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IN IRELAND

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15th January 2009

Keith Billing,
Project Director
The Auditing Practices Board
5th floor,
Aldwych House
71-91 Aldwych
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WC2B 4HN

Dear Keith,

CONSULTATION ON WHETHER UK AND IRISH AUDITING STANDARDS SHOULD BE UPDATED FOR THE NEW INTERNATIONAL AUDITING STANDARDS

The Institute of Chartered Accountants in Ireland ('the Institute') welcomes this opportunity to comment on the Auditing Practices Board ('APB') consultation on whether UK and Irish Auditing Standards should be updated for the new International Auditing Standards.

We have responded to the specific queries raised in the consultation 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.

Yes, we believe that ISAs (UK and Ireland) should be updated to reflect improvements in the underlying international auditing standards. We are supportive of the APB efforts to update the UK and Irish Auditing Standards for clarified International Standards of Auditing ('ISAs'). Once all ISAs have been clarified we believe that there should be no necessity for "pluses" except in rare circumstances. We would however welcome early consultation on any potential 'pluses'.

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?

We believe that the ISAs (UK and Ireland) should be updated for improvements in the underlying international auditing standards the earlier of:

- (a) the IAASB adoption date (i.e. for audits of accounting periods commencing on/or after 15th December 2009; or
- (b) the date of EU adoption.

As it is likely that EU adoption will take place after the IAASB adoption date, we therefore support the IAASB adoption date but would however caution that it is important that there is sufficient time for the implementation of the clarified ISAs to enable proper planning and training.

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?*

We consider that it is important that the whole suite of clarified ISAs are published together in order to allow sufficient time for the implementation of the clarified ISAs to enable firms to undertake proper planning and training. Given that smaller firms and entities may experience difficulties in implementing the clarified ISAs within the implementation period, particularly where short reporting periods arise, we suggest that perhaps an extra transitional period for smaller entities would be appropriate.

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 principle yes, however auditing standards have evolved to a point where the extent of specific requirements they contain presents a challenge in maintaining that principle. Hence we would support consideration being given to separate guidance identifying essential procedures more specifically tailored to smaller, less complex, businesses – particularly those that are owner-managed.

We do not believe that maintaining two sets of standards, one being the current set of ISAs (UK and Ireland) and the second being a clarified set of ISAs (UK and Ireland), as suggested in the consultation paper, would meet the needs of smaller entities except perhaps if necessary to facilitate transition as set out in our response to question 3 above.

The Institute hopes you find these comments useful. If you would find further information or discussion helpful, please contact Karen Flannery in the Institute of Chartered Accountants in Ireland (00 353 1 6377268).

Yours faithfully,

Niall Walsh
Chairman
Audit and Assurance Committee