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**Auditing Standards Board (ASB) meeting, November 15, 2010,
Conference Call; Highlights (ASB) meeting, November 15, 2010**

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AUDITING STANDARDS BOARD (ASB) MEETING

November 15, 2010

Conference Call

MEETING ATTENDANCE

ASB Members

Darrel Schubert, *Chair*

Ernie Baugh

Sheila Birch

Brian Bluhm

Rob Chevalier

Jacob Cohen

David Duree

Andy Mintzer

David Morris

Thomas Ratcliffe

Randy Roberts

Tom Stemlar

Mark Taylor

Steven Vogel

Phil Wedemeyer

Megan Zietsman

AICPA Staff

Linda Delahanty, *Audit & Attest Standards*

Mike Glynn, *Audit & Attest Standards*

Ahava Goldman, *Audit & Attest Standards*

Mary Foelster, *Governmental Auditing & Accounting*

Chuck Landes, *Audit & Attest Standards*

Andy Mrakovcic, *Audit & Attest Standards*

Linda Volkert, *PCPS Technical Issues Committee*

Absent

Charles Frasier

Kenneth Odom

Brian Richson

Observers and Guests

Sam Cotterell, *Boise Industries, Inc.*

Jim Dalkin, *GAO*

Julie Anne Dilley, *PricewaterhouseCoopers LLP*

Jen Haskell, *Deloitte & Touche LLP*

Jan Herringer, *BDO Seidman LLP*

Maria Manasses, *Grant Thornton LLP*

Susan Menelaides, *McGladrey & Pullen LLP*

Mike Neller, *KPMG LLP*

Mark Nichols, *Mayer Hoffman McCann P.C.*

Marc Panucci, *PricewaterhouseCoopers LLP*

ASB Conference Call

November 15, 2010

The call commenced at 3 pm Eastern time.

Mr. Wedemeyer led a discussion of the proposed SAS *Alert as to the Intended Use of the Auditor's Written Communication*. The objective of the call was to review and vote to approve for exposure the proposed conforming amendments to other SASs included in the proposed SAS as well as to review the explanatory (wrap) material included as part of the exposure draft. The proposed SAS had been voted to ballot for exposure at the ASB's meeting in October 2010, subject to a separate vote to ballot to expose the conforming amendments.

The following is a summary of the major issues discussed:

- The ASB directed the Task Force to also include conforming amendments to:
 - Clarified SAS *Engagements to Report on Summary Financial Statements*
 - AU section 551, *Supplementary Information in Relation to the Financial Statements as a Whole*.
- The ASB also directed the Task Force to include a separate section in the explanatory (wrap) material titled *Issues for Consideration*. That section would pose the following specific questions to respondents regarding certain of the changes to extant literature as a result of the proposed Standard:
 - Should the term *restricted use* be eliminated and replaced with the term *intended use*?
 - When the engagement is also performed in accordance with *Government Auditing Standards* and the written communication pursuant to that engagement is required by law or regulation to be made publicly available, should auditors be permitted to use alert language that describes the purpose of the communication rather than its intended use solely by the specified parties?

- When a single combined report covering both (a) communications that are required to include an alert as to intended use and (b) communications that are for general use, which do not ordinarily include such an alert, is used, should the alert language as to the intended use of the report apply to the single combined report or only to the portion of the report that requires the alert language?

It was agreed that the ASB should work with the GAO to develop appropriate alert language as to purpose when the written communication (a by-product report) pursuant to *Government Auditing Standards* is required to be made publicly available. Concern was expressed, particularly with respect to the use of the phrase “testing of internal control.”

The ASB voted unanimously to ballot the proposed SAS along with the proposed conforming amendments for public exposure.

The call concluded at 4:30 pm.