

Brett James
Project Manager
International Auditing and Assurance Standards Board
529 Fifth Avenue
New York
New York 10017
USA

Email: brettjames@iaasb.org

28 October 2015

Dear Mr James

Response of the Audit and Assurance Committee of Chartered Accountants Ireland

ED: Responding to non-compliance or suspected non-compliance with laws and regulations

The Audit and Assurance Committee (AAC) of Chartered Accountants Ireland notes the Board's proposals, as contained in the abovementioned exposure draft (ED), with regard to amendments to certain of the International Standards on Auditing, in particular ISA 250 *Consideration of Laws and Regulations in an Audit of Financial Statements*.

AAC notes further that the ED arises as a result of the Board's consideration of the implications of the proposed amendments to the Code of Ethics of the International Ethics Standards Board for Accountants (IESBA), which were issued in May 2015.

Support for the proposals in the IESBA's original ED (from August 2012) was very low (at 12% of respondents). AAC, in its September 2015 response on the revised ED, expressed significant continuing reservations on the revised IESBA proposals. A copy of the September 2015 response to IESBA is attached as an appendix to this letter.

AAC would therefore not support the Board progressing amendments to the ISAs until such time as the IESBA process has been completed and any amendments to the IESBA Code have been agreed and finalised.

Should you wish to discuss our response, or any other aspect of the proposals with us, please feel free to contact me.

Yours sincerely



Mark Kenny
Secretary to the Audit and Assurance Committee

Appendix 1

Mr Ken Siong
Technical Director
International Ethics Standards Board for Accountants
529 5th Avenue
New York 10017

Email: KenSiong@ethicsboard.org

02 September 2015

Exposure Draft: 'Responding to Non-compliance with Laws & Regulations'

Dear Ken

The Audit & Assurance Committee ('AAC') of Chartered Accountants Ireland is pleased to respond to the above Exposure Draft.

We note that while only 12% of respondents to the previous Exposure Draft has expressed support, the IESBA considers it appropriate to continue to address this important issue in this manner which goes somewhat further than the originally announced intention of IESBA to develop enhancements to the Code to help guide professional accountants who encounter suspected illegal acts. AAC has previously expressed general support for the principle of 'public interest reporting' but on the basis of a framework for such reporting that is common across jurisdictions and can be applied by all professionals, not just professional accountants.

The absence of a universally accepted definition and understanding of what is meant by 'public interest' and the many different expectations that exist in this regard adds further complexity to this issue.

While we note that IESBA has acknowledged in the Explanatory Memorandum to its revised Exposure Draft the validity of issues that have been raised in our previous response and by others. These include;

- the primacy of laws and regulations in individual jurisdictions which establish reporting frameworks and which impose 'local' reporting obligations; and
- the absence of a commonly accepted interpretation of the meaning of 'public interest' and the complexities that arise because of this.

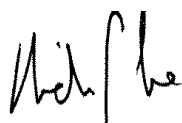
AAC believes that both issues need to be addressed more specifically within the Code amendments themselves.

AAC continues to support the approach to this matter set out in ISA 250. We caution against any departure from an already accepted and understood approach to NOCLAR and any attempt to extend existing requirements without proper consultation and due consideration which may contribute to further uncertainty with regard to reporting obligations for auditors.

We continue to believe that it would be more appropriate for IESBA to engage with relevant global regulatory bodies and agencies with a view to exploring how to take forward a principle of reporting in the public interest by relevant professions.

In light of the above AAC has decided not to respond to the specific questions in the Exposure Draft.

Yours sincerely



Aidan Lambe
Director, Technical Policy

1020915ks
