

October 31, 2007

Mr. James Sylph
Executive Director, IAASB
International Federation of Accountants
545 Fifth Avenue, 14th Floor
New York, NY 10017

Re: Exposure Draft: *Proposed Redrafted International Standard on Auditing (ISA) 530, "Audit Sampling"*

Dear Mr. Sylph:

The American Institute of Certified Public Accountants (AICPA) is pleased to have the opportunity to comment on the above referenced exposure draft.

We would like to commend the International Auditing and Assurance Standards Board (IAASB) on the issuance of this exposure draft. We believe that the exposure draft clarifies the auditor's responsibilities and we support its issuance. We believe the objective to be achieved by the auditor and the related requirements are appropriate.

Selecting Items for Testing to Obtain Audit Evidence

We support the IAASB's decision to limit ISA 530 to audit sampling. However, as noted in our comment letter on ISA 500, we believe that the requirements and guidance relating to the means of selecting items for testing would be more appropriate in ISA 330, *The Auditor's Responses to Assessed Risks*.

Anomalies

We strongly support the elevations of present tense statements relating to the auditor's treatment of anomalies and the additional guidance provided.

Projecting and Evaluating Sample Results

We support the inclusion of the material in appendix 5 that explains how estimated maximum misstatement can be used by the auditor to conclude whether the use of audit sampling has provided an appropriate basis for conclusions about the population.

Our detailed comments and recommendations are included in the accompanying appendix.

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If you have any questions regarding the comments in this letter, please contact Sharon Walker at +1-212-596-6026, swalker@aicpa.org.

Respectfully submitted,

/s/ Harold L. Monk, Jr.
Chair, AICPA Auditing Standards Board

APPENDIX – PARAGRAPH LEVEL COMMENTS

We offer the following paragraph level comments for your consideration. Suggested new language is shown in boldface; suggested deleted language is shown by strikethrough. Italicized text is used to add emphasis.

Definitions – paragraph 5

We note that there are several terms defined in this ISA. We recommend moving the definitions of estimated maximum misstatement (5(j)) and estimated maximum rate of deviation (5(k)) to Appendix 5 as these terms are specific to the guidance in the appendix.

Paragraph A13, first sentence – change as follows:

“An example of when it may be necessary to perform the procedure on a replacement item is when a voided check is selected ~~when~~ **while** testing for evidence of payment authorization.”

Paragraph A19, second sentence – Change *in the light of...* to *in light of*.

Paragraph A20 – Change paragraph A20 to “may use estimated maximum misstatement **or estimated maximum rate of deviation...**”

Appendix 4, paragraph (a) – Delete parenthetical example.