Republic of the Philippines
SECURITIES AND EXCHANGE COMMISSION
SEC Building, EDSA, Greenhills
Mandaluyong City

SEC MEMORANDUM CIRCULAR NO. 1
Series of 2005

SUBJECT: ADOPTION OF THE PHILIPPINE STANDARDS ON AUDITING AND PHILIPPINE AUDITING PRACTICE STATEMENTS

The Commission, in its Resolution No. 11 Series of 2005 dated January 6, 2005 approved the adoption in its rules and regulations of the following Philippine Standards on Auditing (PSA) and Philippine Auditing Practice Statements (PAPS) approved by the Auditing Standards and Practices Council. Unless otherwise indicated, these new auditing standards will become effective for audits of financial statements ending on or after December 31, 2004.

PSAs/PAPSs No.	Title
100	Assurance Engagements
240(revised)	The Auditor's Responsibility to Consider Fraud and Error in an Audit of Financial Statements*
505	External Confirmations
545	Auditing Fair Value Measurements and Disclosures*
600	Using the Work of Another Auditor
1005	The Special Consideration in the Audit of Small Business*
1008	Risk Assessments and Internal Control – CIS Characteristics and Considerations*
1009	Computer-Assisted Audit Techniques
1010	The Consideration of Environmental Matters in the Audit of Financial Statements
1012	Auditing Derivative Financial Instruments
1000Ph	Audit Evidence - Practical Problems in Audits of Financial Statements**
315	Understanding the Entity and its Environment and Assessing the Risks of Material Misstatement
330	The Auditor's Procedures in Response to Assessed Risks
500(Revised)	Audit Evidence

Copies thereof are available at the offices of the Philippine Institute of Certified Public Accountants (PICPA).

This Memorandum Circular shall take effect fifteen (15) days following its publication in two (2) newspapers of general circulation.

Issued this 21st day of January 2005 at EDSA, Greenhills, Mandaluyong City.

FE B. BARIN
Chairperson

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*Effective June 30, 2004
**Effective March 31, 2005