

**[PRC BOARD OF ACCOUNTANCY RESOLUTION NO.
14, SERIES 2004, February 09, 2003]**

**ADOPTION OF THE PHILIPPINE STANDARDS ON AUDITING
(PSA) 240 - THE AUDITOR'S RESPONSIBILITY TO CONSIDER
FRAUD AND ERROR IN THE AUDIT OF FINANCIAL STATEMENTS**

WHEREAS, the Auditing Standards and Practices Council (ASPC) had approved the Philippine Standards on Auditing (PSA) 240 - "THE AUDITOR'S RESPONSIBILITY TO CONSIDER FRAUD AND ERROR IN THE AUDIT OF FINANCIAL STATEMENTS" and submitted to the Board for approval;

WHEREAS, after a study and review of the provisions of the said document entitled "THE AUDITOR'S RESPONSIBILITY TO CONSIDER FRAUD AND ERROR IN THE AUDIT OF FINANCIAL STATEMENTS" (PSA 240) as adopted by the ASPC, the Board finds the same to be well-taken and instructive for compliance by practicing Certified Public Accountants;

WHEREFORE, the Board resolved as it hereby resolved to adopt the document entitled "THE AUDITOR'S RESPONSIBILITY TO CONSIDER FRAUD AND ERROR IN THE AUDIT OF FINANCIAL STATEMENTS" (PSA 240) as part of the Philippine Standards of Auditing;

RESOLVED FURTHER, that this Resolution and the document entitled "THE AUDITOR'S RESPONSIBILITY TO CONSIDER FRAUD AND ERROR IN THE AUDIT OF FINANCIAL STATEMENTS" (PSA 240) shall take effect after fifteen (15) days following their publication in the Official Gazette or in a newspaper of general circulation in the Philippines, whichever is earlier.

Adopted: 09 February 2003

(SGD.) EUGENE T. MATEO

Chairman

(SGD.) MA. VIOLETA V. VICENTE

Vice-Chairman

(SGD.) JOHN S. BALA

Member

(SGD.) SOLITA V. DELANTAR

Member

(SGD.) FROILAN G. AMPIL

Member

(SGD.) ESTELITA C. AGUIRRE

Member

ATTESTED:

CARLOS G. ALMELOR

Secretary, Professional Regulatory Boards