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accrédités

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March 30, 2004

Mr. James Sylph  
Technical Director  
International Auditing and Assurance Standards Board  
International Federation of Accountants  
545 Fifth Avenue, 14th Floor  
New York, New York 10017 USA

Dear Mr. Sylph:

Thank you for the opportunity to provide feedback on the IAASB's Exposure Draft, ISA 700 (Revised), "The Independent Auditors Report on a Complete Set of General Purpose Financial Statements."

Please consider the following recommendations:

1. Paragraph 19: The ISA states that the auditor's report should refer to the notes to the financial statements.

This is probably not necessary if each page of the financial statements refers to the notes as being an integral part of the financial statements. If standard was to place a clause on each page that read, "The attached notes form an integral part of the financial statements," this would more likely bring attention to the notes than a reference in the auditor's report. The reader of the financial statements is more likely to read the body of the financial statements than they are to read the actual auditor's report.

2. Paragraph 23: The ISA talks about notes to the financial statements as being supplementary information yet, in paragraph 19, it states that the notes should be referred to in the auditor's report.

If notes are an integral part of the statements, which we believe they are, then they should be clearly referred to on each page of the financial statements and whether or not they are referred to in the auditor's report is not really important. If they were considered as supplementary information, as you indicate in this paragraph, then why would you refer to them in the auditor's report? If your goal is to bring attention to the notes and supplementary information, mention it in the header or footer of each page or on relevant pages of the financial statements.

3. Paragraph 49: Would it not be appropriate, at this time, to provide guidance as to the use of electronically-generated signatures? This is becoming an issue with both large and small firms, and it would be appropriate to provide some general rules as to the appropriateness and security issues revolving around the use of electronic signatures on an auditor's report.

In addition, it would be useful to have the firm identify in the auditor's report which partner, in a multiple partner firm, is responsible for the audit. Putting the lead partner's name on the audit report will give the public the ability to monitor if the auditing firm is conforming to the ISA Code of Ethics in rotating the lead engagement partner.

We hope these comments prove useful in your deliberations.

Regards,

[Original signed by:]

Anthony Ariganello, B.Comm, CGA  
President and CEO