



Mr Kevin Prendergast
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Willow House
Millennium Business Park,
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Consultation Paper – Proposal to revise ISA (Ireland) 240 The Auditor’s Responsibilities Relating to Fraud in an Audit of Financial Statements

Dear Kevin

We welcome the opportunity to respond to the above consultation. We have set out below our responses to questions 1 and 3 as set out in the consultation paper.

Question 1

We note that paragraph 41R-1 of the proposed standard states that:
“For audits of financial statements of public interest entities, when an auditor suspects or has reasonable grounds to suspect that irregularities, including fraud with regard to the financial statements of the entity, may occur or have occurred, the auditor shall, unless prohibited by law or regulation, inform the entity and invite it to investigate the matter and take appropriate measures to deal with such irregularities and to prevent any recurrence of such irregularities in the future.”

We have a concern that the current wording of paragraph 15-4 is inconsistent with 41R-1 as it could be misinterpreted as the auditor having a primary responsibility to investigate allegations of fraud. In order to avoid the possibility of misinterpretation, this paragraph could be edited as follows “If allegations of fraud come to the auditor’s attention, the discussion shall include how to obtain sufficient appropriate information in order to design audit procedures to respond to those allegations”.

Question 3

We consider that the effective date is appropriate.

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Should you wish to discuss any aspect of this response please feel free to contact the undersigned.

Yours sincerely

A handwritten signature in blue ink that reads 'Paul W O'Connor'.

Paul W O'Connor

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