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United States Government Accountability Office
Washington, DC 20548

December 22, 2009

Ms. Sherry Hazel
Audit and Attest Standards
American Institute of Certified Public Accountants
1211 Avenue of the Americas
New York, New York 10036-8775

Subject: AICPA Auditing Standards Board (ASB) September 2009 Exposure Draft for proposed Statements on Auditing Standards (SAS), entitled *Special Considerations - Audits of Financial Statements Prepared in Accordance with Special Purpose Frameworks and Special Considerations - Audits of Single Financial Statements and Specific Elements, Accounts, or Items of a Financial Statement*.

This letter provides the U.S. Government Accountability Office's (GAO) comments on the proposed SAS. Overall we support the proposed SAS.

Definition of Special Purpose Frameworks

The ASB is seeking specific comments on the definition of special purpose frameworks and the removal of the term OCBOA (other comprehensive bases of accounting).

We agree with the definition of special purpose frameworks and we believe that the change in terminology from OCBOA to Special Purpose Frameworks is appropriate. We believe that specifying that the cash, tax, regulatory, and contractual bases of accounting are all included in the definition of special purpose frameworks will help the reader understand the transition to the new terminology.

Procedures on Interrelated Items

The ASB is seeking specific comments on the requirement to perform procedures necessary to obtain sufficient appropriate audit evidence about financial position, or financial position and results of operations, in the case of an audit of a specific element that is, or is based upon, the entity's stockholders' equity or net income or the equivalent.

We agree with the requirement to perform procedures necessary to obtain sufficient appropriate audit evidence about financial position. Also, we agree that the modification to the extant requirement will more clearly describe the auditor's responsibilities.

Comments on Changes Resulting from Applying the Clarity Drafting Conventions and Convergence with ISA Nos. 800 and 805

Our comments on changes resulting from applying the clarity drafting conventions and from converging with the International Standards on Auditing (ISA) are detailed below.

(1) We believe that the objectives to be achieved by the auditor as stated in the proposed SAS are appropriate.

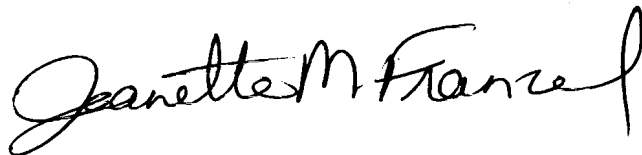
(2) We agree with the revisions made to the existing standard to converge with ISA Nos. 800 and 805.

(3) We agree with the differences between the proposed SAS and ISA Nos. 800 and 805.

(4) Although the SAS does not include considerations for audits of government entities, we agree that the governmental considerations have been dealt with appropriately and we are not aware of any that should be included in the proposed standard.

We thank you for considering our comments on these important issues.

Sincerely yours,

A handwritten signature in black ink that reads "Jeanette M. Franzel". The signature is written in a cursive, flowing style.

Jeanette Franzel
Managing Director
Financial Management and Assurance