

27<sup>th</sup> November 2008



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](mailto:cpa@cpaireland.ie)

**Web** [www.cpaireland.ie](http://www.cpaireland.ie)

**Chief Executive:** Eamonn Siggins

Mr Steven Leonard  
Project Director  
The Auditing Practices Board  
5<sup>th</sup> Floor  
Aldwych House  
71-91 Aldwych  
London WC2B 4HN

Dear Mr Leonard,

The Institute of Certified Public Accountants in Ireland welcomes the opportunity to comment on **Proposed International Standard on Auditing (UK and Ireland) 700 (Revised)**.

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

## **Question 2**

**Do commentators support APB's proposal of describing the auditor's responsibilities and the work an auditor typically performs by either :**

- a) cross referring to standard paragraphs maintained by the APB on its web site;**
- or**
- b) including a description in the auditor's report itself?**

We believe that a description of the auditor's responsibilities and the work an auditor typically performs should be included in the auditor's report. We do not agree that this information should be cross referred to standard paragraphs maintained by the APB on its web site.

We are of the opinion that it is highly unlikely that users of the financial statements will take the time to log on to the APB's web site to read the standard paragraphs. This may result in a lack of understanding of what exactly an auditor does and what an audit is. Users may then rely on an audit report in circumstances where it is not appropriate to do so.

We believe that the omission of the auditor's responsibilities and work performed paragraph from the standard audit report could potentially result in the audit report lacking credibility.

### **Question 3**

**On pages 41 and 42 the APB sets out a schedule of the range of example statements that it presently intends to post to its web site. Are there any other examples that you believe it is imperative the APB should post to its web site?**

We believe that the list of example statements presented on pages 41 and 42 is sufficient.

### **Question 5**

**Is the wording of paragraph 18 in the Exposure Draft of the proposed ISA (UK and Ireland) 700 (revised) sufficiently generic to apply to all entities that are required to be audited? If not please describe any concerns.**

We consider paragraph 18 in the Exposure Draft of the proposed ISA (UK and Ireland) 700 (revised) to be sufficient.

### **Question 6**

**Do you agree that it is logical for the reference to the “true and fair” view to be the final element in the auditor’s opinion on the financial statements? If you disagree what would be your preference for ordering the elements?**

We are of the opinion that the reference to the “true and fair” view should be the first element in the auditor’s opinion on the financial statements as we consider this to be the most important element of the opinion paragraph.

### **Question 7**

**Please provide any comments that you may have on the steps set out concerning the APB’s proposed course of action and the proposed timing of those steps. Are there any other actions that you believe the APB should be taking?**

We believe that the APB’s proposed course of action and the proposed timing for this project are appropriate.

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

