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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 a proposed SAS, *Engagements to Report on Summary Financial Statements*.

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

Availability of Audited Financial Statements

The ASB is seeking specific comments on the requirement for the audited financial statements to be readily available. Specifically, the proposed SAS requires the auditor to obtain management's agreement that it acknowledges and understands its responsibility to make the audited financial statements, from which the summary financial statements have been derived, readily available to the intended users of the summary financial statements.

We believe that the term 'readily available' is too restrictive and that the ISA 810 wording on the availability of audited financial statements is more appropriate. ISA 810 states that the audited financial statements need to be available to the intended users of the summary financial statements without undue difficulty. We suggest using wording similar to paragraph 6 (b) ii and iii and paragraph A8 of ISA 810, as follows:

6. Before accepting an engagement to report on summary financial statements, the auditor **should**: (Ref: Para. A2)
 - (a) Determine whether the applied criteria are acceptable; (Ref: Para.vA3-A7)
 - (b) Obtain the agreement of management that it acknowledges and understands its responsibility:
 - i. For the preparation of the summary financial statements, in accordance with the applied criteria;
 - ii. To make the audited financial statements available to the intended users of the summary financial statements without

undue difficulty (or, if law or regulation provides that the audited financial statements need not be made available to the intended users of the summary financial statements and establishes the criteria for the preparation of the summary financial statements, to describe that law or regulation in the summary financial statements); and

iii. To include the auditor's report on the summary financial statements in any document that contains the summary financial statements and that indicates that the auditor has reported on them.

Evaluating the Availability of the Audited Financial Statements (Ref: Para. 8(g))

A8. The auditor's evaluation whether the audited financial statements are available to the intended users of the summary financial statements without undue difficulty is affected by factors such as whether:

- The summary financial statements describe clearly from whom or where the audited financial statements are available;
- The audited financial statements are on public record; or
- Management has established a process by which the intended users of the summary financial statements can obtain ready access to the audited financial statements.

Form of Opinion

The ASB is seeking specific comments on the proposed form of the auditor's opinion on summary of financial statements.

We agree that the proposed form of auditor's opinion accurately conveys the auditor's responsibilities for summary financial statements derived from audited financial statements.

Denial of Opinion

The ASB is seeking specific comments on the requirements relating to the denial of opinion on the summary financial statements.

We agree with the proposed requirements relating to denial of opinion on the summary financial statements.

Comments on Changes Resulting from Applying the Clarity Drafting Conventions and Convergence with ISA 810

Our comments on changes resulting from applying the clarity drafting conventions and from converging with the International Standard 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.

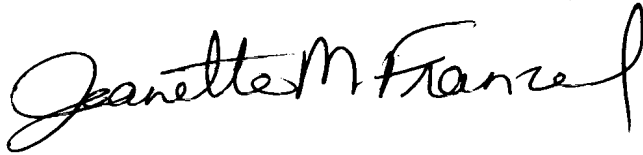
(2) We agree with the revisions made to the existing standard to converge with ISA 810.

(3) We agree with the differences between the proposed SAS and ISA 810.

(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