



Auditing and Assurance Standards Council

August 2, 2011

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

The **Auditing and Assurance Standards Council (AASC)** is the body authorized to establish and promulgate generally accepted auditing standards in the Philippines. The AASC pronouncements are adopted from the International Standards on Quality Control, Auditing, Review, Other Assurance and Related Services and International Practice Statements issued by the International Auditing and Assurance Standards Board (IAASB). The IAASB was established by the International Federation of Accountants (IFAC) to develop and issue such pronouncements, collectively referred to as "IAASB's International Standards and Practice Statements."

The main objective of the AASC in adopting IAASB's International Standards and Practice Statements is to attain uniformity of the local auditing standards and other pronouncements with the IAASB's pronouncements. This harmonization is expected to enhance the reliability and acceptability of audited financial statements of Philippine companies.

In connection with its standard-setting function, the AASC has approved the distribution for comment of the following exposure draft (ED):

ED No. 120: Proposed Philippine Standard on Review Engagements 2400 (Revised), Engagements to Review Historical Financial Statements

The above ED is based on IAASB's ED on International Standard on Review Engagements 2400 (Revised), *Engagements to Review Historical Financial Statements*. The ED deals with the practitioner's responsibilities when engaged to perform a review of historical financial statements, when the practitioner is not the auditor of the entity's financial statements; and the form and content of the practitioner's report on the said financial statements.

The Explanatory Memorandum attached to the ED is the exact version of what is included in the ED prepared by the IAASB and has been retained in its entirety to provide readers with the necessary background in the issuance of the proposals.

The AASC wishes to obtain your comments on the above ED, as well as the views of the members of your organization and other interested parties. In order to achieve maximum exposure and feedback, the AASC encourages the reproduction of the ED.



Comments should be submitted so as to be received by **August 31, 2011**, preferably by email or in writing. Comments should be addressed to:

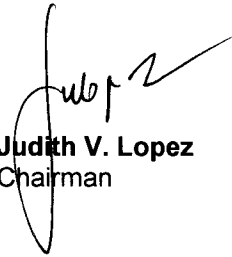
Judith V. Lopez
Chairman
Auditing and Assurance Standards Council
c/o Philippine Institute of Certified Public Accountants
PICPA House, 700 Shaw Boulevard
Mandaluyong City

E-mail address: judith.lopez@ph.pwc.com

The comments obtained will be considered in developing AASC's comments on the original ED to be submitted to the IAASB.

We thank you for your cooperation in this effort to establish and improve generally accepted auditing standards in the Philippines. We look forward to receiving your comments.

Very truly yours,



Judith V. Lopez
Chairman