



**By e-mail < [Edcomments@ifac.org](mailto:Edcomments@ifac.org) >**

19 September 2007

Our Ref.: C/AASC

Executive Director, Professional Standards  
International Auditing and Assurance Standards Board,  
International Federation of Accountants,  
545 Fifth Avenue, 14<sup>th</sup> Floor,  
New York 10017, USA.

Dear Sir,

**[IAASB Exposure Draft of proposed ISA 500 \(Redrafted\) Considering the Relevance and Reliability of Audit Evidence](#)**

The Hong Kong Institute of Certified Public Accountants is the only statutory licensing body of accountants in Hong Kong responsible for the professional training, development and regulation of the accountancy profession. The HKICPA sets auditing and assurance standards, ethical standards and financial reporting standards in Hong Kong. We welcome the opportunity to provide you with our comments on the captioned IAASB Exposure Draft.

Before we comment on the subject IAASB Exposure Draft, we would like to take this opportunity to reiterate a point made by us in our submission dated 28 March 2006 on the IAASB Exposure Draft on Improving the Clarity of IAASB Standards. We are of the view that the IAASB should approach the development of the objectives of each ISA together rather than on a piecemeal ISA-by-ISA basis as it works through the clarity project. Accordingly, we strongly recommend that the IAASB commences to look at the objectives in all ISAs and link them to the objective in proposed ISA 200 "Overall Objective of the Independent Auditor, and the Conduct of an Audit in Accordance with International Standards on Auditing".

Notwithstanding our above comment, we support the proposed redrafted ISA and consider that generally the objective to be achieved by the auditor, as stated in the proposed redrafted ISA, is appropriate. Furthermore, the criteria identified by the IAASB for determining a requirement has been applied appropriately and consistently such that the resulting requirements will promote consistency and the use of professional judgement by auditors. Our comments on the specific questions asked in the proposed ISA and some other comments are set out in the attachment.

We trust that our comments are of assistance to you. If you require any clarifications on our comments, please do not hesitate to contact me or Steve Ong, Deputy Director, Standard Setting ([ong@hkiipa.org.hk](mailto:ong@hkiipa.org.hk)).

Yours faithfully,

Patricia McBride  
Executive Director

PM/SO/jc  
Encl.

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**ATTACHMENT**

**HONG KONG INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS' COMMENTS ON THE IAASB  
EXPOSURE DRAFT OF ISA 500 (REDRAFTED)  
CONSIDERING THE RELEVANCE AND RELIABILITY OF AUDIT EVIDENCE**

**Request for Specific Comments**

- 1. Are the objectives to be achieved by the auditor, stated in the proposed redrafted ISA, appropriate?**

We believe that the objectives stated in the proposed redrafted ISA are appropriate.

- 2. Have the criteria identified by the IAASB for determining whether a requirement should be specified been applied appropriately and consistently, such that the resulting requirements promote consistency in performance and the use of professional judgement by auditors?**

Overall, we believe that the criteria for determining whether a requirement should be specified have been applied appropriately and consistently.

**Other Comments**

**3 (a) Objective**

We recommend that paragraph 9 in relation to the objective of the ISA should read "The objective of the auditor in relation to the gathering of audit evidence is to design and perform audit procedures so as to be able to obtain relevant and reliable audit evidence."

**(b) Application and Other Explanatory Material**

We note that the paragraph A24 of the proposed ISA has been reworded from paragraph 10 of the extant ISA 530. However, part of the original text in the extant ISA 530 "... nor is the auditor trained as or expected to be an expert in such authentication." has not been elevated into the proposed ISA. We are of the view that the IAASB should clarify in the proposed ISA that the auditor is not trained or expected to be an expert on authentication of documents obtained in an audit of financial statements.

We would recommend that the IAASB considers reinstating the above wordings in the proposed ISA.

~ END ~