



Auditing and Assurance Standards Council

December 1, 2009

**TO : Philippine Institute of Certified Public Accountants
Association of CPAs in Public Practice
Organizations Interested in Auditing Standards**

This is to inform you that the **Auditing and Assurance Standards Council (AASC)** has completed the review and has approved for adoption as Philippine Standards on Auditing (PSAs) all the 36 International Standards on Auditing (ISAs) issued by the International Auditing and Assurance Standards Board (IASB) in the new clarity format. The 36 PSAs consist of one new, 19 redrafted and 16 revised and redrafted PSAs that are effective for audits of financial statements for periods beginning on or after December 15, 2009. The AASC likewise has approved for adoption other pronouncements that include the Philippine Standard on Quality Control (PSQC) 1 (Revised), the revised Preface to ISAs/PSAs and certain Philippine Auditing Practice Statements.

The Board of Accountancy (BOA) and the Professional Regulation Commission (PRC) have already approved a number of these pronouncements which are pending publication in the Official Gazette (see List 1); the other pronouncements are still for approval by the BOA/PRC (see List 2). Based on a policy adopted by the AASC, once a pronouncement is approved by the AASC and the BOA/PRC, such pronouncement becomes part of auditing standards required for application in the Philippines, hence, can already be made mandatory on its prescribed effective date, although its publication in the Official Gazette may still be pending.

We have given the appropriate notice to the Securities and Exchange Commission on the adoption of these pronouncements to enable the SEC to include those pronouncements that have already been approved by the BOA/PRC as part of its rules and regulations. We will inform the SEC of the approval by BOA/PRC of the remaining pronouncements once such approval is obtained.

The above pronouncements will be posted on the AASC website at www.aasc.org.ph.



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The AASC requests your assistance in circularizing this announcement to the members of your organization and other interested parties. To facilitate this process, we will also send you the soft copy of this letter for sending to your members through e-mail.

We thank you for the continued assistance extended by your organization to the Council.

Very truly yours,

Benjamin R. Punongbayan
Chairman

**AUDITING AND ASSURANCE STANDARD COUNCIL
NEW PRONOUNCEMENTS ALREADY APPROVED BY THE BOA/PRC
AS OF DECEMBER 1, 2009**

<u>No.</u>	<u>Title</u>	<u>Date Approved by BOA/PRC</u>	<u>Effective Date</u>
<u>PSAs</u>			
200 (Revised and Redrafted)	Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with Philippine Standards on Auditing <i>Conforming Amendments:</i> Preface to the Philippine Standards on Quality Control, Auditing, Review, Other Assurance and Related Services and Other PSAs	03/23/09	periods beg. on or after 12/15/09
230 (Redrafted)	Audit Documentation	03/23/09	periods beg. on or after 12/15/09
240 (Redrafted)	The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements	12/28/07	periods beg. on or after 12/15/09
250 (Redrafted)	Consideration of Laws and Regulations in an Audit of Financial Statements	03/23/09	periods beg. on or after 12/15/09
260 (Revised and Redrafted)	Communication with Those Charged with Governance	03/23/09	periods beg. on or after 12/15/09
300 (Redrafted)	Planning an Audit of Financial Statements	12/28/07	periods beg. on or after 12/15/09
315 (Redrafted)	Identifying and Assessing the Risks of Material Misstatements Through Understanding the Entity and its Environment	12/28/07	periods beg. on or after 12/15/09
320 (Revised and Redrafted)	Materiality in Planning and Performing an Audit	03/23/09	periods beg. on or after 12/15/09
330 (Redrafted)	The Auditor's Responses to Assessed Risks	12/28/07	periods beg. on or after 12/15/09
450 (Revised and Redrafted)	Evaluation of Misstatements Identified during the Audit	03/23/09	periods beg. on or after 12/15/09
510 (Redrafted)	Initial Audit Engagements - Opening Balances	03/23/09	periods beg. on or after 12/15/09
530 (Redrafted)	Audit Sampling	03/23/09	periods beg. on or after 12/15/09
540 (Revised and Redrafted)	Auditing Accounting Estimates, Including Fair Value Accounting Estimates, and Related Disclosures	03/23/09	periods beg. on or after 12/15/09

No.	Title	Date Approved by BOA/PRC	Effective Date
550 (Revised and Redrafted)	Related Parties	03/23/09	periods beg. on or after 12/15/09
560 (Redrafted)	Subsequent Events	03/23/09	periods beg. on or after 12/15/09
570 (Redrafted)	Going Concern	03/23/09	periods beg. on or after 12/15/09
580 (Revised and Redrafted)	Written Representations	03/23/09	periods beg. on or after 12/15/09
600 (Revised and Redrafted)	Special Considerations-Audits of Group Financial Statements (Including the Work of component Auditors)	10/31/08	periods beg. on or after
610 (Redrafted)	Using the Work of Internal Auditors	03/23/09	periods beg. on or after 12/15/09
705 (Revised and Redrafted)	Modification to the Opinion in the Independent Auditor's Report	03/23/09	periods beg. on or after 12/15/09
706 (Revised and Redrafted)	Emphasis of Matter Paragraphs and Other Matter Paragraphs in the Independent Auditor's Report	03/23/09	periods beg. on or after 12/15/09
720 (Redrafted)	The Auditor's Responsibility in Relation to Other Information in Documents Containing Audited Financial Statements	03/23/09	periods beg. on or after 12/15/09
<u>OTHERS</u>			
Dec. 2006	Preface to the International Standards on Quality Control, Auditing, Review, Other Assurance and Related Services and Preface to Philippine Standards on Quality Control, Auditing, Review, Other Assurance and Related Services	12/28/07	12/15/09
Amendments to: PSRE 2400 PSRE 2410	Engagements to Review Financial Statements Review of Interim Financial Information Performed by the Independent Auditor of the Entity	10/31/08	03/28/08
PAPS 1001Ph	Guidance in Dealing with "Tentative Financial Statements"	12/28/07	periods ending on or after 12/31/2007
PAPS 1002Ph	The Auditor's Report on General Purpose Financial Statements Prepared in Accordance with a Philippine Financial Reporting Framework other than PFRS	10/31/08	reports dated on or after 03/15/08; earlier application is allowed

**AUDITING AND ASSURANCE STANDARDS COUNCIL
NEW PRONOUNCEMENTS PENDING APPROVAL BY THE BOA/PRC
AS OF DECEMBER 1, 2009**

No.	Title	Date Submitted to the BOA/PRC	Effective Date
<u>PSAs</u>			
210 (Redrafted)	Agreeing the Terms of Audit Engagements	12/01/09	periods beg. on or after 12/15/09
220 (Redrafted)	Quality Control for an Audit of Financial Statements	02/05/09	periods beg. on or after 12/15/09
265 (New)	Communicating Deficiencies in Internal Control to Those Charged with Governance and Management	12/01/09	periods beg. on or after 12/15/09
402 Revised and Redrafted)	Audit Considerations Relating to an Entity Using a Service Organization	12/01/09	periods beg. on or after 12/15/09
500 (Redrafted)	Audit Evidence	02/05/09	periods beg. on or after 12/15/09
501 (Redrafted)	Audit Evidence - Specific Considerations for Selected Items	02/05/09	periods beg. on or after 12/15/09
505 Revised and Redrafted)	External Confirmations	02/05/09	periods beg. on or after 12/15/09
520 (Redrafted)	Analytical Procedures	02/05/09	periods beg. on or after 12/15/09
620 Revised and Redrafted)	Using the Work of an Auditor's Expert	04/20/09	periods beg. on or after 12/15/09
700 (Redrafted)	Forming an Opinion an Reporting on Financial Statements	12/01/09	periods beg. on or after 12/15/09
710 (Redrafted)	Comparative Information - Corresponding Figures and Comparative Financial Statements	04/20/09	periods beg. on or after 12/15/09
800 Revised and Redrafted)	Special Considerations - Audits of Financial Statements Prepared in Accordance with Special Purpose Frameworks	12/01/09	periods beg. on or after 12/15/09
805 Revised and Redrafted)	Special Considerations - Audits of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement	12/01/09	periods beg. on or after 12/15/09
810 Revised and Redrafted)	Engagements to Report on Summary Financial Statements	12/01/09	periods beg. on or after 12/15/09

<u>No.</u>	<u>Title</u>	<u>Date Submitted to the BOA/PRC</u>	<u>Effective Date</u>
<u>OTHERS</u>			
PSQC 1 (Redrafted)	Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements	02/05/09	periods beg. on or after 12/15/09
PAPS 1003Ph	Guidance in Dealing with Reports Required by the SEC Relating to Increase in Capital Stock of a Corporation	12/01/09	periods ending on or after 12/15/09