

15th January 2009



Mr Keith Billing
Project Director
The Auditing Practices Board
5th Floor
Aldwych House
71-91 Aldwych
London WC2B 4HN

The Institute of Certified
Public Accountants in Ireland

17 Harcourt St, Dublin 2, Ireland

Phone 01 425 1000

Fax 01 425 1001

Email cpa@cpaireland.ie

Web www.cpaireland.ie

Chief Executive: Eamonn Siggins

Dear Mr Billing,

The Institute of Certified Public Accountants in Ireland welcomes the opportunity to comment on the Auditing Practices Board Consultation Paper on whether UK and Irish auditing standards should be updated for the new international auditing standards.

In response to specific matters, we would like to make the following comments:

Question 1

Do you agree that ISAs (UK and Ireland) should be updated to reflect improvements in the underlying international auditing standards?

We agree that the ISAs (UK and Ireland) should be updated to reflect improvements in the underlying international auditing standards.

The Institute of Certified Public Accountants in Ireland has been consistently supportive of the IAASB's Clarity Project and welcomes all efforts to simplify and clarify the requirements of auditing standards. We believe that implementation of the clarified ISAs will result in higher quality audits and a reduced risk of audit failure.

Question 2

If you agree that the ISAs (UK and 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?

We believe that the Clarity ISAs should be adopted as soon as practicable. We believe in order to maintain and strengthen Ireland's reputation of robust regulation, it is important that the most rigorous auditing standards are adopted at the earliest possible opportunity.

The Institute of Certified Public Accountants in Ireland wholly supports the globalisation of auditing standards and as current indications are that a number of other countries will implement the clarified ISAs in line with the IAASB's timetable, early implementation in the UK and Ireland will serve to promote the quality and standing of UK and Irish audits on an international level.

Question 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 and Ireland) to apply to audits of UK and Irish entities with accounting periods commencing on or after 15 December 2009?

We believe that it is reasonable that the Clarity ISAs are adopted for the audits of UK and Irish entities with accounting periods commencing on or after 15 December 2009. Effectively, the clarity ISAs will be applied to December 2010 year ends on wards, in the majority of circumstances, and therefore we believe that this provides adequate time to ensure that auditors are up to date with new requirements.

However, we believe that it is important to note that smaller audit firms will not have access to the same resources that larger firms are likely to have and therefore will require additional support and guidance from the various relevant organisations. The Institute of Certified Public Accountants in Ireland will be in a position to provide this training and support through our Continuing Professional Education programme.

Question 4

Do you support APB's view that the same standards should apply to audits of entities of all sizes?

We support the view that the same standards should apply to audits of entities of all sizes. As the audit opinion should give the same level of assurance to stakeholders regardless of the nature of the entity and it is envisioned that a more rigorous and higher quality audit will result from the implementation of the clarified ISAs, it is not consistent with this concept to apply different auditing standards to different entities.

We believe that implementation of dual standards is not practical and will lead to confusion for companies, investors and auditors in understanding what standards are applied and as a result may undermine the credibility of the audit opinion on the financial statements of smaller entities.

The Institute of Certified Public Accountants in Ireland hopes that these comments are useful to you and we would be happy to discuss any of the above with you.

Yours sincerely,

Jennie Ward
Chairperson, Audit Practices Committee

