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In Our Opinion...

The Newsletter of the AICPA Audit and Attest Standards Team

Vol. 23 No. 2

Spring 2007

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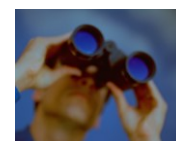
Agenda for the Accounting and Review Services Committee

by Mike Glynn

The Accounting and Review Services Committee (ARSC) is the senior technical committee of the AICPA designated to issue enforceable standards in connection with the unaudited financial statements or other unaudited financial information of nonpublic entities. In substance, the ARSC is responsible for issuing and interpreting Statements on Standards for Accounting and Review Services (SSARs) — the standards for compilation and review engagements.

All seven members of the ARSC are from relatively small firms and perform compilation and review engagements themselves. With that background the ARSC members bring a wealth of practical knowledge to the table when discussing proposed revisions and additions to SSARs.

The ARSC has been very active over the past several years attempting to provide accountants who perform compilation and review engagements with the tools they need to perform high-quality engagements that benefit their clients, third party users, and the public at large.



In many instances, the current version of SSARs refers the accountant to the auditing literature for guidance related to, but not specifically addressed in SSARs. The ARSC is

aware that for many practitioners compilation and review engagements are the highest level of service performed, and that these practitioners may be less familiar with the auditing literature. For that reason, the ARSC has proposed eliminating many of the references to the auditing literature in SSARSs and replacing those references with guidance that is specific to SSARSs. The end result would be a SSARSs Codification that serves as a stand-alone document for practitioners performing compilation and review services. In To accomplish this objective, in December 2006 the ARSC exposed for comment a proposed SSARS entitled *Elimination of Certain References to Statements on Auditing Standards, and Incorporation of Appropriate Guidance Into Statements on Standards for Accounting And Review Services*. The ARSC voted to issue the proposed standard as a final SSARS at its meeting in June 2007.

Another project that the ARSC is working on is a proposed Omnibus SSARS that would:

- Replace the term “nonpublic entity” in the SSARSs literature with the term “nonissuer.” This would conform the terminology in SSARSs to the terminology used by other standard setters, including the Auditing Standards Board.
- Make clear that the accountant must, at a minimum, perform analytical procedures, make inquiries, and obtain a management representation letter when performing a review engagement.
- Revise SSARSs to require that a review report and a management representation letter bear the same date.
- Provide guidance on the accountant’s consideration of subsequent events in a compilation or review engagement.
- Provide guidance on the accountant’s consideration, in a compilation or review engagement, of an entity’s ability to continue as a going concern.

The ARSC also is considering whether the objectives of a compilation and review currently included in SSARSs should be amended. The ARSC expects to expose the proposed Omnibus SSARS for public comment in the third quarter of 2007.

In July 2007 the ARSC expects to issue an exposure draft of a proposed SSARS that would clarify the language to be used in SSARSs when specifying the extent of an accountant’s responsibility for performing a specific procedure. For example, the SSARS would require the use of the word “must” or the phrase “is required” when specifying a mandatory procedure. Currently, the word “should” is used to indicate a mandatory procedure. The ARSC believes that clear and consistent language will assist accountants in their work and improve the quality of compilation and review engagements.

The ARSC is contemplating a restructuring of the SSARS Codification that would create separate chapters for compilation and review engagements. In this way, all compilation guidance would be together in one place and all review guidance would be together in a separate place. Other projects on the ARSC’s agenda include the development of a proposed SSARSs that would provide guidance on:

- The use of other comprehensive bases of accounting, such as cash or tax basis, including disclosures. (The proposed practice aid would include compilation, review, and possibly auditing guidance.)
- Planning and supervising a compilation or review engagement.

The AICPA also is developing guidance for bookkeeping engagements. Two members of the ARSC are serving on the task force that is developing that guidance. It is expected that the guidance will be issued during the third quarter of 2007.

Finally, in an effort to make the standards more readily available to practitioners, the AICPA has made the SSARSSs, as well as the other authoritative standards for nonissuers, available on the AICPA Web site at:

<http://www.aicpa.org/Professional+Resources/Accounting+and+Auditing/Audit+and+Attest+Standards/Authoritative+Standards+and+Related+Guidance+for+Non-Issuers/default.htm>.

PITF Issues Updated Practice Alert on Audit Confirmations

by Mike Glynn

The Professional Issues Task Force (PITF) has updated and revised the guidance in Practice Alert 2003-1, *Audit Confirmations*, a nonauthoritative document that responds to practitioners' current concerns about audit confirmations. The revised Practice Alert provides guidance to auditors of non issuers and their firms regarding the following topics:

- Improving confirmation response rates
- Negative vs. positive confirmation requests
- Nonresponses to positive confirmations
- Responses to positive confirmation requests indicating exceptions
- Use of electronic confirmations
- Confirmations received via fax or electronically
- Management requests not to confirm
- Alternative procedures
- Use of client personnel
- Confirmation of accounts receivable
- Confirmation of terms of unusual or complex agreements or transactions
- Confirmation of accounts payable
- Confirmation of related party transactions
- Evolving alternatives to confirmation

The PITF encourages practitioners and AICPA member firms to incorporate the guidance contained in this Practice Alert as soon as practicable. The Practice Alert is currently available on the AICPA Web site at: http://www.aicpa.org/download/secps/pralert_03_01.pdf

New TPAs Related to SAS No. 103, *Audit Documentation*

by Mike Glynn

In May 2007 the Audit and Attest Standards staff issued two new Technical Practice Aids (TPA) that provide application guidance related to Statement on Auditing Standards No. 103, *Audit Documentation*. The TPAs address the following topics:

- **Current Year Audit Documentation Contained in the Permanent File**

TPA 8350.01, entitled “Current Year Audit Documentation Contained in the Permanent File,” discusses whether the provisions of SAS No. 103, related to documentation completion and retention, apply to current year audit documentation maintained in the permanent file. The TPA indicates that SAS No. 103 does apply to current year audit documentation maintained in a permanent file, or for that matter, maintained in any type of file, if the documentation serves as support for the current year’s audit report.

- **Effect of Obtaining Management Representations on Dating of Auditor’s Report**

Paragraph 23 of SAS No. 103 states that the auditor’s report should not be dated earlier than the date on which the auditor has obtained sufficient appropriate audit evidence to support the opinion on the financial statements. TPA 9100.06, entitled “The Effect of Obtaining the Management Representation Letter on Dating the Auditor’s Report,” discusses whether the auditor is required to have the signed management representation letter in hand as of the date of the auditor’s report. The TPA indicates that although the auditor need not be in physical receipt of the representation letter on the date of the auditor’s report, management will need to have reviewed the final representation letter and, at a minimum, have orally confirmed that they will sign the representation letter, without exception, on or before the date of the representations.



The TPAs are available on the AICPA Web site at:

<http://www.aicpa.org/Professional+Resources/Accounting+and+Auditing/Audit+and+Attest+Standards/Practice+Aids+and+Tools/Recently+Issued+Technical+Practice+Aids.htm>

Members are encouraged to contact the AICPA Accounting and Auditing Technical Hotline with any questions they may encounter while performing their engagements. The Hotline can be contacted by calling 888-777-7077 or via the Internet at:

<http://www.aicpa.org/Professional+Resources/Accounting+and+Auditing/Accounting+and+Auditing+Technical+Help/>

Highlights of Technical Activities

The Auditing Standards Board (ASB) performs its work through task forces composed of members of the ASB and others with technical expertise in the subject matter of the projects. The findings of these task forces periodically are presented to the members of the ASB at public meetings for their review and discussion. Highlights of matters addressed by the ASB are available at the following Web site: <http://www.aicpa.org/Professional+Resources/Accounting+and+Auditing/Audit+and+Attest+Standards/Auditing+Standards+Board/asbmtghlts.htm>

Task Forces of the ASB

Following are the current task forces of the ASB and brief summaries of their objectives and recent activities.

Auditing Accounting Estimates Task Force (Staff Liaison: Hiram Hasty; Task Force Chair: Harold Monk Jr.). The task force is revising AU Section 342, *Auditing Accounting Estimates*, with the objective of converging that section with the International Auditing and Assurance Standards Board's (IAASB) International Standard on Auditing (ISA) related to this topic. In December 2006 the IAASB issued an exposure draft of a proposed, revised, and redrafted ISA 540, "Auditing Accounting Estimates, Including Fair Value Accounting Estimates, and Related Disclosures." That exposure draft includes changes to ISA 540 to reflect (1) comments on a December 2004 exposure draft of that standard, (2) the IAASB's clarity drafting conventions, and (3) the combination of ISA 540 with ISA 545, *Auditing Fair Value Measurements and Disclosures*. In April 2007 the Auditing Standards Board submitted to the IAASB a comment letter on the December 2006 exposure draft.

Auditing Related Party Transactions Task Force (Staff Liaison: Mike Glynn; Task Force Chair: George P. Fritz). The task force plans to revise AU Section 334, *Related Parties*, to achieve convergence with the related ISA which the IAASB is developing. In December 2005, the IAASB issued an exposure draft entitled *Related Parties* that would revise ISA 550, of the same title. The exposure period ended on April 30, 2006. At its meeting in February 2007, the IAASB concluded that reexposure of the proposed ISA was necessary because the changes made to the December 2005 exposure draft, in response to comments, were significant and substantive. Comments on the February 2007 exposure draft are due by June 30, 2007. The February 2007 exposure draft is available at the following Web site: <http://www.ifac.org/Guidance/EXD-Details.php?EDID=0077>. The task force is monitoring the IAASB's progress on this issue and plans to comment on the February 2007 exposure draft.

Audit Issues Task Force (Staff Liaison: Sharon Walker; Task Force Chair: Harold L. Monk). This task force (1) oversees the ASB's planning process, (2) evaluates technical issues raised by various constituencies and determines their appropriate disposition, including referral to an ASB task force or development of an interpretation or other guidance, (3) addresses emerging audit and attestation practice issues, (4) provides advice on ASB task force objectives and composition, (5) monitors the progress of task forces, and (6) assists the chair of the ASB and the Audit and Attest Standards staff in carrying out their functions, including liaising with other groups. The next meeting of the AITF will be on June 27, 2007.

Auditors' Reports Task Force (Staff Liaison: Sharon Walker; Task Force Chair: Harold L. Monk). This task force is revising AU Section 508, *Reports on Audited Financial Statements*. The ASB believes that it is appropriate and timely to revisit the required reporting elements and the language in the auditor's report for audits of nonissuers. At the August 2006 ASB meeting, the task force presented a revised

draft of AU Section 508 and discussed issues related to that draft. The task force expects to present a revised draft of the document at the October 2007 ASB meeting.

Auditor's Report Research Task Force (Staff Liaison: Sharon Walker; Task Force Chair: Douglas Prawitt). This task force is charged with identifying topics and individuals to perform research on the nature of the expectation gap and how the audit report might be revised to better address this expectation gap. The ASB has approved four of the projects that were submitted. The first phase of the research initiative involves identifying common misconceptions users have regarding an unqualified auditor's report. Findings related to this phase of the project are expected to be completed by May 30, 2008. A second phase of the research will explore ways in which the auditor's report might be revised to address user misconceptions, and to more clearly communicate the intended message.

Chief Compliance Officers Task Force (Staff Liaison: Judith M. Sherinsky; Task Force Chair: Brian Gallagher). SEC Rule 38a-1 of the Investment Company Act of 1940 and Rule 206(4)-7 of the Investment Advisers Act of 1940 require funds and investment advisers to designate a chief compliance officer to be responsible for administering the compliance policies and procedures of these entities. The task force has developed a Statement of Position (SOP) that provides guidance to practitioners on examining an assertion by management of a service provider about its controls over compliance, specifically the controls that affect funds and investment advisers that use the services of the service provider. Examples of such service providers are transfer agents, recordkeepers, administrators, and custodians. Compliance controls at these service providers may affect or be part of a user organization's internal control over compliance. The title of the SOP is *Attestation Engagements That Address Specified Compliance Control Objectives and Related Controls at Entities That Provide Services to Investment Companies, Investment Advisers, or Other Service Providers*, and it is expected that the SOP will be issued in July 2007.

Clarity Task Force (Staff Liaison: Sharon Walker; Task Force Chair: John Fogarty). The objective of this task force is to address concerns over the clarity, length, and complexity of the ASB's standards. At its March 2007 meeting, the ASB approved for exposure a discussion paper that seeks feedback on proposed changes to the standards, including:

- Establishing objectives for each of the standards, and the auditor's obligations related to the objectives.
- Structural and drafting improvements to make the standards easier to read and understand.
- Inclusion, in the explanatory material of the standards, special considerations related to audits of public entities and small entities.
- Establishing a glossary of terms that would be presented in a separate section of the Codification of the standards.

The comment period for the discussion paper ended on June 15, 2007. The paper is available at: http://www.aicpa.org/download/auditstd/Clarity_of_ASB_Standards_Discussion_Memo.pdf.

Going Concern Task Force (Staff Liaison: Judith M. Sherinsky; Task Force Members: Gerald W. Burns and Jorge Milo). This new task force is considering revisions to AU Section 341, *The Auditor's Consideration of an Entity's Ability to Continue as a Going Concern*, based on the International Auditing and Assurance Standards Board's (IAASB) February 2007 exposure draft of proposed redrafted International Standard on Auditing (ISA) 570, *Going Concern*. The proposed ISA clarifies the auditor's

responsibilities with respect to the going-concern assumption. The task force provided input to the ASB for its comment letter on the IAASB exposure draft.

The auditing guidance in ISA 570 is predicated on International Accounting Standard (IAS) 1, *Presentation of Financial Statements*, which requires management to assess the entity's ability to continue as a going concern. Currently, a parallel accounting requirement does not exist in U.S. generally accepted accounting principles and the auditor, rather than management, is responsible for assessing whether an entity is a going concern. At the end of May 2007, the Financial Accounting Standards Board (FASB) announced that it is adding a project to its agenda that addresses management's assessment of the entity's ability to continue as a going concern and the adoption of a liquidation basis of accounting. The FASB will work to converge the proposed accounting standard with IAS 1, and IAS 10, *Events after the Balance Sheet Date*, supplemented by the disclosure requirements currently in AU Section 341.

Internal Control Task Force (Staff Liaison: Judith M. Sherinsky; Task Force Chair: Keith O. Newton). The task force is revising SAS No. 112, *Communicating Internal Control Related Matters Identified in an Audit*, as well as AT Section 501, *Reporting on an Entity's Internal Control Over Financial Reporting* in response to:

- The adoption of PCAOB Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated With an Audit of Financial Statements* (AS5). AS No. 5 replaces AS No. 2, *An Audit of Internal Control Over Financial Reporting Performed in Conjunction With An Audit of Financial Statements*.
- International Auditing and Assurance standards related to this topic.

At the August 2007 ASB meeting, the task force will update the ASB on its plans for this project.

International Auditing Standards Subcommittee (Staff Liaison: Sharon Walker; Subcommittee Chair: Susan S. Jones). The objective of this subcommittee is to support the development of international auditing standards. Subcommittee activities include providing technical advice and support to the AICPA representative and technical advisors to the IAASB, commenting on exposure drafts of international assurance standards, participating in and identifying U.S. volunteer participants for international standard-setting projects, identifying opportunities for establishing joint standards with other standard setters, identifying international issues that affect auditing and attestation standards and practices, and assisting the ASB and other AICPA committees in developing and implementing AICPA international strategies. The next meeting of the Subcommittee will be on June 27-28, 2007 in New York.

Management Representations Task Force (Staff Liaison: Ahava Goldman; Task Force Chair: Keith O. Newton). The task force is considering revisions to AU Section 333, *Management Representations*, to achieve harmonization with a proposed revision of ISA 580, *Written Representations*. The task force presented a draft of the SAS at the May 2007 ASB meeting and discussed issues related to that draft. The ASB considered the draft and directed the task force to change the title of the proposed standard to *Written Representations*, and to make certain editorial changes. The task force expects to present a revised draft of the document at the August 2007 ASB meeting.

Quality Control Standards Task Force (Staff Liaison: Ahava Goldman; Task Force Chair: David Brumeloe). At its May 2007 meeting, the ASB reviewed a revised draft of a proposed Statement on Quality Control Standard (SQCS), *A Firm's System of Quality Control*, that would supersede all existing SQCSs. The revised SQCS would converge the ASB's standard with that of the IAASB, International

Standard on Quality Control No. 1, *Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Service Engagements*, including proposed changes to clarify the standard. The task force will present a revised draft of the SQCS to the ASB in August 2007 for issuance as a final standard. Issuance of an updated Practice Aid, *Establishing and Maintaining a System of Quality Control for a Firm's Accounting and Auditing Practice*, is planned for the fall of 2007.

The task force also has been charged with revising AU Section 161, *The Relationship of Generally Accepted Auditing Standards to Quality Control Standards*, to converge that standard with ISA 220, *Quality Control for Audits of Historical Financial Information*. The ASB considered a draft of a proposed SAS at its May 2007 meeting, and directed the task force to revise the draft to address the concern that auditors could be accused of failing to perform a GAAS audit if a quality control procedure happens to be overlooked. The ASB will consider a revised draft of the proposed SAS at its August 2007 meeting

Required Supplementary Information/Supplementary Information Task Force (Staff Liaison: Mike Glynn; Task Force Chair: Jeffery N. Markert). The task force is charged with considering current reporting standards that address supplementary information and required supplementary information, and whether revisions to these standards should be made. Included in this consideration would be amendment of:

- The procedures included in AU Section 558, *Required Supplementary Information*, as well as the related interpretation.
- The reporting requirements related to supplementary information in AU Section 550, *Other Information in Documents Containing Audited Financial Statements*, and in AU Section 551, *Reporting on Information Accompanying the Basic Financial Statements in Auditor-Submitted Documents*.

The task force plans to submit a first-read draft to the ASB in August 2007.

SAS No. 69 (AU sec. 411) Task Force (Staff Liaison: Sharon Walker). At its July 2005 meeting, the ASB voted to issue a final Statement on Auditing Standards (SAS), subject to the Financial Accounting Standards Board's (FASB) deliberations on its related project, which removes the GAAP hierarchy for nongovernmental entities from AU Section 411, *The Meaning of Present Fairly in Conformity with Generally Accepted Accounting Principles*. The change was made in response to the issuance, in April 2005, of the FASB's exposure draft of a proposed Statement of Financial Accounting Standards (SFAS) entitled "The Hierarchy of Generally Accepted Accounting Principles," which (1) incorporates the GAAP hierarchy for nongovernmental entities into the FASB's accounting literature, and (2) clarifies that the FASB is responsible for identifying the sources of accounting principles and the framework for selecting the principles to be used in the preparation of nongovernmental-entity financial statements presented in conformity with GAAP. The ASB will issue its final SAS coincidentally with the FASB's and PCAOB's issuance of their final standards.

SAS No. 74 (AU Section 801) Task Force (Staff Liaison: Ahava Goldman; Task Force Chair: George Rippey). The task force is revising AU Section 801, *Compliance Auditing Considerations in Audits of Governmental Entities and Recipients of Governmental Financial Assistance*, to reflect changes in the government auditing environment. The task force is awaiting the results of a government auditing quality study.

Service Organizations Task Force: (Staff Liaison: Judith Sherinsky; Task Force Chair: George Tucker) The task force will be developing a new attestation standard that provides guidance to service

auditors performing service auditors' engagements. AU Section 324, *Service Organizations*, currently provides guidance to (1) user auditors using service auditors' reports in an audit of financial statements and (2) service auditors performing service auditors' engagements. When the new attestation standard is issued, AU section 324 will only contain guidance for user auditors. The task force will work toward converging the guidance in AU Section 324 and in the new attestation standard with the guidance in International Standard on Auditing 402, *Audit Considerations Relating to an Entity Using a Service Organization*, and International Standard on Assurance Engagements 3402, *Assurance on a Service Organization's Controls*, which the IAASB is currently developing. A service organization is an entity that performs services for another entity (a user organization) that affect the user organization's information system. An example of a service organization is a payroll service that calculates payroll data, based on input from user organizations, and transmits the payroll data to the user organizations to be incorporated in the user organizations' financial statements. The task force will present an issues paper related to the revision of AU Section 324 at the August 2007 ASB meeting.

Using the Work of a Specialist Task Force (Staff Liaison: Hiram Hasty; Task Force Chair: Darrel Schubert). The objective of the task force is to revise AU Section 336, *Using the Work of a Specialist*, and replace it with two new standards. One of the proposed standards, *Using an Outside Specialist to Assist in the Audit*, addresses situations in which an auditor engages an outside (non-firm) specialist to obtain the specialized skills or knowledge needed in the audit, but not available on the engagement team. The other proposed standard, *Using the Work of Management's Nonemployee Specialist*, focuses on situations in which an auditor uses as audit evidence the work product of a nonemployee specialist hired by management. At its December 2004 meeting, the IAASB added to its agenda a project to revise ISA 620, *Using the Work of an Expert*. At its February 1-3, 2005 meeting, the ASB approved the submission of a recommendation to the IAASB consisting of the two proposed SASs developed by the task force. The task force is monitoring the progress of the IAASB's standard and will consider the IAASB's deliberations and drafts in developing its exposure draft.

Other Activities

Accounting and Review Services Committee (ARSC) (Staff Liaison: Mike Glynn; Committee Chair: Thomas A. Ratcliffe). The ARSC is the senior technical committee of the AICPA designated to issue pronouncements in connection with the unaudited financial statements or other unaudited financial information of nonpublic entities. The charge of the ARSC is to develop and communicate, on a continuing basis, comprehensive performance and reporting standards as well as practice guidance that enable practitioners to provide high quality, objective, compilation and review services that serve the profession, clients, and the general public. The ARSC accomplishes this objective by developing compilation and review standards, timely responding to the need for guidance, and clearly communicating such guidance to the profession and users of financial statements. The ARSC met at the New York office of the AICPA on June 14 -15, 2007. See the article on page 1, "Agenda for the Accounting and Review Services Committee," for additional information about the ARSC. To view highlights of past and current ARSC meetings, go to the following AICPA Web site:

<http://www.aicpa.org/Professional+Resources/Accounting+and+Auditing/Audit+and+Attest+Standards/Accounting+and+Review+Services+Committee/arscmtghlts.htm>

Auditing Standards Committee of the American Accounting Association (AAA) (Chair: Audrey A. Gramling, Kennesaw State University; ASB/AICPA Liaisons to the Committee: Douglas Prawitt and Mike Glynn). The Auditing Standards Committee of the AAA is charged with fostering interaction between the AAA's Auditing Section and auditing standard-setting bodies such as the AICPA's ASB. The ASB supports strengthening its relationship with the academic community as well as increasing that community's participation in the standard-setting process.

International Auditing and Assurance Standards Board (IAASB) (U.S. Member: John A. Fogarty; U.S. Technical Advisor: Sharon Walker). The next meeting of the IAASB will be on July 9-13, 2007 in Warsaw, Poland. The IAASB is expected to approve for exposure several ISAs that have been redrafted for clarity as well as revised standards that address using the work of an expert and confirmations. Copies of the International Federation of Accountants' exposure drafts outstanding; final auditing, assurance, related services, and quality control standards; and information about attending IAASB meetings, which are open to the public, can be found at: <http://www.ifac.org/>.

Professional Issues Task Force (PITF) (Staff Liaison: Mike Glynn; Task Force Chair: Charles J. McElroy). The PITF is responsible for accumulating and considering practice issues that appear to present concerns for practitioners performing audits and reviews of financial statements or agreed-upon procedures. The PITF also is responsible for disseminating information or guidance, as appropriate, in the form of practice alerts. Practice alerts are intended to provide practitioners with information that may help them improve the effectiveness and efficiency of their engagements and practices, and are based on existing professional literature, the experience of the members of the PITF, and information provided by AICPA member firms to their own professional staffs. See page 3 for information about updated Practice Alert 2003-1, *Audit Confirmations*. The PITF also refers matters that may require reconsideration of existing standards to the appropriate standard-setting body. The PITF is currently working on a practice alert that addresses auditing and other considerations related to electronic information. The PITF plans to issue the practice alert during the third quarter of 2007. All alerts that have not been superseded are published annually in the AICPA Technical Practice Aids and are also available at the following Web site:

http://www.aicpa.org/Professional+Resources/Accounting+and+Auditing/Audit+and+Attest+Standards/Professional+Issues+Task+Force/pract_alerts.htm.

XBRL Assurance Task Force (Staff Liaison: Erin Mackler, Judith M. Sherinsky; Task Force Chair: Michael Krzus). In February 2005 the SEC issued a final rule allowing registrants to voluntarily submit, in addition to their regular EDGAR filing, supplemental financial information in Extensible Business Reporting Language (XBRL). XBRL is a format for electronically tagging data that enables users to efficiently access data from a pool of data. For example, if an analyst wished to compare revenue for all public entities in a specific industry, the analyst could extract that data for each of the companies in the industry, if their financial statements had been submitted in XBRL format. The task force is developing:

- Performance and reporting guidance for attestation engagements in which a practitioner reports on whether an entity's XBRL instance document (the electronic file consisting of financial data along with corresponding XBRL tags) accurately reflects the source document (for example, the entity's financial statements, the auditor's report, and other information).
- Guidance for preparers of XBRL formatted information.

Auditing Standards Board Agenda

Codes: DI—Discussion of issues, DD—Discussion of draft document, DP—Vote to approve a discussion paper for public distribution, ED—Vote to ballot a document for exposure, EP—Exposure Period, CL—Discussion of comment letters, FI—Vote to ballot a document for final issuance, SU—Status Update.

Project	<u>ASB Meeting Date</u> August 14-16, 2007 Minneapolis, MN
Clarity Format of SASs	FI
Internal Control	SU
Going Concern	DI/DD
Management Representations	ED
SAS No. 25 Revisions	ED
Related Parties	DD
Reporting on RSI and SI	DD/ED
Revisions to Quality Control Standards	FI
Service Organizations	DI

To view a projected timetable of ASB projects through 2007, see the following AICPA Web site:
http://www.aicpa.org/Professional+Resources/Accounting+and+Auditing/Audit+and+Attest+Standards/Professional+Issues+Task+Force/pract_alerts.htm

Recently Issued and Approved Documents

Statements on Auditing Standards (SASs)		
Title (Product Number)	Issue Date	Effective Date
SAS No. 114, <i>The Auditor's Communication With Those Charged With Governance</i> (060709)	December 2006	Effective for audits of financial statements for periods beginning on or after December 15, 2006.
SAS No. 113, <i>Omnibus 2006</i> (060708)	November 2006	Paragraphs 1 through 5 are effective for audits of financial statements for periods ending on or after December 15, 2006. Paragraphs 7 through 14 are effective for audits of financial statements for periods beginning on or after December 15, 2006. Earlier implementation is permitted.

SAS No. 112, <i>Communicating Internal Control Related Matters Identified in an Audit</i> (060707)	May 2006	Effective for audits of financial statements for periods ending on or after December 15, 2006. Earlier implementation is permitted.
SAS Nos. 104 through 111 comprise the “risk assessment standards” and are available in a single bound book (060704).		
SAS No. 111, Amendment to Statement on Auditing Standards No. 39, <i>Audit Sampling</i>	March 2006	Effective for audits of financial statements for periods beginning on or after December 15, 2006. Earlier application is permitted.
SAS No. 110, <i>Performing Audit Procedures in Response to Assessed Risk and Evaluating the Audit Evidence Obtained</i>	March 2006	Effective for audits of financial statements for periods beginning on or after December 15, 2006. Earlier application is permitted.
SAS No. 109, <i>Understanding the Entity and Its Environment and Assessing the Risk of Material Misstatement</i>	March 2006	Effective for audits of financial statements for periods beginning on or after December 15, 2006. Earlier application is permitted.
SAS No. 108, <i>Planning and Supervision</i>	March 2006	Effective for audits of financial statements for periods beginning on or after December 15, 2006. Earlier application is permitted.
SAS No. 107, <i>Audit Risk and Materiality in Conducting an Audit</i>	March 2006	Effective for audits of financial statements for periods beginning on or after December 15, 2006. Earlier application is permitted.
SAS No. 106, <i>Audit Evidence</i>	March 2006	Effective for audits of financial statements for periods beginning on or after December 15, 2006. Earlier application is permitted.
SAS No. 105, Amendment to Statement on Auditing Standards No. 95, <i>Generally Accepted Auditing Standards</i>	March 2006	Effective for audits of financial statements for periods beginning on or after December 15, 2006. Earlier application is permitted.
SAS No. 104, Amendment to Statement on Auditing Standards No. 1, <i>Codification of Auditing Standards and Procedures</i> “Due Professional Care in the Performance of Work”	March 2006	Effective for audits of financial statements for periods beginning on or after December 15, 2006. Earlier application is permitted.
Statements on Standards for Attestation Engagements (SSAEs)		
Statement on Standards for Attestation Engagements (SSAE) No. 14, <i>SSAE Hierarchy</i> (023033).	November 2006	Effective when the subject matter or assertion is as of or for a period ending on or after December 15, 2006

Interpretations of Statements on Auditing Standards

Title	Issue Date
<p>Interpretation of AU Section 330, <i>The Confirmation Process</i>: Interpretation No. 1, "Use of Electronic Confirmations" (AU secs. 9330.01-.06)</p> <p>http://www.aicpa.org/download/auditstd/announce/Edited_Draft_Interpretation-Electronic_Confirmations.pdf</p>	<p>March 2007</p>

Interpretations of Statements on Standards for Accounting and Review Services (SSARs)

Title	Issue Date
<p>Interpretations of AR section 100, <i>Compilation and Review of Financial Statements</i>:</p> <p>Interpretation No. 28, "Special-Purpose Financial Statements to Comply With Contractual Agreements or Regulatory Provisions" (AR sec. 9100.109 - .119)</p> <p>Interpretation No. 29, "Reporting on an Uncertainty, Including an Uncertainty About an Entity's Ability to Continue as a Going Concern" (AR sec. 9100.120 - .129)</p>	<p>December 2006</p> <p>February 2007</p>

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