

November 5, 2007

International Federation of Accountants  
545 Fifth Avenue, 14<sup>th</sup> Floor  
New York, NY 10017

RE: ISA 530, Audit Sampling

To whom it may concern:

The Accounting Principles and Auditing Standards Committee of the California Society of Certified Public Accountants (the AP&AS Committee) submits the following comments on the proposed statement.

The AP&AS Committee is the senior technical committee of our state society. It has 45 members: 67 percent from local or regional firms, 23 percent sole practitioners in public practice, 5 percent from industry and 5 percent from academia.

We are pleased to provide our comments to the IAASB on this Exposure Draft (ED) redrafted as a result of applying the IAASB's clarity drafting conventions.

We are pleased to respond to the specific questions asked:

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

Yes. The objectives are appropriate.

*Question 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 reporting, and the use of professional judgment by auditors?*

A majority of the AP&AS Committee felt that additional explanatory material would be helpful in explaining the identification and resolution of an "anomaly". Many felt that the language contained in extant ISA 530.50, particularly the last five sentences, contained useful explanatory guidance which should be retained in the "Application and Other Explanatory Material" section of the new ISA 530.

The AP&AS Committee also considered whether any special considerations should be included for the audits of small entities.

In the AP&AS Committee's view, no special considerations need to be enumerated.

Sincerely,

Mark F. Wille, Chair  
Accounting Principles and Auditing Standards Committee  
California Society of Certified Public Accountants