



Chairman

Revenue 

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Office of the Revenue Commissioners  
Dublin Castle  
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Oifig na gCoimisinéirí Ioncaim  
Caisleán Bhaile Átha Cliath  
Baile Átha Cliath 2  
Éire

CRMS 8405/06

29 March 2007

JEC Grant,  
Financial Reporting Council,  
5 Floor Aldwych House,  
71-91 Aldwych,  
London WC2B 4HN

Dear Mr. Grant,

The Chairman has asked me to write to in connection with the Discussion Paper-  
"Promoting Audit Quality", which the Institute of Chartered Accountants in Ireland sent  
to us for our observations.

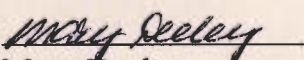
We think the paper covers the relevant issues relating to audit quality and have little to  
add to what is in the paper. Our only comments are:

Standardisation of audit reports is an issue as highlighted in the paper. Some elaboration  
of the audit process, the issues that arose in the course of the audit and their resolution  
would certainly add to transparency. In that context, consideration could be given to the  
question of auditors having a role in reporting on anything that they come across in the  
course of an audit that would indicate non-compliance with tax laws.

A second issue is that of the effective appointment of auditors by the management of a  
company. Even though the shareholders formally approve the appointment of the  
auditors, it is the management that recommends their appointment and there is some  
conflict between this and the fact that the auditor's role will be examining aspects of  
management's performance. The role of the audit committee in the process of appointing  
the auditors is helpful but a certain conflict remains.

I have also arranged to forward a copy of these observations to the ICAI.

Yours sincerely,

  
Mary Deeley,  
Private Secretary