ireland) should be updated for improvements in the underlying international auditing standards, do you believe that this should be done by adopting the Clarity ISAs:

- (a) as soon as practicable, or*
- (b) if and when they are endorsed by the EC?*

CIPFA considers that the ISAs (UK & Ireland) should be so updated as soon as practicable.

3. If you believe the Clarity ISAs should be adopted as soon as practicable, do you believe it will be practicable to require the resulting new ISAs (UK & Ireland) to apply to audits of UK and Irish entities with accounting periods commencing on or after 15 December 2009?

CIPFA believes that this date should be practicable for public sector audits.

4. Do you support APB's view that the same standards should apply to audits of entities of all sizes? If not, please explain your reasons.

In the public benefit sector context, we are content that the same standards should apply to entities of all sizes, where these are subject to assurance formally constituted as an independent audit of financial statements. We would note that in certain sectors (e.g. charities) smaller entities are subject to other assurance or reporting frameworks, rather than audit.

I hope this is a helpful contribution to the development of guidance in the UK and Ireland, and I look forward to seeing the results.

Yours sincerely

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