

STANDING ADVISORY GROUP MEETING

STATUS OF PREVIOUS SAG STANDARD-SETTING DISCUSSION TOPICS

OCTOBER 13-14, 2010

The following table is a list of standard-setting topics previously discussed with the Standing Advisory Group ("SAG") and the current status of each discussion topic. The discussion topics are presented in the order of the most recent SAG meeting date. Current standard-setting projects are projects that are on the Office of the Chief Auditor's ("OCA") current standard-setting agenda.^{1/}

Discussion Topic	Status^{2/}	Discussion Date(s)
FASB/IASB projects and potential challenges to auditing	Standard-setting under consideration	July 2010
Broker-dealer audit considerations	Current standard-setting project	July 2010
Subsequent events	Current standard-setting project	July 2010
Auditor's reporting model	Current standard-setting project	July 2010 April 2010 February 2005
Responsibilities of the principal auditor	Published Staff Audit Practice Alert No. 6, <i>Auditor Considerations Regarding Using the Work of Other Auditors and Engaging Assistants from Outside the Firm</i> ; Current standard-setting project	April 2010
Fair value measurements	Current standard-setting project	October 2009 June 2007 September 2004
Use of a specialist	Current standard-setting project	October 2009 February 2006

^{1/} See OCA Standard-Setting Agenda (October 2010).

^{2/} See Legend on page 5.

Discussion Topic	Status^{2/}	Discussion Date(s)
Communications with audit committees	Issued proposed auditing standard; held roundtable; current standard-setting project	July 2010 ^{3/} October 2009 October 2005 June 2004
Related parties	Current standard-setting project	October 2009 June 2007 September 2004
Confirmation	Issued proposed auditing standard; issued concept release; current standard-setting project	October 2009 ^{3/} April 2009 September 2004
Engagement quality reviews	Published Staff Question and Answer on Auditing Standard No. 7, Engagement Quality Review; Adopted Auditing Standard No. 7, Engagement Quality Review and Conforming Amendment to the Board's Interim Quality Control Standards	April 2009 October 2005 June 2004
Going concern	Current standard-setting project	April 2009
Audit considerations in the current economic environment	Published Staff Audit Practice Alert No. 3, Audit Considerations in the Current Economic Environment	October 2008
Feasibility of audit quality indicators	Not a current standard-setting project ^{4/}	October 2008
Signing the auditor's report	Issued concept release; current standard-setting project	October 2009 ^{3/} October 2008
Accounting firms' and auditors' responsibility to supervise	Issued release; current standard-setting project	February 2008

^{3/} OCA presented an update on comments received on the Board's standard-setting activity relating to this topic.

^{4/} OCA is monitoring the work in this area by others, such as the International Organization of Securities Commissions and the International Auditing and Assurance Standards Board.

Discussion Topic	Status^{2/}	Discussion Date(s)
Advisory Committee on Improvements to Financial Reporting to the U.S. Securities and Exchange Commission (CiFIR) proposal relating to judgments made by financial statement preparers and auditors	Standard-setting under consideration ^{5/}	February 2008
Quality controls	Current standard-setting project	February 2008 November 2004 June 2004
Audit implications of IFRS Financial Statements in U.S. SEC Filings	Pending review of interim standards	October 2007
Engagement team performance	Being addressed through various current standards-setting projects; Pending review of interim standards	June 2007
Discussion of forensic audit procedures	Not a current standard-setting project	February 2007
Discussion of implementation of Section 404	Adopted Auditing Standard No. 5, An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements; Issued Staff Views – An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements: Guidance for Auditors of Smaller Public Companies	February 2007 June 2006 June 2005 November 2004
Independence and indemnification/ limitation of liability clauses	Not a current standard-setting project	February 2006

^{5/} A portion of the CiFIR recommendation relates to a recommendation that the SEC adopt a policy statement regarding accounting judgments. If the SEC implements the recommendation relating to the accounting judgments the PCAOB will evaluate the portion of the recommendation relating to auditing judgments.

Discussion Topic	Status ^{2/}	Discussion Date(s)
Risk assessment	Adopted Auditing Standard No. 8, Audit Risk; Auditing Standard No. 9, Audit Planning; Auditing Standard No. 10, Supervision of the Audit Engagement; Auditing Standard No. 11, Consideration of Materiality in Planning and Performing an Audit; Auditing Standard No. 12, Identifying and Assessing Risks of Material Misstatement; Auditing Standard No. 13, The Auditor's Responses to the Risks of Material Misstatement; Auditing Standard No. 14, Evaluating Audit Results; Auditing Standard No. 15, Audit Evidence (pending SEC approval)	April 2010 ^{6/} October 2009 ^{6/} February 2006 February 2005
Principles of reporting	Adopted Auditing Standard No. 6, Evaluating Consistency of Financial Statements	October 2005
Reasonable assurance	Pending review of interim standards	October 2005
Codification of standards	Standard-setting under consideration	November 2004
GAAS hierarchy	Pending review of interim standards	November 2004 June 2004
Reporting on the correction of material weaknesses	Adopted Auditing Standard No. 4, Reporting on Whether a Previously Reported Material Weakness Continues to Exist	November 2004
Fraud and related topics	Being addressed through various current standard-setting projects; Standard-setting under consideration	September 2004
Auditor's responsibility for communications to investors containing financial information	Not a current standard-setting project	June 2004

^{6/} OCA presented an update on comments received on the Board's standard-setting activity relating to this topic.

Legend

Current standard-setting project	Project on the OCA current standard-setting agenda.
Standard-setting under consideration	OCA is currently considering whether to begin a standard-setting project in this area.
Pending review of interim standards	OCA will consider this discussion topic as it proposes updates to the interim standards.
Not a current standard-setting project	OCA does not plan to begin a standard-setting project regarding this topic in the near future.

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