



**Irish Auditing and Accounting Supervisory Authority,
Millennium Park,
Naas,
Co. Kildare**

2nd September 2021

Submitted by email to: submissions@iaasa.ie

Dear Sir/Madam,

Consultation Paper on the Proposal to Revise ISA (Ireland) 240, The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements

CPA Ireland welcomes the opportunity to respond to the consultation regarding the proposal to revise ISA 240.

The outbreak of the COVID-19 pandemic has resulted in business being more susceptible to fraud, both internally and externally generated, and has therefore heightened the focus on the topic of fraud. The impact of technology and the acceleration of the digitalisation of Irish business has provided the perfect environment for the perpetration of increasingly complex frauds. The audit function has a critical role to play in the detection and deterrent of fraud and it is essential that ISA 240 is fit for purpose. In this regard, the proposed revisions to ISA 240 are timely.

We note the IAASB discussion paper on Fraud and Going Concern in an Audit of Financial Statements, which will likely result in future proposals in this area.

We are also mindful of the Proposed International Standard on Auditing for Audits of Financial Statements of Less Complex Entities (ISA for LCE). We encourage its eventual adoption for the Irish market. It is anticipated that this standard will support the scalability and relevance of the audit function to the SME market.

We have set out below our responses to the specific questions raised in the consultation.

1. In the context of IAASA's policy to make minimal amendments to the UK standards, are there any amendments proposed to ISA (Ireland) 240 that, in your opinion conflict with Irish or EU law?

We have not identified any amendments proposed that conflict with Irish or EU law.

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2. In the context of IAASA's policy to make minimal amendments to the UK standards, are there any areas not identified in this consultation paper where there are distinct differences between the Irish and UK markets which, in your opinion, would impact on the applicability of the proposed amendments to the standard in Ireland?

We have not identified any distinct differences that would impact on the applicability of the proposed amendments to the standard in Ireland.

3. Is the proposed effective date, i.e., for financial periods beginning on or after 15 December 2021, appropriate?

We consider that the proposed effective date for financial periods beginning on or after 15th December 2021, to be appropriate, particularly given that this is the same effective date as for ISA (Ireland) 315 (Revised October 2020). We agree that this will facilitate firms in implementing the changes required to their procedures as a single update rather than two sets of changes within a relatively short timeframe.

If you have any queries on any aspect of our response, please do not hesitate to contact us.

Yours sincerely,

A handwritten signature in black ink that reads 'Emer Kelly'.

Emer Kelly
Secretary – Audit Practices Sub Committee