



Mr. James Gunn
Technical Director
IAASB
545 Fifth Avenue, 14th Floor
New York, New York 10017
USA

8 October 2012

Dear Mr. Gunn,

Re: IAASB Invitation to Comment (ITC): Improving the Auditor's Report

The Malta institute of Accountants (MIA) is pleased to provide you with its comments on the IAASB Invitation to Comment (ITC) on Improving the Auditor's Report.

In this comment letter, the MIA will not be commenting on all the questions that have been posed by the IAASB in its ITC. The MIA is a member body of FEE (Fédération des Experts comptables Européens - Federation of European Accountants) and as such supports the comment letter that has been sent by FEE to the IAASB. However we would like to make some further considerations and this letter is intended to clarify our thoughts on these considerations relative to FEE's comment letter.

Auditor Commentary

- 1 The MIA has noted FEE's response on the basis upon which information is to be included in the auditor commentary section in the audit report. In its answer to questions 3-5 and in point 2 in its general comments, FEE is supportive of including in the auditor's report information on the audit approach, more specifically on the significant audit risks. However the MIA considers this matter differently.



- 2 The MIA believes that by disclosing information about the significant audit risks, the auditor would be generating original information about the audited entity and we do not think that the auditor should be required to provide such information.

Suggested auditor statement in relation to other information

- 3 The MIA concurs with FEE's view that is given in its answer to question 10 (and point 4 in its general comments) that the auditor should report on the consistency of the management report with the financial statements for the same financial year.
- 4 Furthermore, the MIA does not believe that the auditor should also state that, based on his knowledge and understanding of the entity and its environment obtained during the course of the audit, the management report as a whole suitably presents the company's position, the opportunities and principal risks and uncertainties of its likely future developments or that the auditor. We do not support this last statement because we think that disclosures/statements relating to an entity's likely future developments should remain the responsibility of directors.

Yours sincerely,

Anthony Doublet

MIA President