



File No. PCAOB 2015-01
Consists of 1278 Pages

SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

Form 19b-4

Proposed Rules

By

Public Company Accounting Oversight Board

In accordance with Rule 19b-4 under the
Securities Exchange Act of 1934

1. Text of the Proposed Rules

(a) Pursuant to the provisions of Section 107(b) of the Sarbanes-Oxley Act of 2002 (the "Act"), the Public Company Accounting Oversight Board (the "Board" or the "PCAOB") is filing with the Securities and Exchange Commission ("SEC" or "Commission") Reorganization of PCAOB Auditing Standards and Related Amendments to PCAOB Standards and Rules (collectively, the "proposed rules"). The proposed rules are attached as Exhibit A to this rule filing. In addition, the Board is also requesting the SEC's approval, pursuant to Section 103(a)(3)(c) of the Sarbanes-Oxley Act, of the application of the proposed rules to audits of emerging growth companies ("EGCs"), as that term is defined in Section 3(a)(80) of the Securities Exchange Act of 1934. Section 104 of the Jumpstart Our Business Startups Act provides that any additional rules adopted by the Board after April 5, 2012, shall not apply to the audits of EGCs unless the SEC "determines that the application of such additional requirements is necessary or appropriate in the public interest, after considering the protection of investors and whether the actions will promote efficiency, competition, and capital formation." See Exhibit 3.

(b) The amendments supersede Auditing Standard No. 1, *References in Auditors' Reports to the Standards of the Public Company Accounting Oversight Board*. The amendments rescind AU section ("AU sec.") 150, *Generally Accepted Auditing Standards*, AU sec. 201, *Nature of the General Standards*, AU sec. 410, *Adherence to Generally Accepted Accounting Principles*, AU sec. 9410, *Adherence to Generally Accepted Accounting Principles: Auditing Interpretations of Section 410*, interpretation 16 of AU sec. 9508, *Reports on Audited Financial Statements: Auditing Interpretations of Section 508*, AU sec. 532, *Restricting the Use of an Auditor's Report*, and AU sec. 901, *Public Warehouses—Controls and Auditing Procedures for Goods Held*.

(c) Not applicable.

2. Procedures of the Board

(a) The Board approved the proposed rules, and authorized them for filing with the SEC, at its open meeting on March 31, 2015. No other action by the Board is necessary for the filing of the proposed rules.

(b) Questions regarding this rule filing may be directed to Martin F. Baumann, Chief Auditor (202/207-9192, baumannm@pcaobus.org), Keith Wilson, Deputy Chief Auditor (202/207-9134, wilsonk@pcaobus.org), Greg Fletcher, Associate Chief Auditor (202/207-9203, fletcherg@pcaobus.org), Robert Ravas, Assistant Chief Auditor (202/591-4306, ravasr@pcaobus.org), Hunter Jones, Chief Counsel, Office of the Chief Auditor (202/591-4412, jonesh@pcaobus.org), or Gail A. Pierce, Assistant General Counsel (202/591-4378, pierceg@pcaobus.org).

3. Board's Statement of the Purpose of, and the Statutory Basis for, the Proposed Rules

(a) Purpose

The Board is reorganizing its auditing standards using a topical structure and a single, integrated numbering system. To implement this reorganization, the Board is adopting amendments to its auditing standards and rules and is also rescinding certain auditing standards that are no longer necessary under the reorganization. These amendments do not impose new requirements on auditors or change the substance of the requirements for performing and reporting on audits under PCAOB standards. Specifically, the amendments to implement the reorganization include updates to the section numbers, cross references, and titles of certain standards. Other related amendments include, among others, removing standards that are no longer necessary, replacing references to generally accepted auditing standards, and updating certain PCAOB rules to reflect the reorganized auditing standards.

The new organizational structure is intended to improve the usability of the Board's standards, including helping users navigate the standards more easily. To facilitate navigation, the standards are organized into a logical structure by topic areas that generally follow the flow of the audit process. For example, auditing standards that apply to procedures performed near the completion of the audit are arranged in the same area. The reorganization also uses a numbering convention that is different from conventions used by other standard setters, which should help to avoid the potential for confusion between the standards of the Board and those of other standard setters. See Exhibit 3 for additional discussion of the purpose of the project.

(b) Statutory Basis

The statutory basis for the proposed rules is Title I of the Act.

4. Board's Statement on Burden on Competition

Not applicable. The Board's consideration of the economic impacts of the proposed rules is discussed in Exhibit 1.II.D.

5. Board's Statement on Comments on the Proposed Rules Received from Members, Participants or Others

The Board initially released the proposed rules for public comment on March 26, 2013, in PCAOB Release No. 2013-002. See Exhibit 2(a)(A). The proposing release was discussed with members of the academic community at the PCAOB's Academic Conference on April 26, 2013 and with the PCAOB's Standing Advisory Group ("SAG") on May 15, 2013. See Exhibit 2(a)(D) and Exhibit 2(a)(E), respectively. The Board received 19 comment letters on the proposing release. See Exhibits 2(a)(B) and 2(a)(C).

On May 7, 2014, the Board released a supplemental request for comment on the proposed reorganization in PCAOB Release No. 2014-001. See Exhibit 2(a)(F). In conjunction with issuing the supplemental request, the Board also released on its website a demonstration version

of the reorganized auditing standards to facilitate review and comment on the proposed amendments. See Exhibit 2(a)(G). The online demonstration version presented the existing auditing standards as they would look if reorganized according to the proposed amendments included in the supplemental request. The Board received 7 comment letters on the supplemental request. See Exhibits 2(a)(H) and 2(a)(I).

6. Extension of Time Period for Commission Action

The Board does not consent to an extension of the time period specified in Section 19(b)(2) of the Securities Exchange Act of 1934.

7. Basis for Summary Effectiveness Pursuant to Section 19(b)(3) or for Accelerated Effectiveness Pursuant to Section 19(b)(2)

Not applicable.

8. Proposed Rules Based on Rules of Another Board or of the Commission

Not applicable.

9. Exhibits

Exhibit A – Text of the Proposed Rules.

Exhibit 1 – Form of Notice of Proposed Rules for Publication in the Federal Register.

Exhibit 2(a)(A) – PCAOB Release No. 2013-002 (Proposing Release).

Exhibit 2(a)(B) – Alphabetical List of Commenters on the Proposal in PCAOB Release No. 2013-002.

Exhibit 2(a)(C) – Written comments on the Proposal in PCAOB Release No. 2013-002.

Exhibit 2(a)(D) – Transcript and Slides from Academic Conference on April 26, 2013.

Exhibit 2(a)(E) – Transcript and Slides from SAG meeting on May 15, 2013.

Exhibit 2(a)(F) – PCAOB Release No. 2014-001 (Supplemental Request).

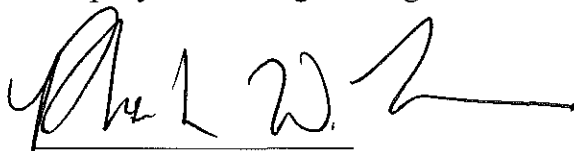
- Exhibit 2(a)(G) – Information regarding the Online Demonstration Version of the Proposed Rules.
- Exhibit 2(a)(H) – Alphabetical List of Commenters on the Supplemental Request for Comment in PCAOB Release No. 2014-001.
- Exhibit 2(a)(I) – Written comments on the Supplemental Request for Comment in PCAOB Release No. 2014-001.
- Exhibit 3 – PCAOB Release No. 2015-002 (Adopting Release).

10. Signatures

Pursuant to the requirements of the Act and the Securities Exchange Act of 1934, as amended, the Board has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized.

Public Company Accounting Oversight Board

By:



Phoebe W. Brown
Secretary

June 17, 2015

Exhibit A – Text of the Proposed Rules**I. Amendments to Rules of the Board****Rule 3101. Certain Terms Used in Auditing and Related Professional Practice Standards**

Rule 3101. Certain Terms Used in Auditing and Related Professional Practice Standards, is amended as follows:

In paragraph (b), the phrase "adopted in Rules 3200T, 3300T, 3400T, 3500T, and 3600T" is deleted.

Rule 3200T. Interim Auditing Standards

Rule 3200T. Interim Auditing Standards, is amended as follows:

- The letter "T" is removed from the reference to Rule 3200T.
- The word "Interim" is removed from the title of the rule.
- The text of the rule is replaced with the following:

In connection with the preparation or issuance of any audit report, a registered public accounting firm and its associated persons shall comply with all applicable auditing standards adopted by the Board and approved by the SEC, including, to the extent not superseded or amended by the Board, AICPA Statements on Auditing Standards as in existence on April 16, 2003.

II. Amendments to PCAOB Standards

Auditing Standards and Interpretations

Auditing Standard No. 1, *References in Auditors' Reports to the Standards of the Public Company Accounting Oversight Board*¹

Auditing Standard No. 1, *References in Auditors' Reports to the Standards of the Public Company Accounting Oversight Board*, is superseded.

Auditing Standard No. 3, *Audit Documentation*

Auditing Standard No. 3, *Audit Documentation*, as amended, is amended as follows:

- a. The section number "Auditing Standard No. 3" is replaced with "AS 1215."
- b. In the references before paragraph 1, the phrase "[supersedes SAS No. 96, *Audit Documentation*]" is deleted.
- c. Paragraph numbers 1 through 21 are replaced with .01 through .21.
- d. In footnote 1 to paragraph 4, the reference to "paragraph 12" is replaced with "paragraph .12."
- e. In footnote 2 to paragraph 6, the reference to "paragraphs 28–33 of Auditing Standard No. 5" is replaced with "paragraphs .28–.33 of AS 2201."
- f. In paragraph 9:
 - The parenthetical reference to "paragraph 15" is replaced with "paragraph .15."
 - In the first bullet, the reference to "paragraph 16" is replaced with "paragraph .16."

¹ The captions in this section refer to the numbers and titles of existing PCAOB auditing standards and interpretations.

- In the second bullet, the reference to "AU sec. 390" is replaced with "AS 2901."
- g. In footnote 2A to paragraph 12a:
- The reference to "paragraphs 12–13 of Auditing Standard No. 12" is replaced with "paragraphs .12–.13 of AS 2110."
 - The reference to "AU sec. 316" is replaced with "AS 2401."
- h. In footnote 2B to paragraph 12c, the reference to "paragraphs 10–23 of Auditing Standard No. 14" is replaced with "paragraphs .10–.23 of AS 2810."
- i. In footnote 2C to paragraph 12f:
- The reference to "paragraph 74 of Auditing Standard No. 12, *Identifying and Assessing Risks of Material Misstatement*," is replaced with "AS 2110.74."
 - The reference to "paragraph 36 of Auditing Standard No. 14, *Evaluating Audit Results*" is replaced with "AS 2810.36."
- j. In the second sentence of paragraph 17, the reference to "AU sec. 711, *Filings Under Federal Securities Statutes*" is replaced with "AS 4101, *Responsibilities Regarding Filings Under Federal Securities Statutes*."
- k. In the first sentence of paragraph 18, the reference to "paragraphs 4–13" is replaced with "paragraphs .04–.13."
- l. In paragraph 19a, the reference to "paragraphs 12 and 13" is replaced with "paragraphs .12 and .13."
- m. In paragraph 19c, the reference to "paragraph 8" is replaced with "paragraph .08."

- n. In the last sentence of paragraph 19, the reference to "AU sec. 543, *Part of Audit Performed by Other Independent Auditors*," is replaced with "AS 1205, *Part of the Audit Performed by Other Independent Auditors*."

Auditing Standard No. 4, *Reporting on Whether a Previously Reported Material*

Weakness Continues to Exist

Auditing Standard No. 4, *Reporting on Whether a Previously Reported Material*

Weakness Continues to Exist, as amended, is amended as follows:

- a. The section number "Auditing Standard No. 4" is replaced with "AS 6115."
- b. Paragraph numbers 1 through 65 are replaced with .01 through .65.
- c. In Note 1 to paragraph 1, the reference to "Auditing Standard No. 5" is replaced with "AS 2201."
- d. In paragraph 2:
 - In item (1), the reference to "Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*," is replaced with "AS 2201."
 - In item (2), the reference to "Auditing Standard No. 5" is replaced with "AS 2201."
 - The parenthetical reference to "paragraph 26" is replaced with "paragraph .26."
 - In the note, the reference to "Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*" is replaced with "AS 2201."

- e. In the last sentence of paragraph 4, the reference to "Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*," is replaced with "AS 2201."
- f. In paragraph 7e, the reference to "paragraph 48" is replaced with "paragraph .48."
- g. In paragraph 8, the reference to "paragraph 7" is replaced with "paragraph .07."
- h. In paragraph 9, the reference to "Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*" is replaced with "AS 2201."
- i. In paragraph 10:
- In the first sentence, the reference to "Paragraph 5 of Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*," is replaced with "AS 2201.05."
 - In the first sentence of the note, the reference to "Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*," is replaced with "AS 2201."
- j. In paragraph 11, the reference to "Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*" is replaced with "AS 2201."
- k. In footnote 2 to paragraph 13, the reference to "paragraph 42 of Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*" is replaced with "AS 2201.42."

- l. In the last sentence of the note to paragraph 17, the reference to "Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*" is replaced with "AS 2201."
- m. In Note 2 to paragraph 18, the reference to "Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*" is replaced with "AS 2201."
- n. In the first sentence of paragraph 23, the reference to "paragraph 20 of Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*" is replaced with "AS 2201.20."
- o. In the last sentence of paragraph 24, the reference to "paragraph 9 of Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*" is replaced with "AS 2201.09."
- p. In paragraph 25:
 - In the last sentence, the reference to "Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*," is replaced with "AS 2201."
 - In the note:
 - Each reference to "Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*," is replaced with "AS 2201."
 - In the second sentence, the reference to "paragraphs 26a–b and 27" is replaced with "paragraphs .26a–b and .27."

- In the last sentence, the reference to "paragraphs 26 and 27" is replaced with "paragraphs .26 and .27."
- q. In paragraph 26:
- In the first sentence, the reference to "paragraph 5" is replaced with "paragraph .05."
 - In footnote 3, the reference to "paragraph .02 of AU sec. 315, *Communications Between Predecessor and Successor Auditors*" is replaced with "paragraph .02 of AS 2610, *Initial Audits—Communications Between Predecessor and Successor Auditors*."
- r. In the first sentence of paragraph 26a, the reference to "paragraphs 22–27 of Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*" is replaced with "AS 2201.22–.27."
- s. In paragraph 26b, the reference to "paragraphs 34–38 of Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*," is replaced with "AS 2201.34–.38."
- t. In the first sentence of paragraph 26c, the reference to "AU sec. 315, *Communications Between Predecessor and Successor Auditors*" is replaced with "AS 2610."
- u. In paragraph 27:
- In the first sentence, the reference to "paragraph 26" is replaced with "paragraph .26."

- In the last sentence, the reference to "Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*" is replaced with "AS 2201."
- v. In the last sentence of paragraph 28, the reference to "paragraph 7" is replaced with "paragraph .07."
- w. In the last sentence of paragraph 31, the reference to "paragraphs 42–43 of Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*" is replaced with "AS 2201.42–.43."
- x. In paragraph 32:
- In the first sentence, the reference to "paragraphs 44–45 of Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*" is replaced with "AS 2201.44–.45."
 - In the last sentence, the reference to "paragraphs 50–54 of Auditing Standard No. 5" is replaced with "AS 2201.50–.54."
- y. In the third sentence of paragraph 33, the reference to "paragraphs 22–24 of Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*" is replaced with "AS 2201.22–.24."
- z. In paragraph 35, the reference to "Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*," is replaced with "AS 2201."

- aa. In the last sentence of paragraph 36, the reference to "paragraphs 16–19 of Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*" is replaced with "AS 2201.16–.19."
- bb. In the first sentence of paragraph 38, the reference to "Paragraphs 18–19 of Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*," is replaced with "AS 2201.18–.19."
- cc. In the first sentence of paragraph 40, the reference to "AU sec. 543, *Part of Audit Performed by Other Independent Auditors*" is replaced with "AS 1205, *Part of the Audit Performed by Other Independent Auditors*."
- dd. In the first sentence of the note to paragraph 43, the reference to "paragraph 51" is replaced with "paragraph .51."
- ee. In the second sentence of paragraph 46, the reference to "paragraph 43" is replaced with "paragraph .43."
- ff. In paragraph 47:
- In the first sentence, the reference to "Auditing Standard No. 3" is replaced with "AS 1215."
 - In the second sentence, the reference to "Paragraph 14 of Auditing Standard No. 3" is replaced with "AS 1215.14."
 - In the third sentence, the reference to "paragraph 29" is replaced with "paragraph .29."

- In the last sentence, the reference to "Auditing Standard No. 3" is replaced with "AS 1215."
- gg. In the first sentence of paragraph 48, the reference to "paragraph 7e" is replaced with "paragraph .07e."
- hh. In paragraph 50, the reference to "paragraph 48" is replaced with "paragraph .48."
- ii. In the first sentence of the note to paragraph 51b, the reference to "Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*" is replaced with "AS 2201."
- jj. In the note to paragraph 51g, the reference to "paragraph 31" is replaced with "paragraph .31."
- kk. In the first sentence of the note to paragraph 51l, the reference to "Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*" is replaced with "AS 2201."
- ll. In the note to paragraph 51o, the reference to "Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*" is replaced with "AS 2201."
- mm. In the first sentence of paragraph 52, the reference to "Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements,*" is replaced with "AS 2201."
- nn. In paragraph 53:
- In the first sentence, the reference to "paragraph 3" is replaced with "paragraph .03."

- In the last sentence, the reference to "paragraph 51" is replaced with "paragraph .51."
- oo. In paragraph 54a, the parenthetical reference to "paragraph 56" is replaced with "paragraph .56."
- pp. In paragraph 54b, the parenthetical reference to "paragraphs 57 and 58" is replaced with "paragraphs .57 and .58."
- qq. In paragraph 54c, the parenthetical reference to "paragraphs 59 through 60" is replaced with "paragraphs .59 through .60."
- rr. In the first sentence of paragraph 55, the reference to "paragraph 43" is replaced with "paragraph .43."
- ss. In the third sentence of paragraph 57, the reference to "paragraph 44" is replaced with "paragraph .44."
- tt. In the first sentence of paragraph 58, the reference to "paragraph 61" is replaced with "paragraph .61."
- uu. In the first sentence of paragraph 59, the reference to "paragraph 48" is replaced with "paragraph .48."
- vv. In the note to paragraph 60, each reference to "paragraph 59" is replaced with "paragraph .59."
- ww. In the first sentence of paragraph 62, the reference to "paragraph 55" is replaced with "paragraph .55."
- xx. In paragraph 63, the reference to "paragraphs 7 and 29–32 of AU sec. 722, *Interim Financial Information*" is replaced with "paragraphs .07 and .29–.32 of AS 4105, *Reviews of Interim Financial Information*."

- yy. In paragraph 64:
- In the second sentence, the reference to "paragraph 56" is replaced with "paragraph .56."
 - In the last sentence, the reference to "paragraphs 7 and 29–32 of AU 722, *Interim Financial Information*" is replaced with "AS 4105.07 and AS 4105.29–.32."

- zz. In Appendix A, in the first sentence of the first paragraph, the reference to "Paragraphs 51 through 60" is replaced with "Paragraphs .51 through .60."

Auditing Standard No. 5, An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements

Auditing Standard No. 5, An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements, as amended, is amended as follows:

- a. The section number "Auditing Standard No. 5" is replaced with "AS 2201."
- b. Paragraph numbers 1 through 98 are replaced with .01 through .98.
- c. In footnote 3 to paragraph 2, the reference to "Paragraph A5" is replaced with "Paragraph .A5."
- d. In footnote 5 to paragraph 3, the reference to "AU sec. 230" is replaced with "AS 1015."
- e. In paragraph 4:
 - In the first sentence, the phrase "The general standards" is replaced with the phrase "The standards, AS 1005, *Independence*, AS 1010, *Training and Proficiency of the Independent Auditor*, and AS 1015, *Due Professional Care in the Performance of Work*."

- Footnote 6 is deleted.
- f. In paragraph 14:
- In the second sentence:
 - The reference to "paragraph 22" is replaced with "paragraph .22."
 - The reference to "paragraph 39" is replaced with "paragraph .39."
 - In footnote 10, the reference to "Auditing Standard No. 12" is replaced with "AS 2110."
 - In footnote 10A to the first bullet, the reference to "AU sec. 316" is replaced with "AS 2401."
- g. In paragraph 15, the reference to "paragraphs 65–69 of Auditing Standard No. 12, *Identifying and Assessing Risks of Material Misstatement*" is replaced with "AS 2110.65–.69."
- h. In the last sentence of paragraph 16, the reference to "AU sec. 322, *The Auditor's Consideration of the Internal Audit Function in an Audit of Financial Statements*" is replaced with "AS 2605, *Consideration of the Internal Audit Function*."
- i. In the third sentence of paragraph 18, the reference to "paragraphs .09 through .11 of AU sec. 322" is replaced with "AS 2605.09 through .11."
- j. In footnote 11 to paragraph 20, the reference to "Auditing Standard No. 11" is replaced with "AS 2105."
- k. In footnote 12 to paragraph 28, the reference to "Auditing Standard No. 15" is replaced with "AS 1105."
- l. In footnote 13 to the note to paragraph 31:

- The first parenthetical reference to "paragraph 14 of Auditing Standard No. 14" is replaced with "paragraph .14 of AS 2810."
 - The second parenthetical reference to "paragraph 61 and paragraph 5 of Auditing Standard No. 13" is replaced with "paragraph .61 and paragraph .05 of AS 2301."
- m. In paragraph 35:
- The reference to "paragraph 34" is replaced with "paragraph .34."
 - The reference to "AU sec. 322" is replaced with "AS 2605."
- n. In the second sentence of paragraph 36:
- The reference to "paragraph 29" is replaced with "paragraph .29."
 - The reference to "Auditing Standard No. 12, *Identifying and Assessing Risks of Material Misstatement*" is replaced with "AS 2110."
- o. In the first sentence of paragraph 37, the reference to "paragraph 34" is replaced with "paragraph .34."
- p. In paragraph 53, the parenthetical reference to "paragraph B1" is replaced with "paragraph .B1."
- q. In the last sentence of paragraph 57, the reference to "paragraphs 46 through 56" is replaced with "paragraphs .46 through .56."
- r. In paragraph 58, the reference to "paragraph 47" is replaced with "paragraph .47."
- s. In the first sentence of paragraph 59, the reference to "paragraphs 47 and 58" is replaced with "paragraphs .47 and .58."
- t. In the last sentence of paragraph 60, the reference to "paragraph B28" is replaced with "paragraph .B28."

- u. In paragraph 73, the reference to "paragraph C2" is replaced with "paragraph .C2."
- v. In paragraph 74, the parenthetical reference to "paragraphs C3 through C7" is replaced with "paragraphs .C3 through .C7."
- w. In paragraph 75g, the reference to "paragraphs 78 and 80" is replaced with "paragraphs .78 and .80."
- x. In paragraph 76, the reference to "paragraph C3" is replaced with "paragraph .C3."
- y. In paragraph 77, the reference to "AU sec. 333" is replaced with "AS 2805."
- z. In the last sentence of paragraph 84:
 - The reference to "AU sec. 316, *Consideration of Fraud in a Financial Statement Audit*" is replaced with "AS 2401."
 - The reference to "AU sec. 317" is replaced with "AS 2405."
- aa. In paragraph 85e, the reference to "paragraph A5" is replaced with "paragraph .A5."
- bb. In paragraph 90:
 - In the first sentence, the reference to "Paragraphs 62 through 70" is replaced with "Paragraphs .62 through .70."
 - In footnote 19, the reference to "paragraph C3" is replaced with "paragraph .C3."
- cc. In the first bullet of paragraph 91, the reference to "paragraph A7" is replaced with "paragraph .A7."

- dd. In the first sentence of the note to paragraph 92, the reference to "paragraphs 88 and 91" is replaced with "paragraphs .88 and .91."
- ee. In the last sentence of paragraph 93, the reference to "paragraph 75h" is replaced with "paragraph .75h."
- ff. In the second sentence of paragraph 95, the reference to "AU sec. 560" is replaced with "AS 2801."
- gg. In paragraph 96:
- The parenthetical reference to "paragraph C2" is replaced with "paragraph .C2."
 - In the last sentence, the reference to "paragraph C13" is replaced with "paragraph .C13."
- hh. In the last sentence of paragraph 98, the reference to "AU sec. 561" is replaced with "AS 2905."
- ii. In Appendix A, paragraph numbers A1 through A11 are replaced with .A1 through .A11.
- jj. In Appendix B, paragraph numbers B1 through B33 are replaced with .B1 through .B33.
- kk. In the first sentence of paragraph B5, the reference to "paragraph B2" is replaced with "paragraph .B2."
- ll. In paragraph B13, the reference to "paragraph 61" is replaced with "paragraph .61."

- mm. In the fifth sentence of paragraph B16, the reference to "AU sec. 722, *Interim Financial Information*" is replaced with "AS 4105, *Reviews of Interim Financial Information*."
- nn. In paragraph B17:
- In the first sentence, the reference to "AU sec. 324, *Service Organizations*," is replaced with "AS 2601, *Consideration of an Entity's Use of a Service Organization*."
 - In the last sentence, the reference to "AU sec. 324" is replaced with "AS 2601."
- oo. In the first sentence of paragraph B18, the reference to "AU sec. 324.03" is replaced with "AS 2601.03."
- pp. In the first sentence of paragraph B19, the reference to "AU sec. 324.07" is replaced with "AS 2601.07."
- qq. In the first sentence of paragraph B20, the reference to "AU sec. 324.12" is replaced with "AS 2601.12."
- rr. In the note to paragraph B20a:
- In the first sentence, the parenthetical reference to "AU sec. 324.24b" is replaced with "AS 2601.24b."
 - In the second sentence, the parenthetical reference to "AU sec. 324.24a" is replaced with "AS 2601.24a."
 - In the last sentence, the reference to "AU sec. 324" is replaced with "AS 2601."

- ss. In the note to paragraph B21, the reference to "AU sec. 324.16" is replaced with "AS 2601.16."
- tt. In the last sentence of paragraph B23, the reference to "AU sec. 543, *Part of Audit Performed by Other Independent Auditors*" is replaced with "AS 1205, *Part of the Audit Performed by Other Independent Auditors.*"
- uu. In Appendix C, paragraph numbers C1 through C17 are replaced with .C1 through .C17.
- vv. In the last sentence of paragraph C2, the reference to "paragraph 91" is replaced with "paragraph .91."
- ww. In paragraph C4, the parenthetical reference to "paragraph 85" is replaced with "paragraph .85."
- xx. In paragraph C5:
- In the first bullet, the reference to "paragraph A7" is replaced with "paragraph .A7."
 - In the last sentence of the second bullet, the reference to "paragraph 91" is replaced with "paragraph .91."
- yy. In the note to paragraph C6, the reference to "paragraph 89" is replaced with "paragraph .89."
- zz. In the second sentence of paragraph C8, the reference to "AU sec. 543, *Part of Audit Performed by Other Independent Auditors*" is replaced with "AS 1205, *Part of the Audit Performed by Other Independent Auditors.*"
- aaa. In the last sentence of paragraph C9, the reference to "AU sec. 543" is replaced with "AS 1205."

- bbb. In footnote 1 to paragraph C10, the reference to "paragraph B15" is replaced with "paragraph .B15."
- ccc. In paragraph C12, the reference to "paragraph 72" is replaced with "paragraph .72."
- ddd. In paragraph C14:
- In the last sentence, the reference to "AU sec. 317" is replaced with "AS 2405."
 - In the first sentence of the note, the reference to "paragraph C12" is replaced with "paragraph .C12."
- eee. In paragraph C15:
- In the first sentence, the reference to "AU sec. 722, *Interim Financial Information*" is replaced with "AS 4105, *Reviews of Interim Financial Information*."
 - In the last sentence, the reference to "AU sec. 722" is replaced with "AS 4105."
- fff. In paragraph C16:
- In the first sentence, the reference to "AU sec. 711, *Filings Under Federal Securities Statutes*" is replaced with "AS 4101, *Responsibilities Regarding Filings Under Federal Securities Statutes*."
 - In the second sentence, the reference to "AU sec. 711" is replaced with "AS 4101."
 - In the last sentence, the reference to "AU sec. 711.10" is replaced with "AS 4101.10."

Auditing Standard No. 6, *Evaluating Consistency of Financial Statements*

Auditing Standard No. 6, *Evaluating Consistency of Financial Statements*, as amended, is amended as follows:

- a. The section number "Auditing Standard No. 6" is replaced with "AS 2820."
- b. In the references before paragraph 1, the phrase "*Supersedes AU secs. 420 and 9420*" is deleted.
- c. Paragraph numbers 1 through 11 are replaced with .01 through .11.
- d. In paragraph 8:
 - In the second sentence, the reference to "paragraph 7" is replaced with "paragraph .07."
 - Each reference to "AU sec. 508" is replaced with "AS 3101."
 - In the last sentence of the note, the reference to "AU sec. 508" is replaced with "AS 3101."
- e. In paragraph 9, the reference to "AU sec. 508" is replaced with "AS 3101."
- f. In the last sentence of paragraph 10:
 - The reference to "paragraph 31" is replaced with "paragraph .31."
 - The reference to "Auditing Standard No. 14" is replaced with "AS 2810."
 - The reference to "AU sec. 508" is replaced with "AS 3101."
- g. In paragraph 11:
 - In the fifth sentence, the reference to "paragraphs 7 and 8 and AU sec. 508" is replaced with "paragraphs .07 and .08 and AS 3101."
 - In the last sentence, the reference to "paragraphs 9 and 10 and AU sec. 508" is replaced with "paragraphs .09 and .10 and AS 3101."

Auditing Standard No. 7, Engagement Quality Review

Auditing Standard No. 7, *Engagement Quality Review*, as amended, is amended as follows:

- a. The section number "Auditing Standard No. 7" is replaced with "AS 1220."
- b. In the references before paragraph 1, the phrase "*Supersedes SECPS Requirements of Membership § 1000.08(f)*." is deleted.
- c. Paragraph numbers 1 through 21 are replaced with .01 through .21.
- d. In paragraph 1, the phrase "a review interim financial information" is replaced with "a review of interim financial information."
- e. In the last sentence of footnote 1 to paragraph 2, the reference to "AU section ("sec.") 722, *Interim Financial Information*" is replaced with "AS 4105, *Reviews of Interim Financial Information*."
- f. In the last sentence of paragraph 9, the reference to "paragraphs 10 and 11" is replaced with "paragraphs .10 and .11."
- g. In footnote 4 to paragraph 10e, the reference to "Paragraph 13 of PCAOB Auditing Standard No. 3" is replaced with "Paragraph .13 of AS 1215."
- h. In footnote 5 to paragraph 10g:
 - The reference to "AU sec. 550" is replaced with "AS 2710."
 - The reference to "AU sec. 711, *Filings Under Federal Securities Statutes*" is replaced with "AS 4101, *Responsibilities Regarding Filings Under Federal Securities Statutes*."
- i. In the first sentence of paragraph 11, the reference to "paragraph 10" is replaced with "paragraph .10."

- j. In footnote 6 to paragraph 12, the reference to "AU sec. 230" is replaced with "AS 1015."
- k. In the last sentence of paragraph 14, the reference to "paragraphs 15 and 16" is replaced with "paragraphs .15 and .16."
- l. In paragraph 15c, the reference to "paragraphs 10.d and 10.e" are replaced with "paragraphs .10d and .10e."
- m. In footnote 8 to paragraph 15e:
 - The reference to "AU sec. 722.18f" is replaced with "AS 4105.18f."
 - The reference to "AU sec. 711" is replaced with "AS 4101."
- n. In paragraph 15f, the reference to "paragraphs 10.h and 10.i" are replaced with "paragraphs .10h and .10i."
- o. In paragraph 16, the reference to "paragraph 15" is replaced with "paragraph .15."
- p. In paragraph 21, the reference to "PCAOB Auditing Standard No. 3, *Audit Documentation*," is replaced with "AS 1215."

Auditing Standard No. 8, *Audit Risk*

Auditing Standard No. 8, *Audit Risk*, is amended as follows:

- a. The section number "Auditing Standard No. 8" is replaced with "AS 1101."
- b. Paragraph numbers 1 through 11 are replaced with .01 through .11.
- c. In the first sentence of footnote 1 to paragraph 1, the reference to "Auditing Standard No. 5" is replaced with "AS 2201."
- d. In paragraph 3:
 - In footnote 2, the reference to "Auditing Standard No. 14" is replaced with "AS 2810."

- In footnote 3:
 - The reference to "AU sec. 110" is replaced with "AS 1001."
 - The reference to "AU sec. 230" is replaced with "AS 1015."
- e. In paragraph 5:
 - In the last sentence, the reference to "Auditing Standard No. 12" is replaced with "AS 2110."
 - In footnote 4, the reference to "Auditing Standard No. 15" is replaced with "AS 1105."
 - In footnote 5, the reference to "Paragraph 59 of Auditing Standard No. 12" is replaced with "AS 2110.59."
- f. In paragraph 8:
 - In footnote 6, the reference to "Paragraph 59.a. of Auditing Standard No. 12" is replaced with "AS 2110.59a."
 - In footnote 7, the reference to "Paragraphs 32–34 of Auditing Standard No. 13" is replaced with "Paragraphs .32–.34 of AS 2301."
- g. In footnote 8 to paragraph 11, the reference to "Paragraph 37 of Auditing Standard No. 13" is replaced with "AS 2301.37."

Auditing Standard No. 9, *Audit Planning*

Auditing Standard No. 9, *Audit Planning*, as amended, is amended as follows:

- a. The section number "Auditing Standard No. 9" is replaced with "AS 2101."
- b. Paragraph numbers 1 through 19 are replaced with .01 through .19.
- c. In the second sentence of footnote 3 to paragraph 6a, the reference to "AU sec. 161, *The Relationship of Generally Accepted Auditing Standards to Quality*

Control Standards" is replaced with "AS 1110, *Relationship of Auditing Standards to Quality Control Standards*."

- d. In paragraph 6c, the reference to "Auditing Standard No. 16" is replaced with "AS 1301."
- e. In paragraph 7:
 - In the second sentence, the reference to "paragraphs 8–10" is replaced with "paragraphs .08–.10."
 - In footnote 5, the reference to "Auditing Standard No. 11" is replaced with "AS 2105."
- f. In the first sentence of footnote 7 to paragraph 9a, the reference to "Auditing Standard No. 16, *Communications with Audit Committees*" is replaced with "AS 1301."
- g. In footnote 8 to paragraph 9b, the reference to "paragraph 6 of Auditing Standard No. 10" is replaced with "paragraph .06 of AS 1201."
- h. In paragraph 9c:
 - The reference to "paragraph 7" is replaced with "paragraph .07."
 - In footnote 9, the reference to "Paragraph 6" is replaced with "Paragraph .06."
- i. In footnote 10 to paragraph 9d:
 - The reference to "AU sec. 230" is replaced with "AS 1015."
 - The reference to "paragraph 16" is replaced with "paragraph .16."
 - The reference to "paragraph 5.a." is replaced with "paragraph .05a."
 - The reference to "Auditing Standard No. 13" is replaced with "AS 2301."

- j. In footnote 11 to paragraph 10a, the reference to "Auditing Standard No. 12" is replaced with "AS 2110."
- k. In footnote 12 to paragraph 10b:
- The reference to "Auditing Standard No. 13" is replaced with "AS 2301."
 - The reference to "Auditing Standard No. 5" is replaced with "AS 2201."
- l. In footnote 14 to paragraph 12a, the reference to "AU sec. 316" is replaced with "AS 2401."
- m. In footnote 15 to paragraph 12b, the reference to "Paragraph 10 of Auditing Standard No. 11" is replaced with "AS 2105.10."
- n. In the note to paragraph 12g:
- The reference to "Auditing Standard No. 5" is replaced with "AS 2201."
 - In footnote 17, the reference to "Paragraphs B10–B16 of Auditing Standard No. 5" is replaced with "AS 2201.B10–.B16."
- o. In paragraph 13:
- In the first sentence:
 - The reference to "AU sec. 322, *The Auditor's Consideration of the Internal Audit Function in an Audit of Financial Statements*" is replaced with "AS 2605, *Consideration of the Internal Audit Function*."
 - The reference to "Auditing Standard No. 5" is replaced with "AS 2201."
 - In the last sentence:
 - The reference to "AU sec. 322" is replaced with "AS 2605."

- The reference to "Auditing Standard No. 5" is replaced with "AS 2201."
- p. In paragraph 14:
- In the first sentence, the reference to "AU sec. 543, *Part of Audit Performed by Other Independent Auditors*" is replaced with "AS 1205, *Part of the Audit Performed by Other Independent Auditors.*"
 - In the last sentence, the reference to "paragraphs 11–13" is replaced with "paragraphs .11–.13."
 - In footnote 18, the reference to "paragraphs C8–C11 of Auditing Standard No. 5" is replaced with "AS 2201.C8–.C11."
- q. In paragraph 18b, the reference to "AU sec. 315, *Communications Between Predecessor and Successor Auditors*" is replaced with "AS 2610, *Initial Audits—Communications Between Predecessor and Successor Auditors.*"
- r. In footnote 19 to paragraph 19, the reference to "paragraph 3 of Auditing Standard No. 6" is replaced with "paragraph .03 of AS 2820."
- s. In Appendix A, paragraph numbers A1 through A2 are replaced with .A1 through .A2.

Auditing Standard No. 10, *Supervision of the Audit Engagement*

Auditing Standard No. 10, *Supervision of the Audit Engagement*, is amended as follows:

- a. The section number "Auditing Standard No. 10" is replaced with "AS 1201."
- b. Paragraph numbers 1 through 6 are replaced with .01 through .06.
- c. In paragraph 3:

- In the last sentence, the reference to "Paragraphs 5–6" is replaced with "Paragraphs .05–.06."
 - In footnote 2, the reference to "AU sec. 336" is replaced with "AS 1210."
 - In footnote 3, the reference to "AU sec. 543, *Part of Audit Performed by Other Independent Auditors*" is replaced with "AS 1205, *Part of the Audit Performed by Other Independent Auditors*."
 - In footnote 4, the reference to "AU sec. 322, *The Auditor's Consideration of the Internal Audit Function in an Audit of Financial Statements*" is replaced with "AS 2605, *Consideration of the Internal Audit Function*."
 - In footnote 5, the reference to "Paragraphs 16–19 of Auditing Standard No. 5" is replaced with "Paragraphs .16–.19 of AS 2201."
 - In footnote 6, the reference to "AU sec. 230" is replaced with "AS 1015."
- d. In paragraph 5a:
- In footnote 7 to paragraph 5a:
 - The reference to "AU sec. 230.06" is replaced with "AS 1015.06."
 - The reference to "paragraph 5 of Auditing Standard No. 13" is replaced with "paragraph .05 of AS 2301."
 - In footnote 8 to item (3), the reference to "Auditing Standard No. 12" is replaced with "AS 2110."
- e. In footnote 9 to paragraph 5b:
- The reference to "paragraph 15 of Auditing Standard No. 9" is replaced with "paragraph .15 of AS 2101."

- The reference to "paragraph 74 of Auditing Standard No. 12" is replaced with "AS 2110.74."
 - The reference to "paragraphs 20–23 and 35–36 of Auditing Standard No. 14" is replaced with "paragraphs .20–.23 and .35–.36 of AS 2810."
- f. In the note to paragraph 5, the reference to "AU sec. 230" is replaced with "AS 1015."
- g. In footnote 10 to item (3) of paragraph 5c:
- The reference to "Auditing Standard No. 14" is replaced with "AS 2810."
 - The reference to "Auditing Standard No. 3" is replaced with "AS 1215."
- h. In footnote 11 to paragraph 6a, the reference to "Paragraph 10 of Auditing Standard No. 12" is replaced with "AS 2110.10."
- i. In footnote 12 to paragraph 6d:
- The reference to "paragraph 5.a. of Auditing Standard No. 13" is replaced with "AS 2301.05a."
 - The reference to "AU sec. 230.06" is replaced with "AS 1015.06."
- j. In the note to paragraph 6:
- The reference to "paragraph 5 of Auditing Standard No. 13, *The Auditor's Responses to the Risks of Material Misstatement*," is replaced with "AS 2301.05."
 - In footnote 13, the reference to "Paragraph 5.b. of Auditing Standard No. 13" is replaced with "AS 2301.05b."
- k. In Appendix A, paragraph numbers A1 and A2 are replaced with .A1 and .A2.

Auditing Standard No. 11, *Consideration of Materiality in Planning and Performing an*

Audit

Auditing Standard No. 11, *Consideration of Materiality in Planning and Performing an Audit*, is amended as follows:

- a. The section number "Auditing Standard No. 11" is replaced with "AS 2105."
- b. Paragraph numbers 1 through 12 are replaced with .01 through .12.
- c. In footnote 1 to paragraph 1, the reference to "Auditing Standard No. 14" is replaced with "AS 2810."
- d. In paragraph 3:
 - In the third sentence, the reference to "Auditing Standard No. 14" is replaced with "AS 2810."
 - In footnote 4, the reference to "Auditing Standard No. 14" is replaced with "AS 2810."
- e. In paragraph 4:
 - The reference to "Auditing Standard No. 5" is replaced with "AS 2201."
 - In footnote 5, the reference to "Paragraph 20 of Auditing Standard No. 5" is replaced with "AS 2201.20."
- f. In paragraph 12:
 - In the note, the reference to "Auditing Standard No. 14" is replaced with "AS 2810."
 - In footnote 6 to the note, the reference to "Paragraph 17 of Auditing Standard No. 14" is replaced with "AS 2810.17."

Auditing Standard No. 12, *Identifying and Assessing Risks of Material Misstatement*

Auditing Standard No. 12, *Identifying and Assessing Risks of Material Misstatement*, is amended as follows:

- a. The section number "Auditing Standard No. 12" is replaced with "AS 2110."
- b. Paragraph numbers 1 through 74 are replaced with .01 through .74.
- c. In footnote 1 to paragraph 1, the reference to "Paragraphs 5–8 of Auditing Standard No. 8" is replaced with "Paragraphs .05–.08 of AS 1101."
- d. In paragraph 2:
 - In the first sentence, the reference to "Paragraphs 4–58" is replaced with "Paragraphs .04–.58."
 - In the last sentence, the reference to "Paragraphs 59–73" is replaced with "Paragraphs .59–.73."
- e. In paragraph 4:
 - In footnote 3:
 - In the first sentence, the reference to "AU sec. 316" is replaced with "AS 2401."
 - In the last sentence, the reference to "Auditing Standard No. 18" is replaced with "AS 2410."
 - In footnote 4, the reference to "Auditing Standard No. 15" is replaced with "AS 1105."
- f. In paragraph 5a, the parenthetical reference to "paragraphs 7–17" is replaced with "paragraphs .07–.17."
- g. In paragraph 5b, the parenthetical reference to "paragraphs 18–40" is replaced with "paragraphs .18–.40."

- h. In paragraph 5c, the parenthetical reference to "paragraphs 41–45" is replaced with "paragraphs .41–.45."
- i. In paragraph 5d, the parenthetical reference to "paragraphs 46–48" is replaced with "paragraphs .46–.48."
- j. In paragraph 5e, the parenthetical reference to "paragraphs 49–53" is replaced with "paragraphs .49–.53."
- k. In paragraph 5f:
 - The parenthetical reference to "paragraphs 54–58" is replaced with "paragraphs .54–.58."
 - In footnote 5 to the note, the reference to "Paragraph 11 of Auditing Standard No. 15" is replaced with "AS 1105.11."
- l. In footnote 7 to paragraph 9, the reference to "AU sec. 317" is replaced with "AS 2405."
- m. In paragraph 11:
 - The reference to "paragraph 7" is replaced with "paragraph .07."
 - In the third bullet, the reference to "paragraph 10A" is replaced with "paragraph .10A."
- n. In footnote 7A to the fifth bullet in paragraph 13, the reference to "AU secs. 316.66-.67A" is replaced with "AS 2401.66–.67A."
- o. In footnote 8 to paragraph 18, the reference to "Paragraphs 21–22" is replaced with "Paragraphs .21–.22."
- p. In paragraph 19:

- In footnote 9, the reference to "Paragraph 13 of Auditing Standard No. 5" is replaced with "Paragraph .13 of AS 2201."
 - In footnote 10 to the note, the reference to "Paragraph 10 of Auditing Standard No. 15" is replaced with "AS 1105.10."
- q. In paragraph 20:
- In the last sentence of the first note, the reference to "paragraphs 37–38" is replaced with "paragraphs .37–.38."
 - In the last sentence of the second note, the reference to "paragraphs 37–38" is replaced with "paragraphs .37–.38."
- r. In paragraph 22:
- In the third sentence, the reference to "Auditing Standard No. 5" is replaced with "AS 2201."
 - In the last sentence, the reference to "paragraphs 23–36" is replaced with "paragraphs .23–.36."
 - In footnote 13, the reference to "Paragraph 5 of Auditing Standard No. 5" is replaced with "AS 2201.05."
- s. In the note to paragraph 24:
- In the first sentence, the reference to "paragraph 23" is replaced with "paragraph .23."
 - In the last sentence, the reference to "Auditing Standard No. 5" is replaced with "AS 2201."
 - In footnote 14, the reference to "Paragraph 25 of Auditing Standard No. 5" is replaced with "AS 2201.25."

- t. In paragraph 25:
- The reference to "paragraphs 65–66" is replaced with "paragraphs .65–.66."
 - In footnote 15, the reference to "Paragraph A3 of Auditing Standard No. 5" is replaced with "AS 2201.A3."
- u. In paragraph 32:
- The reference to "paragraph 28.e." is replaced with "paragraph .28e."
 - In footnote 17, the reference to "Paragraphs 12–13" is replaced with "Paragraphs .12–.13."
- v. In paragraph 34:
- In the first sentence, the reference to "paragraph 18" is replaced with "paragraph .18."
 - In footnote 18, the reference to "paragraph B5" is replaced with "paragraph .B5."
- w. In footnote 19 to paragraph 35, the reference to "AU sec. 322, *The Auditor's Consideration of the Internal Audit Function in an Audit of Financial Statements*" is replaced with "AS 2605, *Consideration of the Internal Audit Function.*"
- x. In paragraph 37:
- In the first sentence, the reference to "paragraph 20" is replaced with "paragraph .20."
 - In the first and last sentences of the note, the references to "Auditing Standard No. 5" are replaced with "AS 2201."

- In footnote 20 to the note, the reference to "paragraphs 34–38 of Auditing Standard No. 5" is replaced with "AS 2201.34–.38."
- y. In paragraph 39:
- In the first sentence, the reference to "paragraph 18" is replaced with "paragraph .18."
 - In footnote 21, the reference to "Paragraphs 16–35 of Auditing Standard No. 13" is replaced with "Paragraphs .16–.35 of AS 2301."
 - In footnote 22, the reference to "Paragraph B1 of Auditing Standard No. 5" is replaced with "AS 2201.B1."
- z. In paragraph 40:
- In the first sentence, the reference to "Auditing Standard No. 5" is replaced with "AS 2201."
 - In footnote 23, the reference to "Paragraph 22 of Auditing Standard No. 5" is replaced with "AS 2201.22."
 - In footnote 24, the reference to "paragraph 24 of Auditing Standard No. 5" is replaced with "AS 2201.24."
- aa. In the last sentence of paragraph 41, the reference to "paragraph 59" is replaced with "paragraph .59."
- bb. In paragraph 42, the reference to "paragraph 8" is replaced with "paragraph .08."
- cc. In paragraph 44, the reference to "AU sec. 722, *Interim Financial Information*" is replaced with "AS 4105, *Reviews of Interim Financial Information*."
- dd. In footnote 26 to paragraph 45, the reference to "Paragraph 7 of Auditing Standard No. 9" is replaced with "Paragraph .07 of AS 2101."

- ee. In the last sentence of paragraph 47, the reference to "AU sec. 722" is replaced with "AS 4105."
- ff. In paragraph 49:
- In footnote 28 to the first note to paragraph 49, the reference to "Paragraphs 52–53" is replaced with "Paragraphs .52–.53."
 - In the second note, the reference to "paragraph 67" is replaced with "paragraph .67."
- gg. In footnote 29 to paragraph 51, the reference to "paragraph 29 of Auditing Standard No. 14" is replaced with "paragraph .29 of AS 2810."
- hh. In paragraph 53:
- In the first bullet, the reference to "AU sec. 316" is replaced with "AS 2401."
 - In footnote 30 to the first bullet, the reference to "AU sec. 316.13" is replaced with "AS 2401.13."
 - In the second bullet, the parenthetical reference to "Auditing Standard No. 14" is replaced with "AS 2810."
 - In footnote 31 to the third bullet, the reference to "Paragraphs 20–23 of Auditing Standard No. 14" is replaced with "AS 2810.20–.23."
- ii. In footnote 31A to Item a(8) of paragraph 56, the reference to "AU secs. 316.66–67A" is replaced with "AS 2401.66–.67A."
- jj. In paragraph 59a:
- The parenthetical reference to "paragraphs 4–58" is replaced with "paragraphs .04–.58."

- In the note, the reference to "paragraphs 65–69" is replaced with "paragraphs .65–.69."
- kk. In footnote 32 to the note to paragraph 59d, the reference to "Paragraphs 16–35 of Auditing Standard No. 13" is replaced with "AS 2301.16–.35."
- ll. In paragraph 59e:
- The parenthetical reference to "paragraphs 60–64" is replaced with "paragraphs .60–.64."
 - In footnote 33, the reference to "Paragraph A10 of Auditing Standard No. 5" is replaced with "AS 2201.A10."
 - In footnote 34, the reference to "Paragraph A9 of Auditing Standard No. 5" is replaced with "AS 2201.A9."
- mm. In paragraph 59f, the parenthetical reference to "paragraphs 70–71" is replaced with "paragraphs .70–.71."
- nn. In the first sentence of paragraph 60, the reference to "paragraph 59.e." is replaced with "paragraph .59e."
- oo. In footnote 35 to the note to paragraph 62:
- In the second sentence, the reference to "paragraphs 11, 14, and 25 of Auditing Standard No.14" is replaced with "AS 2810.11, .14, and .25."
 - In the last sentence:
 - The reference to "paragraph 61 of Auditing Standard No. 5" is replaced with "AS 2201.61."
 - The reference to "paragraph 5.c. of Auditing Standard No. 13" is replaced with "AS 2301.5c."

- pp. In paragraph 65:
- In the fourth sentence, the reference to "AU sec. 316.85" is replaced with "AS 2401.85."
 - In the first sentence of the note, the reference to "AU sec. 316.85" is replaced with "AS 2401.85."
- qq. In paragraph 67, the reference to "paragraph 65" is replaced with "paragraph .65."
- rr. In paragraph 71a, the reference to "paragraph 60" is replaced with "paragraph .60."
- ss. In paragraph 72:
- The reference to "paragraphs 18–40" is replaced with "paragraphs .18–.40."
 - In footnote 36, the reference to "Auditing Standard No. 13" is replaced with "AS 2301."
- tt. In footnote 37 to paragraph 73:
- The phrase "AU sec. 316.88 and" is deleted.
 - The reference to "paragraph 14 of Auditing Standard No. 5" is replaced with "AS 2201.14," and "present" is replaced with "presents."
- uu. In paragraph 73A, the reference to "paragraphs 18-40 and 72-73" is replaced with "paragraphs .18–.40 and .72–.73."
- vv. In footnote 38 to paragraph 74, the reference to "paragraph 46 of Auditing Standard No. 13" is replaced with "AS 2301.46."
- ww. In Appendix A, paragraph numbers A1 through A5 are replaced with .A1 through .A5.

xx. In Appendix B, paragraph numbers B1 through B6 are replaced with .B1 through .B6.

yy. In paragraph B1:

- In footnote 1, the reference to "AU sec. 324, *Service Organizations*" is replaced with "AS 2601, *Consideration of an Entity's Use of a Service Organization.*"
- In footnote 2, the reference to "paragraphs 16–17 of Auditing Standard No. 9" is replaced with "paragraphs .16–.17 of AS 2101."

Auditing Standard No. 13, *The Auditor's Responses to the Risks of Material Misstatement*

Auditing Standard No. 13, *The Auditor's Responses to the Risks of Material*

Misstatement, is amended as follows:

- a. The section number "Auditing Standard No. 13" is replaced with "AS 2301."
- b. Paragraph numbers 1 through 47 are replaced with .01 through .47.
- c. In paragraph 3, the reference to "Auditing Standard No. 12" is replaced with "AS 2110."
- d. In paragraph 4a, the reference to "paragraphs 5–7" is replaced with "paragraphs .05–.07."
- e. In paragraph 4b, the reference to "paragraphs 8–46" is replaced with "paragraphs .08–.46."
- f. In footnote 1 to paragraph 5a, the reference to "AU sec. 230" is replaced with "AS 1015."
- g. In paragraph 5b, the parenthetical reference to "paragraphs 5–6 of Auditing Standard No. 10" is replaced with "paragraphs .05–.06 of AS 1201."

- h. In footnote 2 to item (5) of paragraph 5c, the reference to "paragraphs 61 and B13 of Auditing Standard No. 5" is replaced with "paragraphs .61 and .B13 of AS 2201."
- i. In footnote 3 to paragraph 5d:
- In the first sentence, the reference to "Paragraphs 12–13 of Auditing Standard No. 12" is replaced with "AS 2110.12–.13."
 - In the last sentence:
 - The reference to "AU sec. 316" is replaced with "AS 2401."
 - The reference to "AU sec. 411, *The Meaning of Present Fairly in Conformity With Generally Accepted Accounting Principles*" is replaced with "AS 2815, *The Meaning of 'Present Fairly in Conformity with Generally Accepted Accounting Principles.'*"
- j. In footnote 4 to paragraph 7, the reference to "AU secs. 230.07–.09" is replaced with "AS 1015.07–.09."
- k. In footnote 5 to paragraph 7, the reference to "AU secs. 316.13" is replaced with "AS 2401.13."
- l. In paragraph 9c:
- In footnote 7 to item (1), the reference to "paragraph 7.b. of Auditing Standard No. 8" is replaced with "paragraph .07b of AS 1101."
 - In the note to item (2), the reference to "Auditing Standard No. 5" is replaced with "AS 2201."
- m. In paragraph 10:
- In the last sentence:

- The reference to "Paragraphs 16–35" is replaced with "Paragraphs .16–.35."
 - The reference to "paragraphs 36–46" is replaced with "paragraphs .36–.46."
 - In the first sentence of the note, the reference to "Paragraphs 16–17" is replaced with "Paragraphs .16–.17."
- n. In paragraph 11:
- In the note, the reference to "Auditing Standard No. 12" is replaced with "AS 2110."
 - In footnote 10 to the note, the reference to "paragraph 71 of Auditing Standard No. 12" is replaced with "AS 2110.71."
- o. In paragraph 11A:
- In the first sentence, the reference to "Paragraph 71.g. of Auditing Standard No. 12" is replaced with "AS 2110.71g."
 - In the second sentence, the reference to "AU sec. 316.66-.67A" is replaced with "AS 2401.66–.67A."
 - In the last sentence, the reference to "AU sec. 316.66-.67A" is replaced with "AS 2401.66–.67A."
- p. In paragraph 12:
- In the second note, the reference to "Auditing Standard No. 5" is replaced with "AS 2201."
 - In footnote 11 to the second note, the reference to "Paragraphs 14–15 of Auditing Standard No. 5" is replaced with "AS 2201.14–.15."

- q. In the last sentence of paragraph 13, the reference to "paragraphs 16–17" is replaced with "paragraphs .16–.17."
- r. In the note to paragraph 14, the reference to "AU secs. 316.54–.67" is replaced with "AS 2401.54–.67."
- s. In paragraph 15, the reference to "AU sec. 316" is replaced with "AS 2401."
- t. In paragraph 15a, the parenthetical reference to "AU secs. 316.58–.62" is replaced with "AS 2401.58–.62."
- u. In paragraph 15b, the parenthetical reference to "AU secs. 316.63–.65" is replaced with "AS 2401.63–.65."
- v. In paragraph 15c, the parenthetical reference to "AU secs. 316.66–.67A" is replaced with "AS 2401.66–.67A."
- w. In footnote 14 to paragraph 17:
- The reference to "Paragraph 10 of Auditing Standard No. 15" is replaced with "Paragraph .10 of AS 1105."
 - The reference to "AU sec. 329" is replaced with "AS 2305."
- x. In footnote 15 to paragraph 20, the reference to "Paragraphs 37–38 of Auditing Standard No. 12" is replaced with "AS 2110.37–.38."
- y. In the note to paragraph 27, the reference to "AU sec. 350" is replaced with "AS 2315."
- z. In the last sentence of paragraph 28, the reference to "Paragraph 16" is replaced with "Paragraph .16."

- aa. In the last sentence of footnote 16 to the ninth bullet of paragraph 31, the reference to "paragraph B28 of Auditing Standard No. 5" is replaced with "AS 2201.B28."
- bb. In the note to paragraph 34:
- In the first sentence, the reference to "Auditing Standard No. 5" is replaced with "AS 2201."
 - In the last sentence, the reference to "AU sec. 325" is replaced with "AS 1305."
- cc. In paragraph 35:
- Each reference to "Auditing Standard No. 5" is replaced with "AS 2201."
 - In footnote 17, the reference to "Paragraph B1 of Auditing Standard No. 5" is replaced with "AS 2201.B1."
- dd. In paragraph 38:
- In footnote 18, the reference to "Paragraph A5 of Auditing Standard No. 5" is replaced with "AS 2201.A5."
 - In footnote 19, the reference to "AU sec. 328" is replaced with "AS 2502."
- ee. In the note to paragraph 39, the reference to "Auditing Standard No. 15" is replaced with "AS 1105."
- ff. In paragraph 40, the reference to "paragraph 9.b." is replaced with "paragraph .09b."
- gg. In the note to paragraph 41b, the reference to "AU secs. 316.58–.62" is replaced with "AS 2401.58–.62."

- hh. In item (1) of paragraph 44a, the reference to "paragraphs 32–34" is replaced with "paragraphs .32–.34."
- ii. In footnote 20 to paragraph 47, the reference to "Paragraph .44 of AU sec. 350" is replaced with "AS 2315.44."
- jj. In Appendix A, paragraph numbers A1 through A3 are replaced with .A1 through .A3.

Auditing Standard No. 14, *Evaluating Audit Results*

Auditing Standard No. 14, *Evaluating Audit Results*, is amended as follows:

- a. The section number "Auditing Standard No. 14" is replaced with "AS 2810."
- b. Paragraph numbers 1 through 37 are replaced with .01 through .37.
- c. In footnote 3 to paragraph 6b:
 - The reference to "Paragraphs 46–48 of Auditing Standard No. 12" is replaced with "Paragraphs .46–.48 of AS 2110."
 - The reference to "AU sec. 329" is replaced with "AS 2305."
- d. In the note to paragraph 6, the reference to "paragraph 36" is replaced with "paragraph .36."
- e. In footnote 4 to paragraph 7, the reference to "Paragraph 47 of Auditing Standard No. 12" is replaced with "AS 2110.47."
- f. In the first sentence of paragraph 9, the reference to "paragraph 6.b." is replaced with "paragraph .06b."
- g. In the second sentence of the note to paragraph 10, the reference to "Auditing Standard No. 11" is replaced with "AS 2105."
- h. In paragraph 12:

- In the last sentence:
 - The reference to "paragraph 13" is replaced with "paragraph .13."
 - The reference to "AU sec. 350" is replaced with "AS 2315."
 - In footnote 5, the reference to "AU sec. 350.26" is replaced with "AS 2315.26."
- i. In the last sentence of the note to paragraph 13, the reference to "Paragraph 27" is replaced with "Paragraph .27."
- j. In footnote 6 to paragraph 14b, the reference to "Auditing Standard No. 11" is replaced with "AS 2105."
- k. In paragraph 17:
- In footnote 7:
 - In the first sentence, the reference to "AU sec. 508" is replaced with "AS 3101."
 - In the last sentence, the reference to "AU sec. 508.35" is replaced with "AS 3101.35."
 - In footnote 11 to the second note, the reference to "AU sec. 317" is replaced with "AS 2405."
 - In the third note, the reference to "Auditing Standard No. 11" is replaced with "AS 2105."
 - In footnote 12 to the third note, the reference to "Paragraphs 11–12 of Auditing Standard No. 11" is replaced with "AS 2105.11–.12."
- l. In paragraph 18, the reference to "paragraph 17" is replaced with "paragraph .17."

- m. In the last sentence of paragraph 19, the reference to "paragraph 36" is replaced with "paragraph .36."
- n. In the last sentence of paragraph 20, the reference to "AU sec. 316" is replaced with "AS 2401."
- o. In footnote 14 to paragraph 20, the reference to "AU sec. 316.05" is replaced with "AS 2401.05."
- p. In paragraph 23, the reference to "AU secs. 316.79–.82A, AU sec. 317" is replaced with "AS 2401.79–.82A, AS 2405."
- q. In the note to paragraph 25a, the reference to "paragraph 15" is replaced with "paragraph .15."
- r. In footnote 15 to paragraph 25c, the reference to "Paragraph 5.d. of Auditing Standard No. 13" is replaced with "Paragraph .05d of AS 2301."
- s. In footnote 16 to paragraph 25d, the reference to "Paragraph 27" is replaced with "Paragraph .27."
- t. In the note to paragraph 27, the reference to "AU secs. 316.64–.65" is replaced with "AS 2401.64–.65."
- u. In footnote 17 to paragraph 28:
- The first parenthetical reference to "paragraph 9" is replaced with "paragraph .09."
 - The second parenthetical reference to "paragraphs 20–23" is replaced with "paragraphs .20–.23."
 - The third parenthetical reference to "paragraphs 24–27" is replaced with "paragraphs .24–.27."

- v. In the note to paragraph 29, the parenthetical reference to "paragraphs 49–51 of Auditing Standard No. 12" is replaced with "AS 2110.49–.51."
- w. In the first note to paragraph 30:
- In the first sentence, the reference to "AU sec. 411, *The Meaning of Present Fairly in Conformity With Generally Accepted Accounting Principles*" is replaced with "AS 2815, *The Meaning of 'Present Fairly in Conformity with Generally Accepted Accounting Principles.'*"
 - In the last sentence, the reference to "Auditing Standard No. 6" is replaced with "AS 2820."
- x. In paragraph 31:
- In the note, the reference to "AU sec. 508" is replaced with "AS 3101."
 - In footnote 18 to the note, the reference to "AU secs. 508.41–.44" is replaced with "AS 3101.41–.44."
- y. In paragraph 32:
- The reference to "Auditing Standard No. 8" is replaced with "AS 1101."
 - In footnote 19, the reference to "Paragraph 3 of Auditing Standard No. 8" is replaced with "AS 1101.03."
- z. In paragraph 34a, the parenthetical reference to "paragraphs 14 and 17–19" is replaced with "paragraphs .14 and .17–.19."
- aa. In paragraph 34b, the parenthetical reference to "paragraphs 20–23 and 28–29" is replaced with "paragraphs .20–.23 and .28–.29."
- bb. In paragraph 34c, the parenthetical reference to "paragraph 36" is replaced with "paragraph .36."

- cc. In footnote 20 to paragraph 34e, the reference to "Paragraphs 7–9 of Auditing Standard No. 15" is replaced with "Paragraphs .07–.09 of AS 1105."
- dd. In paragraph 35:
- In the last sentence, the reference to "AU sec. 508" is replaced with "AS 3101."
 - In footnote 21, the reference to "AU sec 508.22–.34" is replaced with "AS 3101.22–.34."
- ee. In the note to paragraph 36:
- In the first sentence, the reference to "Auditing Standard No. 12" is replaced with "AS 2110."
 - In footnote 22, the reference to "Paragraph 74 of Auditing Standard No.12" is replaced with "AS 2110.74."
 - In the last sentence, the reference to "Auditing Standard No. 13" is replaced with "AS 2301."
 - In footnote 23, the reference to "Paragraphs 32–34 of Auditing Standard No. 13" is replaced with "AS 2301.32–.34."
- ff. In paragraph 37:
- Each reference to "Auditing Standard No. 5" is replaced with "AS 2201."
 - In footnote 24:
 - The reference to "Paragraphs 62–70 of Auditing Standard No. 5" is replaced with "AS 2201.62–.70."
 - The reference to "paragraphs 71–73 of Auditing Standard No. 5" is replaced with "AS 2201.71–.73."

- gg. In Appendix A, paragraph numbers A1 through A3 are replaced with .A1 through .A3.
- hh. In footnote 2 to paragraph A2, the reference to "AU sec. 316" is replaced with "AS 2401."
- ii. In footnote 3 to paragraph A3, the reference to "Paragraph 10" is replaced with "Paragraph .10."
- jj. In Appendix B, paragraph numbers B1 through B2 are replaced with .B1 through .B2.
- kk. In paragraph B1:
- The reference to "Paragraph 17" is replaced with "Paragraph .17."
 - In footnote 1:
 - In the first sentence, the reference to "AU sec. 508" is replaced with "AS 3101."
 - In the last sentence, the reference to "AU sec. 508.35" is replaced with "AS 3101.35."
 - In footnote 5 to the second note, the reference to "AU sec. 317" is replaced with "AS 2405."
- ll. In the last sentence of paragraph B2.o, the reference to "paragraph B2.1" is replaced with "paragraph .B2.1."
- mm. In Appendix C, paragraph number C1 is replaced with .C1.
- nn. In paragraph C1, the reference to "paragraph 28" is replaced with "paragraph .28."
- oo. In footnote 1 to item (2) of paragraph C1b, the reference to "Paragraph 9 of Auditing Standard No. 15" is replaced with "Paragraph .09 of AS 1105."

- pp. In the parenthetical reference of footnote 2 to item (1) of paragraph C1c:
- The reference to "Auditing Standard No. 5" is replaced with "AS 2201."
 - The reference to "AU sec. 508" is replaced with "AS 3101."

Auditing Standard No. 15, *Audit Evidence*

Auditing Standard No. 15, *Audit Evidence*, is amended as follows:

- a. The section number "Auditing Standard No. 15" is replaced with "AS 1105."
- b. Paragraph numbers 1 through 29 are replaced with .01 through .29.
- c. In footnote 1 to paragraph 3:
 - In the first sentence, the reference to "Auditing Standard No. 14" is replaced with "AS 2810."
 - In the second sentence, the reference to "Auditing Standard No. 3" is replaced with "AS 1215."
- d. In footnote 2 to the first bullet of paragraph 5, the reference to "Paragraph A5 of Auditing Standard No. 12" is replaced with "Paragraph .A5 of AS 2110."
- e. In footnote 3 to paragraph 10:
 - In the first sentence, the reference to "AU sec. 336" is replaced with "AS 1210."
 - In the last sentence:
 - The reference to "AU sec. 324, *Service Organizations*" is replaced with "AS 2601, *Consideration of an Entity's Use of a Service Organization*."
 - The reference to "Auditing Standard No. 5" is replaced with "AS 2201."

- f. In footnote 5 to paragraph 12, the reference to "paragraph 28 of Auditing Standard No. 5" is replaced with "AS 2201.28."
- g. In footnote 6 to paragraph 13a, the reference to "Auditing Standard No.12" is replaced with "AS 2110."
- h. In footnote 7 to paragraph 13b, the reference to "Auditing Standard No. 13" is replaced with "AS 2301."
- i. In the first sentence of paragraph 14, the reference to "Paragraphs 15–21" is replaced with "Paragraphs .15–.21."
- j. In footnote 8 to paragraph 16, the reference to "AU sec. 331, *Inventories*" is replaced with "AS 2510, *Auditing Inventories*."
- k. In footnote 9 to paragraph 17, the reference to "AU sec. 333" is replaced with "AS 2805."
- l. In footnote 10 to paragraph 18, the reference to "AU sec. 330" is replaced with "AS 2310."
- m. In footnote 11 to paragraph 21, the reference to "AU sec. 329" is replaced with "AS 2305."
- n. In paragraph 27, the reference to "paragraphs 25–26" is replaced with "paragraphs .25–.26."
- o. In footnote 12 to paragraph 27, the reference to "paragraphs 12–13 and paragraphs 17–19 of Auditing Standard No. 14" is replaced with "AS 2810.12–.13 and AS 2810.17–.19."
- p. In footnote 13 to paragraph 28, the reference to "AU sec. 350" is replaced with "AS 2315."

Auditing Standard No. 16, *Communications with Audit Committees*

Auditing Standard No. 16, *Communications with Audit Committees*, is amended as follows:

- a. The section number "Auditing Standard No. 16" is replaced with "AS 1301."
- b. Paragraph numbers 1 through 26 are replaced with .01 through .26.
- c. In the first sentence of footnote 5 to paragraph 8, the reference to "paragraphs 5.f. and 54–57 of Auditing Standard No. 12" is replaced with "paragraphs .05f and .54–.57 of AS 2110."
- d. In the first sentence of footnote 6 to paragraph 8, the reference to "AU sec. 317" is replaced with "AS 2405."
- e. In paragraph 9:
 - In footnote 7, the reference to "paragraphs 8–9 of Auditing Standard No. 9" is replaced with "paragraphs .08–.09 of AS 2101."
 - In the first sentence of footnote 8, the reference to "Auditing Standard No. 12" is replaced with "AS 2110."
- f. In footnote 9 to paragraph 10a, the reference to "paragraph 16 of Auditing Standard No. 9" is replaced with "AS 2101.16."
- g. In footnote 10 to paragraph 10b, the reference to "AU sec. 322, *The Auditor's Consideration of the Internal Audit Function in an Audit of Financial Statements*" is replaced with "AS 2605, *Consideration of the Internal Audit Function*."
- h. In footnote 11 to paragraph 10c, the reference to "paragraphs 16–19 of Auditing Standard No. 5" is replaced with "paragraphs .16–.19 of AS 2201."

- i. In footnote 12 to paragraph 10d, the reference to "paragraphs 8–14 of Auditing Standard No. 9" is replaced with "AS 2101.08–.14."
- j. In footnote 13 to paragraph 10e, the reference to "AU sec. 543, *Part of Audit Performed by Other Independent Auditors*" is replaced with "AS 1205, *Part of the Audit Performed by Other Independent Auditors*."
- k. In footnote 14 to paragraph 11, the reference to "paragraph 15 of Auditing Standard No. 9" is replaced with "AS 2101.15."
- l. In footnote 17 to item (1) of paragraph 12c, the reference to "AU sec. 342" is replaced with "AS 2501."
- m. In footnote 20 to item (1) of paragraph 12d, the reference to "paragraph 71.g. of Auditing Standard No. 12" is replaced with "AS 2110.71g."
- n. In the first sentence of the note to paragraph 12, the reference to "paragraph 12" is replaced with "paragraph .12."
- o. In footnote 21 to item (1) of paragraph 13a, the reference to "paragraphs 24–27 of Auditing Standard No. 14" is replaced with "paragraphs .24–.27 of AS 2810."
- p. In footnote 22 to item (2) of paragraph 13a, the reference to "paragraph 27 of Auditing Standard No. 14" is replaced with "AS 2810.27."
- q. In footnote 23 to paragraph 13c, the reference to "AU sec. 342" is replaced with "AS 2501."
- r. In footnote 24 to paragraph 13d, the reference to "AU sec. 316" is replaced with "AS 2401."
- s. In footnote 25 to paragraph 13e:

- In the first sentence, the reference to "paragraphs 30–31 of Auditing Standard No. 14" is replaced with "AS 2810.30–.31."
 - In the last sentence:
 - The reference to "Auditing Standard No. 18" is replaced with "AS 2410."
 - The reference to "AU sec. 341, *The Auditor's Consideration of an Entity's Ability to Continue as a Going Concern*" is replaced with "AS 2415, *Consideration of an Entity's Ability to Continue as a Going Concern*."
- t. In footnote 27 to paragraph 14:
- In the first sentence, the reference to "AU sec. 550" is replaced with "AS 2710."
 - In the last sentence:
 - The reference to "AU sec. 550" is replaced with "AS 2710."
 - The reference to "Auditing Standard No. 17" is replaced with "AS 2701."
 - The reference to "AU sec. 558" is replaced with "AS 2705."
 - The reference to "AU sec. 711, *Filings Under Federal Securities Statutes*" is replaced with "AS 4101, *Responsibilities Regarding Filings Under Federal Securities Statutes*."
- u. In footnote 28 to paragraph 17:
- In the first sentence, the reference to "AU sec. 341" is replaced with "AS 2415."

- In the last sentence, the reference to "AU secs. 341.03a–c" is replaced with "AS 2415.03a–c."
- v. In footnote 29 of paragraph 17a:
- The reference to "AU sec. 341.06" is replaced with "AS 2415.06."
 - The reference to "AU sec 341.07" is replaced with "AS 2415.07."
- w. In footnote 30 to paragraph 17b, the reference to "AU sec. 341.08" is replaced with "AS 2415.08."
- x. In footnote 31 to paragraph 17c:
- In the first sentence, the reference to "AU sec. 341.12" is replaced with "AS 2415.12."
 - In the last sentence, the reference to "AU sec. 341.03c" is replaced with "AS 2415.03c."
- y. In footnote 32 to item (1) of paragraph 17c, the reference to "AU sec. 341.10" is replaced with "AS 2415.10."
- z. In footnote 33 to item (2) of paragraph 17c, the reference to "AU sec. 341.12–.16" is replaced with "AS 2415.12–.16."
- aa. In footnote 34 to paragraph 18, the reference to "paragraph 20 of Auditing Standard No. 14" is replaced with "paragraph .20 of AS 2810."
- bb. In footnote 36 to paragraph 18, the reference to "Auditing Standard No. 14" is replaced with "AS 2810."
- cc. In footnote 37 to paragraph 19, the reference to "paragraph 10 of Auditing Standard No. 14" is replaced with "AS 2810.10."

- dd. In footnote 39 to the note to paragraph 23, the reference to "AU sec. 508" is replaced with "AS 3101."
- ee. In footnote 40 to paragraph 24:
- The reference to "AU sec. 316.79–.81" is replaced with "AS 2401.79–.81."
 - The reference to "AU sec. 317.17" is replaced with "AS 2405.17."
- ff. In paragraph 25:
- Footnote 41 is deleted.
 - In footnote 42, the reference to "Auditing Standard No. 3" is replaced with "AS 1215."
 - In the note, the reference to "paragraphs 12 or 18" is replaced with "paragraphs .12 or .18."
- gg. In Appendix A, paragraph numbers A1 through A4 are replaced with .A1 through .A4.
- hh. Appendix B of Auditing Standard No.16 is replaced with the following:
This appendix identifies other PCAOB rules and standards related to the audit that require communication of specific matters between the auditor and the audit committee.
- AS 6115, *Reporting on Whether a Previously Reported Material Weakness Continues to Exist*, paragraphs .60, .62, and .64
 - AS 2201, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*, paragraphs .78–.81, .91, .C7, and .C14

- AS 2110, *Identifying and Assessing Risks of Material Misstatement*, paragraphs .05f and .54–.57
- AS 2410, *Related Parties*, paragraphs .07 and .19
- Attestation Standard No. 1, *Examination Engagements Regarding Compliance Reports of Brokers and Dealers*, paragraphs 34 and 35
- Attestation Standard No. 2, *Review Engagements Regarding Exemption Reports of Brokers and Dealers*, paragraph 15
- PCAOB Rule 3524, *Audit Committee Pre-approval of Certain Tax Services*
- PCAOB Rule 3525, *Audit Committee Pre-approval of Non-audit Services Related to Internal Control Over Financial Reporting*
- PCAOB Rule 3526, *Communication with Audit Committees Concerning Independence*
- AS 2401, *Consideration of Fraud in a Financial Statement Audit*, paragraphs .79–.81
- AS 2405, *Illegal Acts by Clients*, paragraphs .08, .17, and .20
- AS 1305, *Communications About Control Deficiencies in an Audit of Financial Statements*, paragraphs .04–.07 and .09
- AS 2502, *Auditing Fair Value Measurements and Disclosures*, paragraph .50
- AS 2805, *Management Representations*, paragraph .05
- AS 2710, *Other Information in Documents Containing Audited Financial Statements*, paragraphs .04 and .06

- AS 4101, *Responsibilities Regarding Filings Under Federal Securities Statutes*, paragraph .13
 - AS 4105, *Reviews of Interim Financial Information*, paragraphs .08–.09, .30–.31, and .33–.36
- ii. In Appendix C, paragraph numbers C1 through C2 are replaced with .C1 through .C2.
- jj. In footnote 2 to item 2b of paragraph C1b, the reference to "AU sec. 325" is replaced with "AS 1305."
- kk. In footnote 3 to item (b) of paragraph C2, the reference to "AU sec. 722, *Interim Financial Information*" is replaced with "AS 4105, *Reviews of Interim Financial Information*."

Auditing Standard No. 17, *Auditing Supplemental Information Accompanying Audited Financial Statements*

Auditing Standard No. 17, *Auditing Supplemental Information Accompanying Audited Financial Statements*, is amended as follows:

- a. The section number "Auditing Standard No. 17" is replaced with "AS 2701."
- b. Paragraph numbers 1 through 15 are replaced with .01 through .15.
- c. In footnote 3 to the note to paragraph 3b, the reference to "Auditing Standard No. 11" is replaced with "AS 2105."
- d. In footnote 6 to paragraph 7, the reference to "paragraph 10 of Auditing Standard No. 14" is replaced with "paragraph .10 of AS 2810."
- e. In footnote 7 to the note to paragraph 8, the reference to "paragraph 17 of Auditing Standard No. 14" is replaced with "AS 2810.17."

- f. In footnote 8 to paragraph 12b:
- In the first sentence, the reference to "AU sec. 561" is replaced with "AS 2905."
 - In the second sentence, the reference to "AU sec. 561" is replaced with "AS 2905."
- g. In Appendix A, paragraph numbers A1 and A2 are replaced with .A1 and .A2.

Auditing Standard No. 18, *Related Parties*

Auditing Standard No. 18, *Related Parties*, is amended as follows:

- a. The section number "Auditing Standard No. 18" is replaced with "AS 2410."
- b. Paragraph numbers 1 through 19 are replaced with .01 through .19.
- c. In footnote 2 to paragraph 2:
- In the first sentence, the reference to "paragraphs 30-31 of Auditing Standard No. 14" is replaced with "paragraphs .30–.31 of AS 2810."
 - In the last sentence, the reference to "AU sec. 411, *The Meaning of Present Fairly in Conformity With Generally Accepted Accounting Principles*" is replaced with "AS 2815, *The Meaning of 'Present Fairly in Conformity with Generally Accepted Accounting Principles.'*"
- d. In paragraph 3:
- In the first sentence, the reference to "Auditing Standard No. 12" is replaced with "AS 2110."
 - In item a, the parenthetical reference to "paragraph 4" is replaced with "paragraph .04."

- In item b, the parenthetical reference to "paragraphs 5-7" is replaced with "paragraphs .05-.07."
 - In item c, the parenthetical reference to "paragraphs 8-9" is replaced with "paragraphs .08-.09."
 - In the second note:
 - The reference to "paragraphs 4-9" is replaced with "paragraphs .04-.09."
 - The reference to "Auditing Standard No. 12" is replaced with "AS 2110."
- e. In footnote 3 to paragraph 4:
- In the first sentence, the reference to "paragraph 18 of Auditing Standard No. 12" is replaced with "AS 2110.18."
 - In the last sentence, the reference to "paragraph 20 of Auditing Standard No. 12" is replaced with "AS 2110.20."
- f. In footnote 4 to paragraph 5:
- In the first sentence, the reference to "AU sec. 333" is replaced with "AS 2805."
 - In the last sentence, the reference to "paragraph 5" is replaced with "paragraph .05."
- g. In paragraph 6, the reference to "paragraph 5" is replaced with "paragraph .05."
- h. In footnote 7 to paragraph 7, the reference to "Auditing Standard No. 16" is replaced with "AS 1301."
- i. In footnote 8 to paragraph 8:

- In the first sentence, the reference to "paragraph 49 of Auditing Standard No. 12" is replaced with "AS 2110.49."
 - In the last sentence, the reference to "paragraph 5 of Auditing Standard No. 10" is replaced with "paragraph .05 of AS 1201."
- j. In footnote 9 to paragraph 9, the reference to "AU sec. 543, *Part of Audit Performed by Other Independent Auditors*" is replaced with "AS 1205, *Part of the Audit Performed by Other Independent Auditors*."
- k. In paragraph 10:
- In footnote 10, the reference to "paragraph 59 of Auditing Standard No. 12" is replaced with "AS 2110.59."
 - In the note:
 - The reference to "paragraphs 4-9" is replaced with "paragraphs .04-.09."
 - The reference to "Auditing Standard No. 12" is replaced with "AS 2110."
- l. In paragraph 11:
- In footnote 11, the reference to "paragraph 3 of Auditing Standard No. 13" is replaced with "paragraph .03 of AS 2301."
 - In footnote 12:
 - The reference to "Auditing Standard No. 13" is replaced with "AS 2301."
 - The reference to "paragraph 17 of Auditing Standard No. 15" is replaced with "paragraph .17 of AS 1105."

- In the note:
 - In the first sentence, the reference to "AU sec. 316" is replaced with "AS 2401."
 - In the last sentence, the reference to "AU sec. 316.67" is replaced with "AS 2401.67."
- m. In the last sentence of the note to paragraph 12, the reference to "paragraph 12" is replaced with "paragraph .12."
- n. In footnote 16 to paragraph 15, the reference to "paragraph 29 of Auditing Standard No .15" is replaced with "AS 1105.29."
- o. In paragraph 16:
 - In footnote 17 to item b, the reference to "AU sec. 333.04" is replaced with "AS 2805.04."
 - In item e, the reference to "paragraph 12" is replaced with "paragraph .12."
 - In item f:
 - In footnote 18 to item ii, the reference to "paragraph 74 of Auditing Standard No. 12" is replaced with "AS 2110.74."
 - In the last sentence of item iii:
 - The reference to "AU secs. 316.79-.82" is replaced with "AS 2401.79-.82."
 - The reference to "AU sec. 317" is replaced with "AS 2405."
- p. In footnote 19 to paragraph 17, the reference to "paragraphs 30-31 of Auditing Standard No. 14" is replaced with "AS 2810.30-.31."

- q. In footnote 20 to paragraph 18:
- In the first sentence, the reference to "paragraph .06.1. of AU sec. 333" is replaced with "AS 2805.061."
 - In the last sentence, the reference to "AU sec. 508" is replaced with "AS 3101."
- r. In footnote 21 to paragraph 19, the reference to "Auditing Standard No. 16" is replaced with "AS 1301."
- s. In Appendix A, paragraph numbers A1 through A3 are replaced with .A1 through .A3.
- t. In paragraph A1:
- In the second sentence, the reference to "paragraph A2." is replaced with "paragraph .A2."
 - In the third sentence, the reference to "paragraph A3." is replaced with "paragraph .A3."

AU sec. 110, "Responsibilities and Functions of the Independent Auditor"

SAS No. 1, "Codification of Auditing Standards and Procedures," section 110,

"Responsibilities and Functions of the Independent Auditor" (AU sec. 110, "Responsibilities and Functions of the Independent Auditor"), as amended, is amended as follows:

- a. The section number "AU Section 110" is replaced with "AS 1001."
- b. In the third sentence of paragraph .01, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
- c. In paragraph 02:
- In footnote 1:

- In the first sentence, the reference to "Auditing Standard No. 11" is replaced with "AS 2105."
 - In the second sentence, the reference to "section 317" is replaced with "AS 2405."
 - In footnote 2, the phrase "section 230, *Due Professional Care in the Performance of Work*, paragraphs .10 through .13" is replaced with "paragraphs .10 through .13 of AS 1015, *Due Professional Care in the Performance of Work*."
- d. In the first sentence of paragraph .05, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
- e. Paragraph .10 is deleted.
- f. Paragraph .11 and its following note is added:

The auditor should be aware of and consider auditing interpretations applicable to his or her audit. If the auditor does not apply the auditing guidance included in an applicable auditing interpretation, the auditor should be prepared to explain how he or she complied with the provisions of the auditing standard addressed by such auditing guidance.

Note: The term "auditing interpretations," as used in this paragraph, refers to the publications entitled "Auditing Interpretation" issued by the American Institute of Certified Public Accountants' Auditing Standards Board as in existence on April 16, 2003, and in effect.

AU sec. 150, "Generally Accepted Auditing Standards"

SAS No. 95, "Generally Accepted Auditing Standards" (AU sec. 150, "Generally Accepted Auditing Standards"), as amended, is rescinded.

AU sec. 161, "The Relationship of Generally Accepted Auditing Standards to Quality Control Standards"

SAS No. 25, "The Relationship of Generally Accepted Auditing Standards to Quality Control Standards," (AU sec. 161, "The Relationship of Generally Accepted Auditing Standards to Quality Control Standards"), as amended, is amended as follows:

- a. The section number "AU Section 161" is replaced with "AS 1110."
- b. The title "The Relationship of Generally Accepted Auditing Standards to Quality Control Standards" is replaced with "Relationship of Auditing Standards to Quality Control Standards."
- c. In the references before paragraph .01, the phrase "(Supersedes SAS No. 4)" is deleted.
- d. In paragraph .01:
 - In the first sentence, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
 - The last sentence is deleted.
- e. In the second sentence of paragraph .02, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
- f. In paragraph .03:
 - In the first sentence, the phrase "Generally accepted auditing standards" is replaced with "Auditing standards."

- In the second sentence, the phrase "generally accepted auditing standards" is replaced with "auditing standards."
- In the last sentence, the phrase "generally accepted auditing standards" is replaced with "the auditing standards."

AU sec. 201, "Nature of the General Standards"

SAS No. 1, "Codification of Auditing Standards and Procedures" (AU sec. 201, "Nature of the General Standards"), is rescinded.

AU sec. 210, "Training and Proficiency of the Independent Auditor"

SAS No. 1, "Codification of Auditing Standards and Procedures" section 210 "Training and Proficiency of the Independent Auditor" (AU sec. 210, "Training and Proficiency of the Independent Auditor"), as amended, is amended as follows:

- a. The section number "AU Section 210" is replaced with "AS 1010."
- b. In paragraph .01, the introductory phrase "The first general standard is:" is deleted.
- c. In paragraph .02, the phrase "This standard" is replaced with the phrase "The statement in the preceding paragraph."

AU sec. 220, "Independence"

SAS No. 1, "Codification of Auditing Standards and Procedures" section 220 "Independence" (AU sec. 220, "Independence"), as amended, is amended as follows:

- a. The section number "AU Section 220" is replaced with "AS 1005."
- b. In paragraph .01, the introductory phrase "The second general standard is:" is deleted.

- c. In the first sentence of paragraph .02, the phrase "This standard" is replaced with the phrase "The statement in the preceding paragraph."
- d. In paragraph .05, the phrase "that differ from the AICPA requirements in certain respects" is deleted.

AU sec. 230, "Due Professional Care in the Performance of Work"

SAS No. 1, "Codification of Auditing Standards and Procedures" section 230 "Due Professional Care in the Performance of Work" (AU sec. 230, "Due Professional Care in the Performance of Work"), as amended, is amended as follows:

- a. The section number "AU Section 230" is replaced with "AS 1015."
- b. Footnote * to the title of the standard is deleted.
- c. In paragraph .01:
 - The introductory phrase "The third general standard is:" is deleted.
 - Footnote 1 is deleted.
- d. In the first sentence of paragraph .02, the phrase "This standard" is replaced with "The statement in the preceding paragraph."
- e. In footnote 4 to paragraph .06, the reference to "Auditing Standard No. 10" is replaced with "AS 1201."
- f. In footnote 5 to paragraph .11, the reference to "section 342" is replaced with "AS 2501."
- g. In paragraph .12:
 - In the fifth sentence, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."

- In the sixth sentence, the parenthetical reference to "paragraph 9 of Auditing Standard No. 15" is replaced with "paragraph .09 of AS 1105."

AU sec. 315, "Communications Between Predecessor and Successor Auditors"

SAS No. 84, "Communications Between Predecessor and Successor Auditors" (AU sec. 315, "Communications Between Predecessor and Successor Auditors"), as amended, is amended as follows:

- a. The section number "AU Section 315" is replaced with "AS 2610."
- b. The title "Communications Between Predecessor and Successor Auditors" is replaced with "Initial Audits—Communications Between Predecessor and Successor Auditors."
- c. In the references before paragraph .01, the phrase "(Supersedes SAS No. 7)" is deleted.
- d. In last sentence of paragraph .01, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
- e. In paragraph .09:
 - The sentence "The successor auditor may wish to consider other reasonable inquiries." is moved to the end of the paragraph, after the fifth bullet.
 - In footnote 5 to the third bullet:
 - The reference to "section 316" is replaced with "AS 2401."
 - The reference to "section 317" is replaced with "AS 2405."
 - The reference to "section 325" is replaced with "AS 1305."

- In footnote 5A to the last bullet, the reference to "Paragraph .66 of AU sec. 316, *Consideration of Fraud in a Financial Statement Audit*," is replaced with "AS 2401.66."
- f. In the last sentence of footnote 8 to paragraph .12, the reference to "section 543, *Part of Audit Performed by Other Independent Auditors*, paragraph 10a" is replaced with "paragraph .10a of AS 1205, *Part of the Audit Performed by Other Independent Auditors*."
- g. In paragraph .16:
- In the first sentence, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
 - In the second sentence, the reference to "section 543, *Part of Audit Performed by Other Independent Auditors*" is replaced with "AS 1205."
 - In the last sentence:
 - The reference to "AU sec. 336" is replaced with "AS 1210."
 - The reference to "AU sec. 322, *The Auditor's Consideration of the Internal Audit Function in an Audit of Financial Statements*," is replaced with "AS 2605, *Consideration of the Internal Audit Function*."
 - The reference to "paragraphs 16–19 of PCAOB Auditing Standard No. 5" is replaced with "paragraphs .16–.19 of AS 2201."
- h. In the first sentence of paragraph .20, the reference to "section 331, *Inventories*" is replaced with "AS 2510, *Auditing Inventories*."
- i. In paragraph .21:

- In the last sentence, the reference to "section 561" is replaced with "AS 2905."
 - In footnote 9, the reference to "section 508, *Reports on Audited Financial Statements*, paragraphs .70 through .74" is replaced with "paragraphs .70 through .74 of AS 3101, *Reports on Audited Financial Statements*."
- j. Under item 1 of paragraph 25:
- In the first sentence of the illustrative letter's first paragraph, the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
 - In the first bullet, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
 - In item (2) of the illustrative paragraph, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."

AU sec. 316, "Consideration of Fraud in a Financial Statement Audit"

SAS No. 99, "Consideration of Fraud in a Financial Statement Audit" (AU sec. 316, "Consideration of Fraud in a Financial Statement Audit"), as amended, is amended as follows:

- a. The section number "AU Section 316" is replaced with "AS 2401."
- b. In the references before paragraph .01, the phrase "(Supersedes SAS No. 82)" is deleted.
- c. In paragraph .01:
 - In the first sentence, the reference to "Section 110, *Responsibilities and Functions of the Independent Auditor*, paragraph .02" is replaced with

"Paragraph .02 of AS 1001, *Responsibilities and Functions of the Independent Auditor*."

- In the note, the reference to "paragraphs 14–15 of PCAOB Auditing Standard No. 5" is replaced with "paragraphs .14–.15 of AS 2201."
 - In the first sentence of footnote 1, the reference to "section 317" is replaced with "AS 2405."
- d. In paragraph .01A:
- In the first sentence, the reference to "Auditing Standard No. 12" is replaced with "AS 2110."
 - In the second sentence, the reference to "Auditing Standard No. 13" is replaced with "AS 2301."
 - In the last sentence, the reference to "Auditing Standard No. 14" is replaced with "AS 2810."
- e. In the second sentence of paragraph .04, the reference to "section 110.03" is replaced with "AS 1001.03."
- f. In the fifth sentence of paragraph .09, the term "GAAS" is replaced with "the standards of the PCAOB."
- g. In footnote 7 to paragraph .12, the reference to "section 230, *Due Professional Care in the Performance of Work*, paragraphs .10 through .13" is replaced with "paragraphs .10 through .13 of AS 1015, *Due Professional Care in the Performance of Work*."

- h. In the second sentence of paragraph .13, the phrase "section 230, *Due Professional Care in the Performance of Work*, paragraphs .07 through .09" is replaced with "AS 1015.07 through .09."
- i. In paragraph .52:
- In the first sentence, the reference to "Paragraph 8 of Auditing Standard No. 13, *The Auditor's Responses to the Risks of Material Misstatement*," is replaced with "AS 2301.08."
 - In the last sentence, the reference to "Paragraph 12 of Auditing Standard No. 13" is replaced with "AS 2301.12."
 - In the note, the reference to "Paragraph 71.b. of Auditing Standard No. 12, *Identifying and Assessing Risks of Material Misstatement*," is replaced with "AS 2110.71b."
- j. In paragraph .53:
- In footnote 20 to the fourth bullet, the reference to "AU sec. 329" is replaced with "AS 2305."
 - In the fifth bullet, the parenthetical reference to "paragraph 54 of Auditing Standard No. 12, *Identifying and Assessing Risks of Material Misstatement*" is replaced with "AS 2110.54."
- k. In paragraph .54:
- In footnote 21 to the second sub-bullet of the first bullet, the reference to "AU sec. 330" is replaced with "AS 2310."
 - In footnote 22 to the second bullet, the reference to "AU sec. 336" is replaced with "AS 1210."

- In the third bullet:
 - In the fourth sentence, the reference to "section 342" replaced with "AS 2501."
 - In the fifth sentence, the parenthetical reference to "section 342.09 through .14" is replaced with "AS 2501.09 through .14."
- l. In the second sentence of paragraph .56, the reference to "paragraphs 8 through 15 of Auditing Standard No. 13, *The Auditor's Responses to the Risks of Material Misstatement*," is replaced with "AS 2301.08 through .15."
- m. In footnote 23 to item 1 of paragraph .58, the reference to "paragraphs 28 through 32 of Auditing Standard No. 12, *Identifying and Assessing Risks of Material Misstatement*" is replaced with "AS 2110.28 through .32."
- n. In the last sentence of the fifth bullet of paragraph .61, the reference to "paragraphs 11 through 14 of Auditing Standard No. 9" is replaced with "paragraphs .11 through .14 of AS 2101."
- o. In the last sentence of paragraph .63, the reference to "Paragraphs 24 through 27 of Auditing Standard No. 14, *Evaluating Audit Results*" is replaced with "AS 2810.24 through .27."
- p. In footnote 24 to paragraph .63, the reference to "section 342, *Auditing Accounting Estimates*, paragraphs .02 and .16," is replaced with "AS 2501.02 and .16."
- q. In paragraph .66:

- In the first note, the reference to "Auditing Standard No. 12, *Identifying and Assessing Risks of Material Misstatement*" is replaced with "AS 2110."
- In the second note:
 - In the second sentence, the reference to "paragraphs 14-16 of Auditing Standard No. 18" is replaced with "paragraphs .14–.16 of AS 2410."
 - In the last sentence, the reference to "Auditing Standard No. 18, *Related Parties*," is replaced with "AS 2410."
- r. In the note to paragraph .66A, the reference to "Paragraph 11A of Auditing Standard No. 13" is replaced with "AS 2301.11A."
- s. In paragraph 67:
 - In the note, the reference to "Paragraphs 20-23 of Auditing Standard No. 14, *Evaluating Audit Results*," is replaced with "AS 2810.20–.23."
 - In the second sentence of footnote 25A to the third bullet, the reference to "Auditing Standard No. 18, *Related Parties*," is replaced with "AS 2410."
- t. In paragraph 67A:
 - In the note, the reference to "AU sec. 550" is replaced with "AS 2710."
 - In footnote 25B, the reference to "paragraphs 30-31 of Auditing Standard No. 14" is replaced with "AS 2810.30–.31."
- u. In paragraph .80:
 - In the second sentence, the parenthetical reference to "section 325, 'Communications About Control Deficiencies in An Audit of Financial

Statements,' paragraph 4" is replaced with "paragraph .04 of AS 1305, *Communications About Control Deficiencies in an Audit of Financial Statements.*"

- In the third sentence, the parenthetical reference to "paragraphs 72–73 of Auditing Standard No. 12, *Identifying and Assessing Risks of Material Misstatement*" is replaced with "AS 2110.72–.73."
- v. In the second sentence of paragraph .81, the parenthetical reference to "paragraphs 12–13 of Auditing Standard No. 16" is replaced with "paragraphs .12–.13 of AS 1301."
- w. In paragraph .82:
- In item a, the reference to "AU sec. 315, *Communications Between Predecessor and Successor Auditors*" is replaced with "AS 2610, *Initial Audits—Communications Between Predecessor and Successor Auditors.*"
 - In footnote 40, the reference to "Section 315" is replaced with "AS 2610."
- x. In paragraph .83:
- In the first bullet, the parenthetical reference to "paragraphs 52 and 53 of Auditing Standard No. 12, *Identifying and Assessing Risks of Material Misstatement*" is replaced with "AS 2110.52 and .53."
 - In the second bullet, the parenthetical reference to "paragraph 47, paragraphs 56 through 58, and paragraphs 65 through 69 of Auditing Standard No. 12, *Identifying and Assessing Risks of Material*

Misstatement" is replaced with "AS 2110.47, AS 2110.56 through .58, and AS 2110.65 through .69."

- In the third bullet:
 - The first parenthetical reference to "(paragraphs 59 through 69 of Auditing Standard No. 12, *Identifying and Assessing Risks of Material Misstatement*)" is replaced with "(AS 2110.59 through .69)."
 - The second parenthetical reference to "(paragraphs 5 through 15 of Auditing Standard No. 13, *The Auditor's Response to the Risks of Material Misstatement*)" is replaced with "(AS 2301.05 through .15)."
 - In the fourth bullet, the parenthetical reference to "paragraph 68 of Auditing Standard No. 12, *Identifying and Assessing Risks of Material Misstatement*" is replaced with "AS 2110.68."
 - In the fifth bullet, the parenthetical reference to "paragraph 15 of Auditing Standard No. 13, *The Auditor's Responses to the Risks of Material Misstatements*" is replaced with "AS 2301.15."
 - In the sixth bullet, the parenthetical reference to "paragraphs 5 through 9 of Auditing Standard No. 14, *Evaluating Audit Results*" is replaced with "AS 2810.05 through .09."
- y. In the first sentence of item A.1 of paragraph .85, the reference to "paragraphs 65 through 69 of Auditing Standard No. 12, *Identifying and Assessing Risks of Material Misstatement*" is replaced with "AS 2110.65 through .69."

- z. Paragraphs .86 through .88 are deleted.
- aa. Footnotes 5 and 6 to paragraph .86 are deleted.
- bb. Footnote 8 to paragraph .87 is deleted.
- cc. Footnotes 1 through 11 to paragraph .88 are deleted.

AU sec. 317, "Illegal Acts by Clients"

SAS No. 54, "Illegal Acts by Clients" (AU sec. 317, "Illegal Acts by Clients"), as amended, is amended as follows:

- a. The section number "AU Section 317" is replaced with "AS 2405."
- b. In the references before paragraph .01, the phrase "(Supersedes section 328)" is deleted.
- c. In the first sentence of paragraph .01, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
- d. In the last sentence of paragraph .05, the reference to "section 110" is replaced with "AS 1001."
- e. In the last sentence of paragraph .07, the phrase "generally accepted auditing standards" is replaced with "PCAOB auditing standards."
- f. In paragraph .08:
 - In the first sentence, the phrase "generally accepted auditing standards" is replaced with "PCAOB auditing standards."
 - The parenthetical reference to "section 333" is replaced with "AS 2805."
- g. In footnote 2 to paragraph .21, the reference to "section 508" is replaced with "AS 3101."

- h. In the subtitle before paragraph .22, the phrase "in Accordance With Generally Accepted Auditing Standards" is deleted.
- i. In paragraph .23b:
- The reference to "section 315, *Communications Between Predecessor and Successor Auditors*" is replaced with "AS 2610, *Initial Audits—Communications Between Predecessor and Successor Auditors*."
 - In footnote 5, the reference to "section 315" is replaced with "AS 2610."

AU sec. 9317, "Illegal Acts by Clients: Auditing Interpretations of Section 317"

AU sec. 9317, "Illegal Acts by Clients: Auditing Interpretations of Section 317," is amended as follows:

- a. The section number "AU Section 9317" is replaced with "AI 13."
- b. The title "Illegal Acts by Clients: Auditing Interpretations of Section 317" is replaced with "Illegal Acts by Clients: Auditing Interpretations of AS 2405."
- c. In paragraph .01:
- In the first sentence, the phrase "The second standard of field work requires" is replaced with "The auditing standards require."
 - In the last sentence:
 - The reference to "section 317" is replaced with "AS 2405, *Illegal Acts by Clients*."
 - The phrase "the second standard of field work" is replaced with "AS 2110, *Identifying and Assessing Risks of Material Misstatement*."
- d. In paragraph .03, the reference to "section 317" is replaced with "AS 2405."

- e. In paragraph .05, the parenthetical reference to "section 317.22" is replaced with "AS 2405.22."

AU sec. 322, "The Auditor's Consideration of the Internal Audit Function in an Audit of Financial Statements"

SAS No. 54, "The Auditor's Consideration of the Internal Audit Function in an Audit of Financial Statements" (AU sec. 322, "The Auditor's Consideration of the Internal Audit Function in an Audit of Financial Statements"), as amended, is amended as follows:

- a. The section number "AU Section 322" is replaced with "AS 2605."
- b. The title "The Auditor's Consideration of the Internal Audit Function in an Audit of Financial Statements" is replaced with "Consideration of the Internal Audit Function."
- c. In the references before paragraph .01, the phrase "(Supersedes SAS No. 9)" is deleted.
- d. In the last sentence of paragraph .01, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
- e. In the note to paragraph .01, the reference to "paragraphs 16–19 of PCAOB Auditing Standard No. 5" is replaced with "paragraphs .16–.19 of AS 2201."
- f. In paragraph .02:
- In the first sentence, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
 - In footnote 2, the phrase "the AICPA Code of Professional Conduct" is replaced with "PCAOB Rule 3520, *Auditor Independence*."

- g. In footnote 3 to paragraph .04, the reference to "Auditing Standard No. 12" is replaced with "AS 2110."
- h. In footnote 5 to paragraph .18, the reference to "paragraph 8 of Auditing Standard No. 15" is replaced with "paragraph .08 of AS 1105."
- i. In footnote 6 to paragraph .19, the reference to "section 543, *Part of Audit Performed by Other Independent Auditors*" is replaced with "AS 1205, *Part of the Audit Performed by Other Independent Auditors*."
- j. In the note to paragraph .22, the reference to "paragraphs 18–19 of PCAOB Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*" is replaced with "AS 2201.18–.19."
- k. In footnote 8 to paragraph .27, the reference to "Auditing Standard No. 10" is replaced with "AS 1201."
- l. In the appendix, the title "The Auditor's Consideration of the Internal Audit Function in an Audit of Financial Statements" is replaced with "Consideration of the Internal Audit Function."

AU sec. 324, "Service Organizations"

SAS No. 70, "Service Organizations" (AU sec. 324, "Service Organizations"), as amended, is amended as follows:

- a. The section number "AU Section 324" is replaced with "AS 2601."
- b. The title "Service Organizations" is replaced with "Consideration of an Entity's Use of a Service Organization."
- c. Footnote * to the title of the standard is deleted.

- d. In the references before paragraph .01, the phrase "(Supersedes SAS No. 44)" is deleted.
- e. In the note to paragraph .01, the reference to "paragraphs B17–B27 of Appendix B, *Special Topics*, of PCAOB Auditing Standard No. 5" is replaced with "paragraphs .B17–.B27 of Appendix B, *Special Topics*, of AS 2201."
- f. In paragraph .07:
- In the first sentence, the reference to "Auditing Standard No. 12" is replaced with "AS 2110."
 - In the third bullet, the second sentence is deleted.
- g. In the first sentence of paragraph .16, the reference to "paragraph 18 and paragraphs 29 through 31 of Auditing Standard No. 13" is replaced with "paragraph .18 and paragraphs .29 through .31 of AS 2301."
- h. In the last sentence of paragraph .18, the reference to "section 543, *Part of Audit Performed by Other Independent Auditors*, paragraph .10a" is replaced with "paragraph .10a of AS 1205, *Part of the Audit Performed by Other Independent Auditors*."
- i. In the first sentence of paragraph 19, the reference to "section 543.12" is replaced with "AS 1205.12."
- j. In the last sentence of paragraph .20, the reference to "section 325" is replaced with "AS 1305."
- k. In the second sentence of paragraph .22:
- The phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."

- The phrase "general standards and with the relevant fieldwork and reporting standards" is replaced with "relevant PCAOB auditing standards."
- l. In the second sentence of paragraph .23:
- The reference to "Auditing Standard No. 14" is replaced with "AS 2810."
 - The reference to "section 317" is replaced with "AS 2405."
- m. In paragraph .38, in the last sentence of the first paragraph of the sample report on controls placed in operation at a service organization, the phrase "standards established by the American Institute of Certified Public Accountants" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
- n. In the last sentence of paragraph .41, the reference to "Section 350" is replaced with "AS 2315."
- o. In paragraph .54, in the last sentence of the first paragraph of the sample report on controls placed in operation at a service organization and tests of operating effectiveness, the phrase "standards established by the American Institute of Certified Public Accountants" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."

AU sec. 9324, "Service Organizations: Auditing Interpretations of Section 324"

AU sec. 9324, "Service Organizations: Auditing Interpretations of Section 324," as amended, is amended as follows:

- a. The section number "AU Section 9324" is replaced with "AI 18."

- b. The title "Service Organizations: Auditing Interpretations of Section 324" is replaced with "Consideration of an Entity's Use of a Service Organization: Auditing Interpretations of AS 2601."
- c. In paragraph .01:
- In the first sentence, the reference to "section 324, *Service Organizations*" is replaced with "AS 2601, *Consideration of an Entity's Use of a Service Organization*."
 - In the second sentence, the reference to "Section 324.44f" is replaced with "AS 2601.44f."
- d. In the first sentence of paragraph .02, the reference to "section 324.44f" is replaced with "AS 2601.44f."
- e. In paragraph .05:
- In the third sentence, the reference to "Paragraphs .06 through .17 of section 324, *Service Organizations*," is replaced with "AS 2601.06 through .17."
 - In the fourth sentence, the reference to "section 324.06–.17" is replaced with "AS 2601.06–.17."
 - In the last sentence, the reference to "section 324.06" is replaced with "AS 2601.06."
- f. In the second sentence of paragraph .07, the reference to "Section 324.11–.16" is replaced with "AS 2601.11–.16."
- g. Following paragraph .16, in the Sample Scope Paragraph of a Service Auditor's Report Using the Carve-Out Method:

- The heading "Independent Service Auditor's Report" above the example report is replaced with "Service Auditor's Report of Independent Registered Public Accounting Firm."
 - In the last sentence of the report, the phrase "standards established by the American Institute of Certified Public Accountants" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
 - In the bracketed sentence, the reference to "section 324.38 and .54" is replaced with "AS 2601.38 and .54."
- h. In the first sentence of paragraph .17, the reference to "section 324.12" is replaced with "AS 2601.12."
- i. Following paragraph .18, in the Sample Service Auditor's Report Using the Inclusive Method:
- The heading "Independent Service Auditor's Report" above the example report is replaced with "Service Auditor's Report of Independent Registered Public Accounting Firm."
 - In the last sentence of the first paragraph of the report, the phrase "standards established by the American Institute of Certified Public Accountants" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
- j. In paragraph .35, each reference to "Section 324.32" or "section 324.32" is replaced with "AS 2601.32."
- k. In paragraph .36:

- Each reference to "Section 324.32" or "section 324.32" is replaced with "AS 2601.32."
 - Footnote 2 is deleted.
- l. In the first sentence of paragraph .37, the reference to "section 550" is replaced with "AS 2710."
- m. In paragraph .38:
- In the first sentence, the reference to "Section 324.29g and .44l" is replaced with "AS 2601.29g and .44l."
 - In the second sentence, the reference to "Section 324.44l" is replaced with "AS 2601.44l."
 - In the third sentence, the reference to "section 324.38 and .54" is replaced with "AS 2601.38 and .54."
 - In the fourth sentence, the reference to "section 324.54" is replaced with "AS 2601.54."
- n. In the first sentence of paragraph .39, the reference to "section 324.38 and .54" is replaced with "AS 2601.38 and .54."
- o. In the first sentence of paragraph .40, the reference to "section 324.38 and .54" is replaced with "AS 2601.38 and .54."

AU sec. 325, "Communications About Control Deficiencies in an Audit of Financial Statements"

AU sec. 325, "Communications About Control Deficiencies in an Audit of Financial Statements," as amended, is amended as follows:

- a. The section number "AU Section 325" is replaced with "AS 1305."

- b. Paragraph numbers 1 through 9 are replaced with .01 through .09.
- c. The directions before paragraph 1 are replaced with the following:

Note: For an integrated audit of financial statements and internal control over financial reporting, see paragraphs .78–.84 of AS 2201, An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements.

Note: The following paragraphs apply in an audit of financial statements only:

- d. In the second note to paragraph 3, the reference to "paragraphs 62–70 of PCAOB Auditing Standard No. 5, An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements" is replaced with "AS 2201.62–.70."
- e. In the last sentence of paragraph 4, the reference to "paragraphs 2 and 3" is replaced with "paragraphs .02 and .03."
- f. In the last sentence of paragraph 9:
 - The reference to "AU sec. 325" is replaced with "AS 1305."
 - The reference to "paragraph 2" is replaced with "paragraph .02."

AU sec. 9325, "Communication of Internal Control Related Matters Noted in an Audit:

Auditing Interpretations of Section 325"

AU sec. 9325, "Communication of Internal Control Related Matters Noted in an Audit:

Auditing Interpretations of Section 325," as amended, is amended as follows:

- a. The section number "AU Section 9325" is replaced with "AI 12."
- b. The title "Communication of Internal Control Related Matters Noted in an Audit: Auditing Interpretations of Section 325" is replaced with "Communications About

Control Deficiencies in an Audit of Financial Statements: Auditing Interpretations of AS 1305."

- c. In the note before paragraph .01:
- In the first sentence:
 - The reference to "AU sec. 325" is replaced with "AS 1305, *Communications About Control Deficiencies in an Audit of Financial Statements,*."
 - The reference to "paragraph 2" is replaced with "paragraph .02."
 - In the last sentence, the reference to "paragraph A7 of Appendix A, *Definitions*, of PCAOB Auditing Standard No. 5" is replaced with "paragraph .A7 of Appendix A, *Definitions*, of AS 2201."
- d. In the first sentence of paragraph .01, the reference to "Section 325" is replaced with "AS 1305."
- e. In the second sentence of paragraph .02, the reference to "Section 325" is replaced with "AS 1305."
- f. In the first sentence of paragraph .03, the reference to "Section 325" is replaced with "AS 1305."
- g. In the example report below paragraph .04, in the second sentence, the phrase "standards established by the American Institute of Certified Public Accountants" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."

AU sec. 9326, "Evidential Matter: Auditing Interpretations of Section 326"

AU sec. 9326, "Evidential Matter: Auditing Interpretations of Section 326," as amended, is amended as follows:

- a. The section number "AU Section 9326" is replaced with "AI 28."
- b. The title "Evidential Matter: Auditing Interpretations of Section 326" is replaced with "Evidential Matter Relating to Income Tax Accruals: Auditing Interpretations."
- c. In paragraph .10:
 - In the first sentence, the phrase "third standard of field work requires" is replaced with "auditing standards require."
 - In the second sentence, the reference to "Paragraph 35 of Auditing Standard No. 14" is replaced with "Paragraph .35 of AS 2810."
 - In the third sentence, the reference to "Section 508, *Reports on Audited Financial Statements*, paragraph .24" is replaced with "Paragraph .24 of AS 3101, *Reports on Audited Financial Statements*."
 - In the fourth sentence, the reference to "section 333 on *Management Representations*" is replaced with "AS 2805, *Management Representations*."
 - In the fifth sentence:
 - The reference to "Section 333.06" is replaced with "AS 2805.06."
 - The reference to "section 333.08" is replaced with "AS 2805.08."
 - In the last sentence, the reference to "section 333.13" is replaced with "AS 2805.13."

- d. In the first sentence of paragraph .12, the phrase "Section 339, *Audit Documentation*, states that audit documentation is the principal record" is replaced with "Audit documentation is the written record."
- e. In paragraph .16, the reference to "section 336" is replaced with "AS 1210."
- f. In the first sentence of paragraph .18, the reference to "Section 336.01" is replaced with "AS 1210.01."
- g. In the first sentence of paragraph .19, the reference to "section 337" is replaced with "AS 2505."

AU sec. 328, "Auditing Fair Value Measurements and Disclosures"

SAS No. No. 101, "Auditing Fair Value Measurements and Disclosures" (AU sec. 328, "Auditing Fair Value Measurements and Disclosures"), as amended, is amended as follows:

- a. The section number "AU Section 328" is replaced with "AS 2502."
- b. In paragraph .06 each reference to "Section 342" or "section 342" is replaced with "AS 2501."
- c. In footnote 3 to paragraph .07, the reference to "section 332" is replaced with "AS 2503."
- d. In the first sentence of paragraph .11, the reference to "Auditing Standard No. 12" is replaced with "AS 2110."
- e. In the last sentence of the fifth bullet of paragraph .12, the reference to "section 324, *Service Organizations*" is replaced with "AS 2601, *Consideration of an Entity's Use of a Service Organization*."

- f. In the first sentence of paragraph .14, the reference to "Paragraph A5, second note of Auditing Standard No. 5" is replaced with "Paragraph .A5, second note of AS 2201."
- g. In the last sentence of paragraph .20, the reference to "section 336" is replaced with "AS 1210."
- h. In paragraph .22, the reference to "Section 336" or "section 336" is replaced with "AS 1210."
- i. In footnote 6 to paragraph .40, the reference to "section 329, *Analytical Procedures*" is replaced with "AS 2305, *Substantive Analytical Procedures*."
- j. In footnote 7 to paragraph .41, the reference to "section 560" is replaced with "AS 2801."
- k. In footnote 8 to paragraph .43, the reference to "paragraph 31 of Auditing Standard No. 14" is replaced with "paragraph .31 of AS 2810."
- l. In the last sentence of paragraph .47, the parenthetical reference to "paragraphs 12 through 18 and 24 through 27 of Auditing Standard No. 14, *Evaluating Audit Results*" is replaced with "AS 2810.12 through .18 and AS 2810.24 through .27."
- m. In the first sentence of paragraph .48:
- The reference to "Section 333" is replaced with "AS 2805."
 - The reference to "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
- n. In paragraph .50, the reference to "Paragraphs 12–13 of Auditing Standard No. 16" is replaced with "Paragraphs .12–.13 of AS 1301."

AU sec. 329, "Substantive Analytical Procedures"

SAS No. 56, "Analytical Procedures" (AU sec. 329, "Substantive Analytical Procedures"), as amended, is amended as follows:

- a. The section number "AU Section 329" is replaced with "AS 2305."
- b. In the references before paragraph .01, the phrase "(Supersedes section 318)" is deleted.
- c. In paragraph .01:
 - In the first note, the reference to "Auditing Standard No. 12" is replaced with "AS 2110."
 - In the second note, the reference to "Auditing Standard No. 14" is replaced with "AS 2810."
- d. In the last sentence of paragraph .09, the parenthetical reference to "paragraph 11 of Auditing Standard No. 13" is replaced with "paragraph .11 of AS 2301."
- e. In footnote 1 to paragraph .09, the reference to "Auditing Standard No. 15" is replaced with "AS 1105."
- f. In the last sentence of paragraph .21, the parenthetical reference to "Auditing Standard No. 14, *Evaluating Audit Results*" is replaced with "AS 2810."

AU sec. 330, "The Confirmation Process"

SAS No. 67, "The Confirmation Process" (AU sec. 330, "The Confirmation Process"), as amended, is amended as follows:

- a. The section number "AU Section 330" is replaced with "AS 2310."
- b. In the references before paragraph .01, the phrase "(Supersedes section 331.03–.08)" is deleted.

- c. In paragraph .01:
- In the first sentence, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
 - In the last bullet:
 - In the first sentence, the reference to "section 331, *Inventories*, paragraphs .03–.08" is replaced with "paragraphs .03–.08 of AS 2510, *Auditing Inventories*."
 - Each reference to "section 331.01" is replaced with "AS 2510.01."
- d. In paragraph .02:
- In the second sentence:
 - The reference to "section 350" is replaced with "AS 2315."
 - The reference to "Auditing Standard No. 13" is replaced with "AS 2301."
 - In the last sentence, the reference to "Auditing Standard No. 13, *The Auditor's Responses to the Risks of Material Misstatement*" is replaced with "AS 2301."
- e. In paragraph .03:
- The reference to "section 336" is replaced with "AS 1210."
 - The reference to "section 337" is replaced with "AS 2505."
- f. In the first sentence of paragraph .05, the reference to "Auditing Standard No. 8" is replaced with "AS 1101."
- g. In the last sentence of paragraph .06, the reference to "paragraph 8 of Auditing Standard No. 15" is replaced with "paragraph .08 of AS 1105."

- h. In the last sentence of paragraph .11, the reference to "Auditing Standard No. 15, *Audit Evidence*," is replaced with "AS 1105."
- i. In paragraph .15, the parenthetical reference to "section 230" is replaced with "AS 1015."
- j. In footnote 2 to paragraph .27, the reference to "Auditing Standard No. 18" is replaced with "AS 2410."
- k. In the last sentence of footnote 3 to paragraph .28, the reference to "Section 322, *The Auditor's Consideration of the Internal Audit Function in an Audit of Financial Statements*" is replaced with "AS 2605, *Consideration of the Internal Audit Function*."

AU sec. 331, "Inventories"

SAS No. 1, "Codification of Auditing Standards and Procedures" section 331

"Inventories" (AU sec. 331, "Inventories"), as amended, is amended as follows:

- a. The section number "AU Section 331" is replaced with "AS 2510."
- b. The title "Inventories" is replaced with "Auditing Inventories."
- c. Footnote * to the title of the standard is deleted.
- d. Footnote 3 to the subtitle before paragraph .14, "Inventories Held in Public Warehouses," is deleted.
- e. In paragraph .15, the reference to "sections 508.24 and 508.67" is replaced with "paragraphs .24 and .67 of AS 3101, *Reports on Audited Financial Statements*."

AU sec. 332, "Auditing Derivative Instruments, Hedging Activities, and Investments in Securities"

SAS No. 92, "Auditing Derivative Instruments, Hedging Activities, and Investments in Securities" (AU sec. 332, "Auditing Derivative Instruments, Hedging Activities, and Investments in Securities"), as amended, is amended as follows:

- a. The section number "AU Section 332" is replaced with "AS 2503."
- b. Footnote 1 to the title of the standard is deleted.
- c. In the references before paragraph .01, the phrase "(Supersedes SAS No. 81)" is deleted.
- d. In paragraph .01:
 - In the last sentence, the reference to "paragraphs 11 and 12 of Auditing Standard No. 15" is replaced with "paragraphs .11 and .12 of AS 1105."
 - In footnote 3, the reference to "section 623, *Special Reports*, paragraph .04" is replaced with "paragraph .04 of AS 3305, *Special Reports*."
- e. In paragraph .06:
 - In the first sentence, the reference to "Auditing Standard No. 9" is replaced with "AS 2101."
 - In the second sentence, the reference to "Auditing Standard No. 10" is replaced with "AS 1201."
 - In the last sentence, the reference to "AU sec. 336" is replaced with "AS 1210."
- f. In the last sentence of paragraph .07, the reference to "section 322, *The Auditor's Consideration of the Internal Audit Function in an Audit of Financial*

Statements" is replaced with "AS 2605, *Consideration of the Internal Audit Function*."

- g. In the first sentence of paragraph .09, the reference to "Auditing Standard No. 12" is replaced with "AS 2110."
- h. Footnote 6 to paragraph .10 is deleted.
- i. In paragraph .11:
 - In the fourth sentence, the reference to "Paragraphs 28 through 32 and B1 through B6 of Auditing Standard No. 12, *Identifying and Assessing Risks of Material Misstatement*" is replaced with "AS 2110.28 through .32 and AS 2110.B1 through .B6."
 - In the last sentence, the reference to "section 324, *Service Organizations*" is replaced with "AS 2601, *Consideration of an Entity's Use of a Service Organization*."
 - In the note, the reference to "paragraph 39 of PCAOB Auditing Standard No. 5" is replaced with "paragraph .39 of AS 2201."
- j. In footnote 8 to the fifth bullet of paragraph .14, the reference to "Section 324" is replaced with "AS 2601."
- k. In the last sentence of paragraph .15, the reference to "Auditing Standard No. 12, *Identifying and Assessing Risks of Material Misstatement*" is replaced with "AS 2110."
- l. In paragraph .16*a*, the reference to "section 324" is replaced with "AS 2601."
- m. Footnote 10 to paragraph .18 is deleted.
- n. In paragraph .21:

- In the first sentence of footnote 11 to the second bullet, the reference to "Section 330" is replaced with "AS 2310, *The Confirmation Process*."
- In footnote 12 to the last bullet, the reference to "Section 329" is replaced with "AS 2305, *Substantive Analytical Procedures*."
- o. In footnote 13 to the second bullet of paragraph .22, the reference to "Section 330.17" is replaced with "AS 2310.17."
- p. In footnote 15 to paragraph .32, the reference to "section 508, *Reports on Audited Financial Statements*, paragraphs .16–.18" is replaced with "paragraphs .16–.18 of AS 3101, *Reports on Audited Financial Statements*."
- q. In paragraph .33:
 - In the third sentence, the reference to "section 560, *Subsequent Events*, paragraphs .05–.06)" is replaced with "paragraphs .05–.06 of AS 2801, *Subsequent Events*."
 - In the last sentence, the reference to "section 560.03" is replaced with "AS 2801.03."
- r. In paragraph .35:
 - In the sixth sentence, the reference to "section 342" is replaced with "AS 2501."
 - In the last sentence, the reference to "paragraphs 24 through 27 of Auditing Standard No. 14" is replaced with "paragraphs .24 through .27 of AS 2810."
- s. In paragraph .39:
 - Each reference to "Section 336" is replaced with "AS 1210."

- Each reference to "Section 324" is replaced with "AS 2601."
- t. In paragraph .43a, the reference to "section 342" is replaced with "AS 2501."
- u. In paragraph .43b, the reference to "section 336" is replaced with "AS 1210."
- v. In the third sentence of paragraph .49, the reference to "section 411, *The Meaning of Present Fairly in Conformity with Generally Accepted Accounting Principles*, paragraph .04" is replaced with "paragraph .04 of AS 2815, *The Meaning of Present Fairly in Conformity with Generally Accepted Accounting Principles*."
- w. In paragraph .51, the parenthetical reference to "paragraph 31 of Auditing Standard No. 14, *Evaluating Audit Results*" is replaced with "AS 2810.31."
- x. In paragraph .58:
- In the first sentence, the reference to "Section 333" is replaced with "AS 2805."
 - In footnote 20, the reference to "section 333.17" is replaced with "AS 2805.17."

AU sec. 333, "Management Representations"

SAS No. 85, "Management Representations" (AU sec. 333, "Management Representations"), as amended, is amended as follows:

- a. The section number "AU Section 333" is replaced with "AS 2805."
- b. In the references before paragraph .01, the phrase "(Supersedes SAS No. 19)" is deleted.
- c. In paragraph .01, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."

- d. In footnote 1 to paragraph .02, the reference to "Section 230" is replaced with "AS 1015."
- e. In the third sentence of paragraph .03, the reference to "Auditing Standard No. 18" is replaced with "AS 2410."
- f. In the note to paragraph .05, the reference to "paragraphs 75–77 of PCAOB Auditing Standard No. 5" is replaced with "paragraphs .75–.77 of AS 2201."
- g. In paragraph .06g:
- In footnote 4, the reference to "Auditing Standard No. 14" is replaced with "AS 2810."
 - In the first sentence of footnote 6, the reference to "Paragraph 11 of Auditing Standard No. 14, *Evaluating Audit Results*" is replaced with "AS 2810.11."
 - In footnote 7:
 - In the first sentence:
 - The reference to "section 317, *Illegal Acts by Clients*, paragraph .17" is replaced with "paragraph .17 of AS 2405, *Illegal Acts by Clients*."
 - The reference to "section 316, *Consideration of Fraud in a Financial Statement Audit*, paragraphs .79 through .82" is replaced with "paragraphs .79 through .82 of AS 2401, *Consideration of Fraud in a Financial Statement Audit*."
 - In the last sentence:
 - The reference to "section 317" is replaced with "AS 2405."

- The reference to "section 316" is replaced with "2401."
- h. In footnote 9 to paragraph .06l, the reference to "paragraph 18 of Auditing Standard No. 18, *Related Parties*" is replaced with "AS 2410.18."
- i. In footnote 10 to paragraph .06o, the reference to "section 317" is replaced with "AS 2405."
- j. In footnote 11 to paragraph .06p:
- In the first sentence, the reference to "section 337, *Inquiry of a Client's Lawyer Concerning Litigation, Claims, and Assessments*, paragraph .05d" is replaced with " paragraph .05d of AS 2505, *Inquiry of a Client's Lawyer Concerning Litigation, Claims, and Assessments*."
 - The parenthetical reference to "section 9337.15–.17" is replaced with "paragraphs .15–.17 of AI 17, *Inquiry of a Client's Lawyer Concerning Litigation, Claims, and Assessments: Auditing Interpretations of AS 2505*."
- k. In footnote 12 to paragraph .06q, the reference to "section 337.05b" is replaced with "AS 2505.05b."
- l. In footnote 13 to paragraph .06t:
- The reference to "section 560, *Subsequent Events*, paragraph .12" is replaced with "paragraph .12 of AS 2801, *Subsequent Events*."
 - The reference to "section 711, *Filings Under Federal Securities Statutes*, paragraph .10" is replaced with "paragraph .10 of AS 4101, *Responsibilities Regarding Filings Under Federal Securities Statutes*."

- The reference to "section 634, *Letters for Underwriters and Certain Other Requesting Parties*, paragraph .45, footnote 29" is replaced with "paragraph .45, footnote 31 of AS 6101, *Letters for Underwriters and Certain Other Requesting Parties*."
- m. Footnote 14 to paragraph .07 is deleted.
- n. In the fourth sentence of paragraph .09, the bracketed reference to "section 530, *Dating of the Independent Auditor's Report*, paragraph .05" is replaced with "paragraph .05 of AS 3110, *Dating of the Independent Auditor's Report*."
- o. In footnote 15 to paragraph .12, the reference to "section 508, *Reports on Audited Financial Statements*, paragraph .71" is replaced with "paragraph .71 of AS 3101, *Reports on Audited Financial Statements*."
- p. In footnote 16 to paragraph .12, the reference to "section 711.10" is replaced with "AS 4101.10."
- q. In footnote 18 to paragraph .13, the reference to "section 508.22–.34" is replaced with "AS 3101.22–.34."
- r. In the second sentence of item 4 of paragraph .16:
- The reference to "section 316" is replaced with "AS 2401."
 - The reference to "Auditing Standard No. 18" is replaced with "AS 2410."
- s. The second sentence in item 1 of paragraph .17 is deleted.

AU sec. 9333, "Management Representations: Auditing Interpretations of Section 333"

AU sec. 9333, "Management Representations: Auditing Interpretations of Section 333,"

is amended as follows:

- a. The section number "AU Section 9333" is replaced with "AI 21."

- b. The title "Management Representations: Auditing Interpretations of Section 333" is replaced with "Management Representations: Auditing Interpretations of AS 2805."
- c. In the first sentence of paragraph .01, the reference to "Section 333" is replaced with "AS 2805."
- d. In paragraph .02, each reference to "Section 317" or "section 317" is replaced with "AS 2405."
- e. In the second sentence of paragraph .03, the reference to "Section 333" is replaced with "AS 2805."

AU sec. 336, "Using the Work of a Specialist"

SAS No. 73, "Using the Work of a Specialist" (AU sec. 336, "Using the Work of a Specialist"), as amended, is amended as follows:

- a. The section number "AU Section 336" is replaced with "AS 1210."
- b. In the references before paragraph .01, the phrase "(Supersedes SAS No. 11)" is deleted.
- c. In paragraph .01:
 - In the first sentence, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
 - In footnote 1, the reference to "Auditing Standard No. 10" is replaced with "AS 1201."
- d. In the second sentence of paragraph .02, the reference to "section 337" is replaced with "AS 2505."
- e. In paragraph .04:

- The reference to "section 623" is replaced with "AS 3305."
 - In footnote 3, the reference to "section 623, *Special Reports*" is replaced with "AS 3305."
- f. In the last sentence of paragraph .05, the reference to "Auditing Standard No. 10, *Supervision of the Audit Engagement*" is replaced with "AS 1201."
- g. In footnote 4 to paragraph .07c, the parenthetical sentence is deleted.
- h. In the last sentence of paragraph .13, the parenthetical reference to "section 508, *Reports on Audited Financial Statements*, paragraphs .22 and .23" is replaced with "paragraphs .22 and .23 of AS 3101, *Reports on Audited Financial Statements*."
- i. In the last sentence of paragraph .14, the parenthetical reference to "section 508.35, .36, and .41" is replaced with "AS 3101.35, .36, and .41."

AU sec. 9336, "Using the Work of a Specialist: Auditing Interpretations of Section 336"

AU sec. 9336, "Using the Work of a Specialist: Auditing Interpretations of Section 336,"

as amended, is amended as follows:

- a. The section number "AU Section 9336" is replaced with "AI 11."
- b. The title "Using the Work of a Specialist: Auditing Interpretations of Section 336" is replaced with "Using the Work of a Specialist: Auditing Interpretations of AS 1210."
- c. In the first sentence of paragraph .04, the reference to "Section 336, *Using the Work of a Specialist*, paragraph .06" is replaced with "Paragraph .06 of AS 1210, *Using the Work of a Specialist*."

- d. In the second sentence of paragraph .11, the reference to "Section 336.13" is replaced with "AS 1210.13."
- e. In the fourth sentence of paragraph .15, the reference to "Paragraph 6 of Auditing Standard No. 15" is replaced with "Paragraph .06 of AS 1105."
- f. In the second sentence of paragraph .17, the reference to "section 336.09" is replaced with "AS 1210.09."
- g. In paragraph .21:
 - In footnote 14, the reference to "section 336.13" is replaced with "AS 1210.13."
 - In the third sentence, the reference to "section 508, *Reports on Audited Financial Statements*, paragraphs .35 through .60" is replaced with "paragraphs .35 through .60 of AS 3101, *Reports on Audited Financial Statements*."
 - In the last sentence, the reference to "section 508.22–.26 and 508.61–.63." is replaced with "AS 3101.22–.26 and AS 3101.61–.63."

AU sec. 337, "Inquiry of a Client's Lawyer Concerning Litigation, Claims, and Assessments"

SAS No. 12, "Inquiry of a Client's Lawyer Concerning Litigation, Claims, and Assessments" (AU sec. 336, "Inquiry of a Client's Lawyer Concerning Litigation, Claims, and Assessments"), as amended, is amended as follows:

- a. The section number "AU Section 337" is replaced with "AS 2505."
- b. Footnote 1 to the title of the standard is deleted.

- c. In paragraph .01, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
- d. In footnote 2 to paragraph .03:
- The first sentence is deleted.
 - In the last sentence, the term "SAS" is replaced with "auditing standard."
- e. In footnote 4 to the subtitle before paragraph .08 ("*Inquiry of a Client's Lawyer*"), the parenthetical reference to "section 337A" is replaced with "AS 2505A."
- f. In footnote 6 to the subtitle before paragraph .12 ("*Limitations on the Scope of a Lawyer's Response*"), the parenthetical reference to "section 337C" is replaced with "AS 2505C."
- g. In the first sentence of paragraph .13, the parenthetical reference to "section 508.22 and .23" is replaced with "paragraphs .22 and .23 of AS 3101, *Reports on Audited Financial Statements*."
- h. In the last sentence of paragraph .14, the reference to "section 508.45 through .49" is replaced with "AS 3101.45 through .49."
- i. The section number "AU Section 337A" is replaced with "AS 2505A."
- j. In AU Section 337A, the paragraph number ".01" is deleted.
- k. Exhibit I, AU sec. 337B and related footnotes are deleted.
- l. The section number "AU Section 337C" is replaced with "AS 2505C."

AU sec. 9337, "Inquiry of a Client's Lawyer Concerning Litigation, Claims, and Assessments: Auditing Interpretation of Section 337"

AU sec. 9337, "Inquiry of a Client's Lawyer Concerning Litigation, Claims, and Assessments: Auditing Interpretation of Section 337," as amended, is amended as follows:

- a. The section number "AU Section 9337" is replaced with "AI 17."
- b. The title "Inquiry of a Client's Lawyer Concerning Litigation, Claims, and Assessments: Auditing Interpretations of Section 337" is replaced with "Inquiry of a Client's Lawyer Concerning Litigation, Claims, and Assessments: Auditing Interpretation of AS 2505."
- c. In the first sentence of paragraph .01, the reference to "section 337" is replaced with "AS 2505."
- d. In the first sentence of paragraph .04, the reference to "[section 337A] to section 337, *Inquiry of a Client's Lawyer Concerning Litigation, Claims, and Assessments*," is replaced with "[AS 2505A] to AS 2505."
- e. In the first sentence of paragraph .05, the reference to "Section 560.10 through .12 indicates" is replaced with "Paragraphs .10 through .12 of AS 2801, *Subsequent Events*, indicate."
- f. In the first sentence of paragraph .06, the reference to "[section 337A] to section 337, *Inquiry of a Client's Lawyer Concerning Litigation, Claims, and Assessments*," is replaced with "[AS 2505A] to AS 2505."
- g. In the first sentence of paragraph .07, the reference to "[section 337A] to section 337" is replaced with "[AS 2505A] to AS 2505."
- h. In the first sentence of paragraph .08, the reference to "Section 337, *Inquiry of a Client's Lawyer Concerning Litigation, Claims, and Assessments*, paragraph .05c," is replaced with "AS 2505.05c."

- i. In the second sentence of paragraph .09:
- The parenthetical reference to "section 337.13" is replaced with "AS 2505.13."
 - The reference to "section 337.05c" is replaced with "AS 2505.05c."
- j. In the first sentence of paragraph .10, the reference to "[section 337A] of section 337, *Inquiry of a Client's Lawyer Concerning Litigation, Claims, and Assessments*," is replaced with "[AS 2505A] of AS 2505."
- k. In paragraph .11:
- In the first sentence, the reference to "Section 337.09," is replaced with "AS 2505.09."
 - In the second sentence, the reference to "section 337" is replaced with "AS 2505."
- l. In the last sentence of footnote 1 to paragraph .13:
- The reference to "section 337" is replaced with "AS 2505."
 - The bracketed reference to "section 337C" is replaced with "AS 2505C."
- m. In footnote 2 to paragraph .14, the parenthetical reference to "sections 9337.01–.05" is replaced with "paragraphs .01–.05."
- n. In the first sentence of paragraph .15, the reference to "Section 337.06" is replaced with "AS 2505.06."
- o. In paragraph .16:
- In the first sentence, the reference to "Section 337" is replaced with "AS 2505."
 - In the second sentence:

- The reference to "section 337.05 and .07" is replaced with "AS 2505.05 and .07."
 - The reference to "section 333, *Management Representations*, paragraph .06m and n" is replaced with "paragraphs .06o and p of AS 2805, *Management Representations*."
- p. In the first sentence of paragraph .18, the reference to "Section 337, *Inquiry of a Client's Lawyer Concerning Litigation, Claims, and Assessments*, paragraph .09d(2)," is replaced with "AS 2505.09d(2)."
- q. In paragraph .19:
- In the first sentence, the reference to "[section 337C] to section 337" is replaced with "[AS 2505C] to AS 2505."
 - In the second sentence, the bracketed reference to "section 337C" is replaced with "AS 2505C."
- r. In the first sentence of paragraph .22:
- The reference to "section 337.14" is replaced with "AS 2505.14."
 - The bracketed reference to "section 337C" is replaced with "AS 2505C."
- s. In the last sentence of paragraph .23, the reference to "section 508.45 through .49" is replaced with "paragraphs .45 through .49 of AS 3101, *Reports on Audited Financial Statements*."
- t. In the first sentence of paragraph .24, the reference to "Section 337.06" is replaced with "AS 2505.06."
- u. In the first sentence of paragraph .25, the reference to "Section 337.08" is replaced with "AS 2505.08."

- v. In footnote 4 to paragraph .26, the reference to "section 337.08" is replaced with "AS 2505.08."
- w. In paragraph .32:
 - In the third sentence, the bracketed reference to "section 337C" is replaced with "AS 2505C."
 - In footnote 5, each bracketed reference to "section 337C" is replaced with "AS 2505C."

AU sec. 341, "The Auditor's Consideration of an Entity's Ability to Continue as a Going Concern"

SAS No. 59, "The Auditor's Consideration of an Entity's Ability to Continue as Going Concern" (AU sec. 341, "The Auditor's Consideration of an Entity's Ability to Continue as a Going Concern"), as amended, is amended as follows:

- a. The section number "AU Section 341" is replaced with "AS 2415."
- b. The title "The Auditor's Consideration of an Entity's Ability to Continue as a Going Concern" is replaced with "Consideration of an Entity's Ability to Continue as a Going Concern."
- c. In the references before paragraph .01, the phrase "(Supersedes section 340)" is deleted.
- d. In paragraph .01:
 - In the first sentence, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
 - In the last sentence of footnote 1, the parenthetical reference to "section 9508.33-.38" is replaced with "AI 23.33-.38."

- e. In the last sentence of paragraph .02, the reference to "Auditing Standard No. 15" is replaced with "AS 1105."
- f. In the first sentence of footnote 3 to the fifth bullet of paragraph .10, the phrase "generally accepted auditing standards" is replaced with "PCAOB auditing standards."
- g. In the last sentence of footnote 4 to paragraph .12, the parenthetical reference to "section 508" is replaced with "AS 3101."
- h. In the last sentence of paragraph .14, the reference to "section 508, *Reports on Audited Financial Statements*" is replaced with "AS 3101."
- i. In the last sentence of paragraph .15, the reference to "section 508" is replaced with "AS 3101."
- j. In the first sentence of paragraph .17A, the reference to "Paragraph 17 of Auditing Standard No. 16" is replaced with "Paragraph .17 of AS 1301."

AU sec. 9341, "The Auditor's Consideration of an Entity's Ability to Continue as a Going Concern: Auditing Interpretations of Section 341"

AU sec. 9341, "The Auditor's Consideration of an Entity's Ability to Continue as a Going Concern: Auditing Interpretations of Section 341," as amended, is amended as follows:

- a. The section number "AU Section 9341" is replaced with "AI 15."
- b. The title "The Auditor's Consideration of an Entity's Ability to Continue as a Going Concern: Auditing Interpretations of Section 341" is replaced with "Consideration of an Entity's Ability to Continue as a Going Concern: Auditing Interpretations of AS 2415."
- c. In paragraph .02:

- In footnote 2, the reference to "Section 530, *Dating of the Independent Auditor's Report*, paragraph .05" is replaced with "Paragraph .05 of AS 3110, *Dating of the Independent Auditor's Report*."
- In the second bullet, the reference to "section 560, *Subsequent Events*, paragraph .12" is replaced with "paragraph .12 of AS 2801, *Subsequent Events*."
- In the third bullet, the reference to "section 341, *The Auditor's Consideration of an Entity's Ability to Continue as a Going Concern*, paragraphs .06 through .11," is replaced with "paragraphs .06 through .11 of AS 2415, *Consideration of an Entity's Ability to Continue as a Going Concern*."

AU sec. 342, "Auditing Accounting Estimates"

SAS No. 57, "Auditing Accounting Estimates" (AU sec. 342, "Auditing Accounting Estimates"), as amended, is amended as follows:

- a. The section number "AU Section 342" is replaced with "AS 2501."
- b. In the first sentence of paragraph .01, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
- c. In paragraph .07c:
 - In footnote 2, the reference to "Section 411, *The Meaning of Present Fairly in Conformity With Generally Accepted Accounting Principles*" is replaced with "AS 2815, *The Meaning of 'Present Fairly in Conformity with Generally Accepted Accounting Principles*."

- In footnote 3, the reference to "paragraph 31 of Auditing Standard No. 14" is replaced with "paragraph .31 of AS 2810."
- d. In paragraph .08*b*:
- In item 1, the parenthetical reference to "Auditing Standard No. 12" is replaced with "AS 2110."
 - In item 3, the parenthetical reference to "section 337" is replaced with "AS 2505."
- e. In paragraph .11*h*, the parenthetical reference to "section 336" is replaced with "AS 1210."
- f. In paragraph .14, the reference to "Paragraphs 24 through 27 of Auditing Standard No. 14, *Evaluating Audit Results*," is replaced with "AS 2810.24 through .27."

AU sec. 9342, "Auditing Accounting Estimates: Auditing Interpretations of Section 342"

AU sec. 9342, "Auditing Accounting Estimates: Auditing Interpretations of Section 342,"

as amended, is amended as follows:

- a. The section number "AU Section 9342" is replaced with "AI 16."
- b. The title "Auditing Accounting Estimates: Auditing Interpretations of Section 342" is replaced with "Auditing Accounting Estimates: Auditing Interpretations of AS 2501."
- c. In the first sentence of paragraph .06—the example paragraph—the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board."

- d. In the last sentence of paragraph .07, the reference to "Auditing Standard No. 17" is replaced with "AS 2701."
- e. In the last sentence of paragraph .09, the reference to "section 550" is replaced with "AS 2710."
- f. In the second flowchart of paragraph .10, "Auditing Guidance for Fair Value Information: Required and Voluntary Information":
- The reference to "paragraph 10 of Auditing Standard No. 17, *Auditing Supplemental Information Accompanying Audited Financial Statements*," is replaced with "AS 2701.10."
 - The reference to "section 550" is replaced with "AS 2710."
 - The reference to "interpretation 11 of section 623, 'Reporting on Current-Value Financial Statements That Supplement Historical Cost Financial Statements in a General-Use Presentation of Real Estate Entities'" is replaced with "AI 24, *Special Reports: Auditing Interpretations of AS 3305*, interpretation 11, 'Reporting on Current-Value Financial Statements That Supplement Historical Cost Financial Statements in a General-Use Presentation of Real Estate Entities.'"

AU sec. 350, "Audit Sampling"

SAS No. 39, "Audit Sampling" (AU sec. 350, "Audit Sampling"), as amended, is amended as follows:

- a. The section number "AU Section 350" is replaced with "AS 2315."
- b. In the references before paragraph .01, the phrase "(Supersedes Statement of Auditing Standards No. 1, sections 320A, and 320B.)" is deleted.

- c. In the last sentence of footnote 2 to paragraph .02, the reference to "Auditing Standard No. 14" is replaced with "AS 2810."
- d. In the note to paragraph .06:
- The reference to "Auditing Standard No. 15" is replaced with "AS 1105."
 - The reference to "Auditing Standard No. 14, *Evaluating Audit Results*," is replaced with "AS 2810."
- e. In the first sentence of paragraph .07, the phrase "referred to in the third standard of field work" is deleted.
- f. In the note to paragraph .09, the reference to "Auditing Standard No. 8" is replaced with "AS 1101."
- g. In the last sentence of paragraph .11, the parenthetical reference to "section 161, *The Relationship of Generally Accepted Auditing Standards to Quality Control Standards*" is replaced with "AS 1110, *Relationship of Auditing Standards to Quality Control Standards*."
- h. In paragraph .15, the reference to "Auditing Standard No. 9" is replaced with "AS 2101."
- i. In the first sentence of paragraph .18A, the reference to "Paragraphs 8–9 of Auditing Standard No. 11" is replaced with "Paragraphs .08–.09 of AS 2105."
- j. The first sentence in paragraph .19 is deleted.
- k. In footnote 6 to paragraph .26, the reference to "Paragraphs 10 through 23 of Auditing Standard No. 14, *Evaluating Audit Results*," is replaced with "AS 2810.10 through .23."

- l. In the last sentence of paragraph .39, the reference to "Paragraphs 44 through 46 of Auditing Standard No. 13" is replaced with "Paragraphs .44 through .46 of AS 2301."
- m. In the note to paragraph .44, the reference to "Paragraph 47 of Auditing Standard No. 13, *The Auditor's Responses to the Risks of Material Misstatement*" is replaced with "AS 2301.47."

AU sec. 390, "Consideration of Omitted Procedures After the Report Date"

SAS No. 46, "Consideration of Omitted Procedures After the Report Date" (AU sec. 390, "Consideration of Omitted Procedures After the Report Date"), is amended as follows:

- a. The section number "AU Section 390" is replaced with "AS 2901."
- b. In the last sentence of paragraph .01, the reference to "section 561" is replaced with "AS 2905, *Subsequent Discovery of Facts Existing at the Date of the Auditor's Report*."
- c. In footnote 2 to paragraph .02, the reference to "section 161, *The Relationship of Generally Accepted Auditing Standards to Quality Control Standards*, paragraph .02" is replaced with "paragraph .02 of AS 1110, *Relationship of Auditing Standards to Quality Control Standards*."
- d. In paragraph .06, the reference to "section 561.05-.09" is replaced with "AS 2905.05-.09."

AU sec. 410, "Adherence to Generally Accepted Accounting Principles"

SAS No. 1, "Codification of Auditing Standards and Procedures" (AU sec. 410, "Adherence to Generally Accepted Accounting Principles"), as amended, is rescinded.

AU sec. 9410, "Adherence to Generally Accepted Accounting Principles: Auditing Interpretations of Section 410"

AU sec. 9410, "Adherence to Generally Accepted Accounting Principles: Auditing Interpretations of Section 410," as amended, is rescinded.

AU sec. 411, "The Meaning of *Present Fairly in Conformity With Generally Accepted Accounting Principles*"

SAS No. 69, "The Meaning of *Present Fairly in Conformity With Generally Accepted Accounting Principles*" (AU sec. 411, "The Meaning of *Present Fairly in Conformity With Generally Accepted Accounting Principles*"), as amended, is amended as follows:

- a. The section number "AU Section 411" is replaced with "AS 2815."
- b. The title "The Meaning of *Present Fairly in Conformity With Generally Accepted Accounting Principles*" is replaced with "The Meaning of '*Present Fairly in Conformity with Generally Accepted Accounting Principles*.'"
- c. Footnote * to the title of the standard is deleted.
- d. In the references before paragraph .01, the phrase "(Supersedes SAS No. 5)" is deleted.
- e. In the second sentence of paragraph .01, the parenthetical reference to "section 508.08h" is replaced with "paragraph .08h of AS 3101, *Reports on Audited Financial Statements*."
- f. In paragraph .04:
 - In item (c), the parenthetical reference to "paragraph 31 of Auditing Standard No. 14" is replaced with "paragraph .31 of AS 2810."

- In item (d), the parenthetical reference to "paragraph 31 of Auditing Standard No. 14, *Evaluating Audit Results*" is replaced with "AS 2810.31."
- In the last sentence of footnote 1:
 - The parenthetical reference to "sections 150.04" is deleted.
 - The parenthetical reference to "Auditing Standard No. 11" is replaced with "AS 2105."
 - The parenthetical reference to "508.36" is replaced with "3101.36."
- g. In the second sentence of paragraph .08:
 - The reference to "Section 544, *Lack of Conformity With Generally Accepted Accounting Principles*, paragraph .04" is replaced with "Paragraph .04 of AS 3310, *Special Reports on Regulated Companies*."
 - The reference to "section 623, *Special Reports*" is replaced with "AS 3305, *Special Reports*."

AU sec. 504, "Association With Financial Statements"

SAS No. 26, "Association With Financial Statements" (AU sec. 504, "Association With Financial Statements"), as amended, is amended as follows:

- a. The section number "AU Section 504" is replaced with "AS 3320."
- b. In the title, the "W" in the word "With" is changed to lower case.
- c. In the references before paragraph .01, the phrase "(Supersedes Statement on Auditing Standards No. 1, Sections 516, 517, and 518 and Statement on Auditing Standards No. 15, paragraph 13–15)" is deleted.
- d. In paragraph .01:

- The introductory phrase "The fourth standard of reporting is:" is deleted.
 - In the last sentence, the phrase "fourth reporting standard" is replaced with "preceding paragraph."
- e. In paragraph .02:
- In the first sentence, the phrase "the fourth reporting standard" is replaced with "paragraph .01."
 - In the last sentence, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
- f. In paragraph .04:
- In the second sentence, the reference to "section 508" is replaced with "AS 3101."
 - In the last sentence, the reference to "section 722, *Interim Financial Information*" is replaced with "AS 4105, *Reviews of Interim Financial Information*."
- g. In paragraph .05:
- Following the first sentence, the parenthetical phrase ", city and state or country," is added following "(Signature."
 - In the second sentence, the phrase "the fourth standard of reporting" is replaced with "paragraph .01."
- h. In paragraph .07:
- The parenthetical reference to "section 623.02–.10" is replaced with "paragraphs .02–.10 of AS 3305."

- Following the second sentence, the parenthetical phrase ", city and state or country," is added following "(Signature."
- i. In paragraph .08:
- In the first sentence, the phrase "The second general standard requires that" is deleted.
 - The quotation marks included in the first sentence are deleted.
- j. In the first sentence of paragraph .09, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
- k. Following the last sentence of paragraph .10, the parenthetical phrase ", city and state or country," is added following "(Signature."
- l. In the first sentence of paragraph .15, the parenthetical reference to "section 530.06–.08" is replaced with "paragraphs .06–.08 of AS 3110, *Dating of the Independent Auditor's Report*."
- m. In paragraph .18, the phrase "applicable standards established by the American Institute of Certified Public Accountants" is replaced with "the standards of the PCAOB."
- n. In paragraph .19:
- The parenthetical reference to "section 634" is replaced with "AS 6101."
 - Footnote * is deleted.
- o. In paragraph [.20], the parenthetical reference to "section 634" is replaced with "AS 6101."

AU sec. 9504, "Association With Financial Statements: Auditing Interpretations of Section 504"

AU sec. 9504, "Association With Financial Statements: Auditing Interpretations of Section 504," as amended, is amended as follows:

- a. The section number "AU Section 9504" is replaced with "AI 25."
- b. The title "Association With Financial Statements: Auditing Interpretations of Section 504" is replaced with "Association with Financial Statements: Auditing Interpretations of AS 3320."
- c. In paragraph .07, the reference to "section 722" is replaced with "AS 4105, *Reviews of Interim Financial Information*."
- d. In paragraph .15:
 - In the first sentence, the reference to "Section 150.02" is replaced with "Paragraph .04 of AS 3101, *Reports on Audited Financial Statements*."
 - In the second sentence, the reference to "Section 504.03" is replaced with "Paragraph .03 of AS 3320, *Association with Financial Statements*."
- e. In the first sentence of paragraph .19, the reference to "Section 504" is replaced with "AS 3320."
- f. In paragraph .20:
 - In the first sentence, the reference to "Section 504" is replaced with "AS 3320."
 - The third and fourth sentences are deleted.
- g. Paragraph .21 is replaced with "PCAOB Rules establish requirements regarding auditor independence."
- h. In the first sentence of paragraph .22, the reference to "Section 504.10" is replaced with "AS 3320.10."

AU sec. 508, "Reports on Audited Financial Statements"

SAS No. 58, "Reports on Audited Financial Statements" (AU sec. 508, "Reports on Audited Financial Statements"), as amended, is amended as follows:

- a. The section number "AU Section 508" is replaced with "AS 3101."
- b. Footnote * to the title of the standard is deleted.
- c. In the references before paragraph .01, the phrase "(Supersedes sections 505, 509, 542, 545, and 546)" is deleted.
- d. In paragraph .01:
 - In footnote 1:
 - In the first sentence, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
 - The second sentence is deleted.
 - In the note:
 - In the second sentence:
 - The reference to "paragraphs 85–98 of PCAOB Auditing Standard No. 5" is replaced with "paragraphs .85–.98 of AS 2201."
 - The reference to "Appendix C, *Special Reporting Situations*, of PCAOB Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*" is replaced with "Appendix C, *Special Reporting Situations*, of AS 2201."

- In the last sentence, the reference to "paragraphs 86–88 of PCAOB Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*" is replaced with "AS 2201.86–.88."
- e. In paragraph .02:
- The reference to "section 504, *Association With Financial Statements*" is replaced with "AS 3320, *Association with Financial Statements*."
 - The reference to "section 623" is replaced with "AS 3305."
- f. In paragraph .03:
- In the first sentence, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
 - The second sentence is deleted.
 - In the last sentence, the phrase "fourth reporting standard" is replaced with "requirements in paragraph .04."
- g. In paragraph .04, the introductory phrase "The fourth standard of reporting is as follows:" is deleted.
- h. In paragraph .05:
- In the first sentence, the phrase "fourth standard" is replaced with "requirements in paragraph .04."
 - In the second sentence, the phrase "the fourth reporting standard" is replaced with "paragraph .04."
 - In the third sentence, the parenthetical phrase "fourth standard of reporting" is replaced with "requirements in paragraph .04."

- i. In the last sentence of paragraph .07, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
- j. In the last sentence of footnote 3 to paragraph .08a, the phrase "section 504, *Association With Financial Statements*," is replaced with "AS 3320."
- k. In paragraph .08d:
 - The phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
 - The parenthetical phrase "auditing standards generally accepted in the United States of America or U.S. generally accepted auditing standards" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
- l. In the first sentence of footnote 5 to item (3) of paragraph .08f, the reference to "Section 411, *The Meaning of Present Fairly in Conformity With Generally Accepted Accounting Principles*, paragraphs .03 and .04," is replaced with "Paragraphs .03 and .04 of AS 2815, *The Meaning of 'Present Fairly in Conformity with Generally Accepted Accounting Principles*."
- m. Footnote 6 to paragraph .08h is deleted.
- n. Paragraph ".08k" is replaced with ".08l."
- o. Paragraph ".08j" is replaced with ".08k."
- p. Paragraph .08j is added:

The city and state (or city and country, in the case of non-U.S. auditors) from which the auditor's report has been issued.
- q. Footnote 6A is added to the end of the added paragraph .08j:

See SEC Rule 2-02(a) of Regulation S-X, 17 C.F.R. § 210.2-02(a).

- r. In the first sentence of footnote 7 to paragraph .08j, the reference to "section 530" is replaced with "AS 3110."
- s. In the first example report following paragraph .08j:
- The heading "Independent Auditor's Report" above the example report is replaced with "Report of Independent Registered Public Accounting Firm."
 - In the first sentence of the second paragraph, the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
 - The phrase "[*City and State or Country*]" is added following the term "[*Signature*]."
- t. In the second example report following paragraph .08j:
- The heading "Independent Auditor's Report" above the example report is replaced with "Report of Independent Registered Public Accounting Firm."
 - In the first sentence of the second paragraph, the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
 - The phrase "[*City and State or Country*]" is added following the term "[*Signature*]."

- u. In the first sentence of footnote 11 to paragraph .11*b*, the reference to "Section 341, *The Auditor's Consideration of an Entity's Ability to Continue as a Going Concern*" is replaced with "AS 2415, *Consideration of an Entity's Ability to Continue as a Going Concern*."
- v. In the last sentence of paragraph .11*f*, the parenthetical reference to "section 722, *Interim Financial Information*, paragraph .50" is replaced with "paragraph .50 of AS 4105, *Reviews of Interim Financial Information*."
- w. In the last sentence of paragraph .11*g*, the parenthetical reference to "section 558, *Required Supplementary Information*, paragraph .02" is replaced with "paragraph .02 of AS 2705, *Required Supplementary Information*."
- x. In the last sentence of paragraph .11*h*, the parenthetical reference to "section 550, *Other Information in Documents Containing Audited Financial Statements*, paragraph. 04" is replaced with "paragraph .04 of AS 2710, *Other Information in Documents Containing Audited Financial Statements*."
- y. In the last sentence of paragraph .12, the parenthetical reference to "section 543, *Part of Audit Performed by Other Independent Auditors*" is replaced with "AS 1205, *Part of the Audit Performed by Other Independent Auditors*."
- z. Following paragraph .13:
 - The heading "Independent Auditor's Report" above the example report is replaced with "Report of Independent Registered Public Accounting Firm."
 - In the first sentence of the second paragraph in the example report, the phrase "auditing standards generally accepted in the United States of

America" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."

- aa. In the first sentence of paragraph .17A, the reference to "PCAOB Auditing Standard No. 6" is replaced with "AS 2820."
- bb. In the first sentence of paragraph .22, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
- cc. In the third sentence of footnote 14 to paragraph .24, the reference to "section 331, *Inventories*" is replaced with "AS 2510, *Auditing Inventories*."
- dd. Following paragraph .26:
 - The heading "Independent Auditor's Report" above the example report is replaced with "Report of Independent Registered Public Accounting Firm."
 - In the first sentence of the first paragraph in the example report, the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
- ee. In the fourth sentence of paragraph .28, the reference to "section 530, *Dating of the Independent Auditor's Report*," is replaced with "AS 3110."
- ff. Following paragraph .34:
 - The heading "Independent Auditor's Report" above the example report is replaced with "Report of Independent Registered Public Accounting Firm."

- In the first sentence of the second paragraph in the example report, the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
- gg. In the first sentence of paragraph .35, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
- hh. Following paragraph .39, the heading "Independent Auditor's Report" above the example report is replaced with "Report of Independent Registered Public Accounting Firm."
- ii. In the third sentence of paragraph .41, the reference to "Statement on Auditing Standards" is replaced with "PCAOB standard."
- jj. Following paragraph .42, the heading "Independent Auditor's Report" above the example report is replaced with "Report of Independent Registered Public Accounting Firm."
- kk. Following paragraph .44, the heading "Independent Auditor's Report" above the example report is replaced with "Report of Independent Registered Public Accounting Firm."
- ll. In the last sentence of paragraph .49, the parenthetical reference to "paragraph 13 of Auditing Standard No. 14" is replaced with "paragraph .13 of AS 2810."
- mm. Following paragraph .52, the heading "Independent Auditor's Report" above the example report is replaced with "Report of Independent Registered Public Accounting Firm."

- nn. Following paragraph .60, the heading "Independent Auditor's Report" above the example report is replaced with "Report of Independent Registered Public Accounting Firm."
- oo. In the first sentence of footnote 20 to paragraph .62, the reference to "Section 504, *Association With Financial Statements*, paragraph .05" is replaced with "AS 3320.05."
- pp. Following paragraph .63:
- The heading "Independent Auditor's Report" above the example report is replaced with "Report of Independent Registered Public Accounting Firm."
 - In the second sentence of footnote 21 to the example report, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
- qq. In paragraph .65:
- In the first sentence, the phrase "The fourth standard of reporting" is replaced with "Paragraph .04."
 - In the second sentence, the phrase "the fourth reporting standard" is replaced with "paragraph .04."
 - The parenthetical reference to "section 530, *Dating of the Independent Auditor's Report*, paragraph .01" is replaced with "AS 3110.01."
- rr. In the first sentence of footnote 23 to paragraph .65, the parenthetical reference to "section 530, *Dating of the Independent Auditor's Report*, paragraphs .06 through .08" is replaced with "AS 3110.06 through .08."

- ss. In the second sentence of paragraph .66, the parenthetical reference to "paragraph 31 of Auditing Standard No. 14, *Evaluating Audit Results*" is replaced with "AS 2810.31."
- tt. Following paragraph .67:
- The heading "Independent Auditor's Report" above each example report is replaced with "Report of Independent Registered Public Accounting Firm."
 - In the first sentence of the first paragraph in the example report titled, "*Standard Report on the Current-Year Financial Statements With a Disclaimer of Opinion on the Prior-Year Statements of Income, Retained Earnings, and Cash Flows*," the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
 - In the last sentence of footnote 25 to the example report titled, "*Standard Report on the Current-Year Financial Statements With a Disclaimer of Opinion on the Prior-Year Statements of Income, Retained Earnings, and Cash Flows*," the reference to "PCAOB Auditing Standard No. 6, *Evaluating Consistency of Financial Statements*," is replaced with "AS 2820."
- uu. Following paragraph .69, the heading "Independent Auditor's Report" above the example report is replaced with "Report of Independent Registered Public Accounting Firm."

- vv. In the sixth sentence of paragraph .71, the reference to "section 543, *Part of Audit Performed by Other Independent Auditors*, paragraphs .10 through .12" is replaced with "AS 1205.10 through .12."
- ww. In the first sentence of footnote 28 to paragraph .71, the reference to "section 333" is replaced with "AS 2805."
- xx. In paragraph .73, the parenthetical reference to "section 530, *Dating of the Independent Auditor's Report*, paragraph .05" is replaced with "AS 3110.05."
- yy. Following paragraph .74, the heading "Independent Auditor's Report" above the example report is replaced with "Report of Independent Registered Public Accounting Firm."

AU sec. 9508, "Reports on Audited Financial Statements: Auditing Interpretations of Section 508"

AU sec. 9508, "Reports on Audited Financial Statements: Auditing Interpretations of Section 508," as amended, is amended as follows:

- a. The section number "AU Section 9508" is replaced with "AI 23."
- b. The title "Reports on Audited Financial Statements: Auditing Interpretations of Section 508" is replaced with "Reports on Audited Financial Statements: Auditing Interpretations of AS 3101."
- c. In the first sentence of paragraph .01, the reference to "Section 508, *Reports on Audited Financial Statements*, paragraph .24" is replaced with "Paragraph .24 of AS 3101, *Reports on Audited Financial Statements*."
- d. In paragraph .02:

- In the first sentence, the reference to "section 331, *Inventories*, paragraphs .09–.12" is replaced with "paragraphs .09–.12 of AS 2510, *Auditing Inventories*."
 - In the last sentence, the reference to "Section 331.09" is replaced with "AS 2510.09."
- e. In the first sentence of paragraph .03, the reference to "Section 331.10 and .11" is replaced with "AS 2510.10 and .11."
- f. In the first sentence of paragraph .04:
- The reference to "Section 331.12" is replaced with "AS 2510.12."
 - The reference to "section 331.09–.11" is replaced with "AS 2510.09–.11."
- g. In paragraph .36:
- In the first sentence of the second paragraph of the *Report on Single Year Financial Statements in Year of Adoption of Liquidation Basis* example report, the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
 - In the first sentence of the second paragraph of the *Report on Comparative Financial Statements in Year of Adoption of Liquidation Basis* example report, the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
- h. In the second sentence of paragraph .52, the reference to "section 508, *Reports on Audited Financial Statements*," is replaced with "AS 3101."

- i. The title of auditing interpretation 14 "Reporting on Audits Conducted in Accordance With Auditing Standards Generally Accepted in the United States of America and in Accordance With International Standards on Auditing" is replaced with "Reporting on Audits Conducted in Accordance with the Standards of the PCAOB and in Accordance with International Standards on Auditing."
- j. In paragraph .56:
 - In the first sentence:
 - The reference to "Section 508, *Reports on Audited Financial Statements*," is replaced with "AS 3101."
 - The phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
 - In the last sentence, the phrase "standards generally accepted in the United States of America" is replaced with "the standards of the PCAOB."
- k. In paragraph .57:
 - In the second sentence:
 - The reference to "Section 508" is replaced with "AS 3101."
 - The phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
 - The reference to "section 508" is replaced with "AS 3101."
 - Footnote 1 is deleted.
- l. In paragraph .58:
 - The phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the PCAOB."

- The phrase "generally accepted in the United States of America" is replaced with "of the PCAOB."
- m. In the first sentence of paragraph .59:
- The first occurrence of the phrase "auditing standards generally accepted in the United States" is replaced with "the standards of the PCAOB."
 - The second occurrence of the phrase "auditing standards generally accepted in the United States of America" (found in the example paragraph) is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
- n. In paragraph .61:
- In the first sentence, the reference to "section 508, *Reports on Audited Financial Statements*, paragraph .74" is replaced with "AS 3101.74."
 - In the third sentence, the reference to "section 508" is replaced with "AS 3101."
- o. In paragraph .63:
- In the second sentence, the reference to "section 508.74" is replaced with "AS 3101.74."
 - In the last sentence, the reference to "section 561" is replaced with "AS 2905."
- p. In footnote 4 to paragraph .67:
- In the second sentence, the reference to "section 315" is replaced with "AS 2610."

- In the last sentence, the reference to "Section 561" is replaced with "AS 2905."
- q. In the first sentence of paragraph .71, the reference to "section 508.74" is replaced with "AS 3101.74."
- r. In paragraph .74, the reference to "section 508.74" is replaced with "AS 3101.74."
- s. In the second sentence of paragraph .75, the reference to "Section 508.74" is replaced with "AS 3101.74."
- t. Auditing Interpretation 16 is deleted.
- u. Footnotes 6 and 7 to paragraph .84 are deleted.

AU sec. 530, "Dating of the Independent Auditor's Report"

SAS No. 1, "Codification of Auditing Standards and Procedures" section 530, "Dating of the Independent Auditor's Report" (AU sec. 530, "Dating of the Independent Auditor's Report"), as amended, is amended as follows:

- a. The section number "AU Section 530" is replaced with "AS 3110."
- b. In paragraph .02:
 - In the last sentence, the reference to "section 711.10–.13" is replaced with "paragraphs .10–.13 of AS 4101, *Responsibilities Regarding Filings Under Federal Securities Statutes.*"
 - In footnote 1, the reference to "section 561" is replaced with "AS 2905, *Subsequent Discovery of Facts Existing at the Date of the Auditor's Report.*"
 - Footnote * is deleted.

- c. In the first sentence of paragraph .03, the parenthetical reference to "section 560.03" is replaced with "paragraph .03 of AS 2801, *Subsequent Events*."
- d. In the first sentence of paragraph .04, the parenthetical reference to "section 560.05" is replaced with "AS 2801.05."
- e. In the last sentence of paragraph .05, the reference to "section 560.12" is replaced with "AS 2801.12."
- f. In paragraph .06:
 - In the fifth sentence:
 - The reference to "section 711" is replaced with "AS 4101."
 - The reference to "section 508.70–.73" is replaced with "paragraphs .70–.73 of AS 3101, *Reports on Audited Financial Statements*."
 - Footnote * is deleted.
- g. In the second sentence of paragraph .07, the reference to "section 560.08" is replaced with "AS 2801.08."
- h. In the first sentence of paragraph .08, the parenthetical reference to "section 560.05 and 560.08" is replaced with "AS 2801.05 and AS 2801.08."

AU sec. 532, "Restricting the Use of an Auditor's Report"

SAS No. 87, "Restricting the Use of an Auditor's Report" (AU sec. 532, "Restricting the Use of an Auditor's Report"), as amended, is rescinded.

AU sec. 543, "Part of Audit Performed by Other Independent Auditors"

SAS No. 1, "Codification of Auditing Standards and Procedures" section 543, "Part of Audit Performed by Other Independent Auditors" (AU sec. 543, "Part of Audit Performed by Other Independent Auditors"), as amended, is amended as follows:

- a. The section number "AU Section 543" is replaced with "AS 1205."
- b. The title "Part of Audit Performed by Other Independent Auditors" is replaced with "Part of the Audit Performed by Other Independent Auditors."
- c. In paragraph .01:
 - In footnote 1, the reference to "Section 315" is replaced with "AS 2610, *Initial Audits—Communications Between Predecessor and Successor Auditors,*."
 - In the first note:
 - The reference to "paragraphs C8–C11" is replaced with "paragraphs .C8–.C11."
 - The reference to "PCAOB Auditing Standard No. 5" is replaced with "AS 2201."
 - In the second note:
 - The reference to "AU sec. 543" is replaced with "AS 1205."
 - The reference to "Auditing Standard No. 10" is replaced with "AS 1201."
- d. Following paragraph .09:
 - The heading "Independent Auditor's Report" above the example report is replaced with "Report of Independent Registered Public Accounting Firm."
 - In the first sentence of the second paragraph in the example report, the phrase "auditing standards generally accepted in the United States of

America" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."

- e. In paragraph .10b, the phrase "American Institute of Certified Public Accountants and, if appropriate," is replaced with "PCAOB and."
- f. In item (ii) of paragraph .10c, the phrase "generally accepted auditing standards promulgated by the American Institute of Certified Public Accountants" is replaced with "standards of the PCAOB."
- g. In paragraph .12, the reference to "AU sec. 543.10" is replaced with "AS 1205.10."
- h. In paragraph .12a, the reference to "paragraphs 12 and 13 of PCAOB Auditing Standard No. 3" is replaced with "paragraphs .12 and .13 of AS 1215, *Audit Documentation*."
- i. In paragraph .12c, the reference to "paragraph 8 of PCAOB Auditing Standard No. 3" is replaced with "AS 1215.08."
- j. In footnote 5 to paragraph .12:
 - The reference to "AU sec. 324" is replaced with "AS 2601, *Consideration of an Entity's Use of a Service Organization*."
 - The reference to "section 543.12" is replaced with "AS 1205.12."

AU sec. 9543, "Part of Audit Performed by Other Independent Auditors: Auditing Interpretations of Section 543"

AU sec. 9543, "Part of Audit Performed by Other Independent Auditors: Auditing Interpretations of Section 543," as amended, is amended as follows:

- a. The section number "AU Section 9543" is replaced with "AI 10."

- b. The title "Part of Audit Performed by Other Independent Auditors: Auditing Interpretations of Section 543" is replaced with "Part of the Audit Performed by Other Independent Auditors: Auditing Interpretations of AS 1205."
- c. In the first sentence of paragraph .01, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
- d. In the first sentence of footnote 2 to paragraph .01, the reference to "section 543" is replaced with "AS 1205, *Part of the Audit Performed by Other Independent Auditors*."
- e. In paragraph .02:
- In the first sentence, the reference to "Section 543, *Part of Audit Performed by Other Independent Auditors*, paragraph .10," is replaced with "AS 1205.10."
 - In the last sentence, the reference to "Section 543.10c(iv)" is replaced with "AS 1205.10c(iv)."
- f. In paragraph .04:
- In the first sentence, the reference to "Section 543, *Part of Audit Performed by Other Independent Auditors*," is replaced with "AS 1205."
 - In the second sentence, the reference to "Section 543.03" is replaced with "AS 1205.03."
- g. In paragraph .05:
- In the first sentence, the phrase "Section 334, *Related Parties*, states that there may be inquiry of the principal auditor regarding related parties." is deleted.

- In the second sentence:
 - The phrase "In addition," is deleted.
 - The "b" in "before" is capitalized.
- h. In footnote 3 to paragraph .11, the reference to "section 9543.04–.07" is replaced with "paragraphs .04–.07."
- i. In paragraph .15, the reference to "section 9543.11" is replaced with "paragraph .11."
- j. In footnote 5 to paragraph .17, the reference to "section 561" is replaced with "AS 2905."
- k. In paragraph .18:
 - In the first sentence, the reference to "section 543" is replaced with "AS 1205."
 - In the last sentence, the reference to "section 543.12" is replaced with "AS 1205.12."
- l. In the last sentence of paragraph .19, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."

AU sec. 544, "Lack of Conformity With Generally Accepted Accounting Principles"

SAS No. 1, "Codification of Auditing Standards and Procedures" section 544, "Lack of Conformity With Generally Accepted Accounting Principles" (AU sec. 544, "Lack of Conformity With Generally Accepted Accounting Principles"), as amended, is amended as follows:

- a. The section number "AU Section 544" is replaced with "AS 3310."

- b. The title "Lack of Conformity With Generally Accepted Accounting Principles" is replaced with "Special Reports on Regulated Companies."
- c. In paragraph .02:
- In the third sentence, the phrase "first reporting standard" is replaced with "requirement in paragraph .08h of AS 3101, *Reports on Audited Financial Statements*."
 - In footnote 1, the parenthetical reference to "section 623, *Special Reports*, paragraphs .02 and .10" is replaced with "paragraphs .02 and .10 of AS 3305, *Special Reports*."
- d. In the last sentence of paragraph .04:
- The parenthetical reference to "section 508, *Reports on Audited Financial Statements*, paragraph .08" is replaced with "AS 3101.08."
 - The parenthetical reference to "section 508.35-.60" is replaced with "AS 3101.35-.60."

AU sec. 550, "Other Information in Documents Containing Audited Financial Statements"

SAS No. 8, "Other Information in Documents Containing Audited Financial Statements" (AU sec. 550, "Other Information in Documents Containing Audited Financial Statements"), as amended, is amended as follows:

- a. The section number "AU Section 550" is replaced with "AS 2710."
- b. In paragraph .03:
- In the second sentence:

- The parenthetical reference to "sections 634" is replaced with "AS 6101, *Letters for Underwriters and Certain Other Requesting Parties.*"
- The parenthetical reference to "711" is replaced with "AS 4101, *Responsibilities Regarding Filings Under Federal Securities Statutes.*"
- Footnote [†] is deleted.
- Footnote ^{††} is deleted.
- In the last sentence:
 - The parenthetical reference to "Auditing Standard No. 17" is replaced with "AS 2701."
 - The reference to "AU sec. 623" is replaced with "AS 3305, *Special Reports.*"
- Footnote ** is deleted.

AU sec. 9550, "Other Information in Documents Containing Audited Financial Statements: Auditing Interpretations of Section 550"

AU sec. 9550, "Other Information in Documents Containing Audited Financial Statements: Auditing Interpretations of Section 550," as amended, is amended as follows:

- a. The section number "AU Section 9550" is replaced with "AI 20."
- b. The title "Other Information in Documents Containing Audited Financial Statements: Auditing Interpretations of Section 550" is replaced with "Other Information in Documents Containing Audited Financial Statements: Auditing Interpretations of AS 2710."

- c. In the first sentence of paragraph .07, the reference to "section 550, *Other Information in Documents Containing Audited Financial Statements*, paragraph .02" is replaced with "paragraph .02 of AS 2710, *Other Information in Documents Containing Audited Financial Statements*."
- d. In paragraph .09, each reference to "section 550" is replaced with "AS 2710."
- e. In paragraph .11:
- In the second sentence, the reference to "section 550" is replaced with "AS 2710."
 - In the last sentence, the reference to "section 550.06" is replaced with "AS 2710.06."
- f. In the first sentence of paragraph .12, the reference to "section 550, *Other Information in Documents Containing Audited Financial Statements*, paragraph .02" is replaced with "AS 2710.02."
- g. In paragraph .13:
- Each reference to "section 550" is replaced with "AS 2710."
 - In the last sentence, the reference to "section 550.06" is replaced with "AS 2710.06."
- h. In paragraph .14:
- In the second sentence, the phrase "generally accepted auditing standards" is replaced with "PCAOB auditing standards."
 - In the last sentence, the reference to "section 550.06" is replaced with "AS 2710.06."
- i. In paragraph .15:

- In the first sentence, the reference to "The auditing interpretation of section 325, *Communication of Internal Control Related Matters Noted in an Audit*, titled 'Reporting on the Existence of Material Weaknesses' (section 9325.01–.07)" is replaced with "AI 12, *Communications About Control Deficiencies in an Audit of Financial Statements: Auditing Interpretations of AS 1305*, titled 'Reporting on the Existence of Material Weaknesses' (AI 12.01–.07)."
 - In the first sentence of footnote 8, the reference to "Section 325.8" is replaced with "Paragraph .08 of AS 1305, *Communications About Control Deficiencies in an Audit of Financial Statements*."
- j. In paragraph .17:
- In the first sentence, the reference to "section 550, *Other Information in Documents Containing Audited Financial Statements*" is replaced with "AS 2710."
 - In the last sentence, each reference to "section 550" is replaced with "AS 2710."
- k. In the second sentence of paragraph .18, the reference to "section 550" is replaced with "AS 2710."

AU sec. 552, "Reporting on Condensed Financial Statements and Selected Financial Data"

SAS No. 42, "Reporting on Condensed Financial Statements and Selected Financial Data" (AU sec. 552, "Reporting on Condensed Financial Statements and Selected Financial Data"), as amended, is amended as follows:

- a. The section number "AU Section 552" is replaced with "AS 3315."
- b. Footnote * to the title of the standard is deleted.
- c. In paragraph .01:
 - In footnote 1, the reference to "section 504, *Association With Financial Statements*, footnote 2" is replaced with "footnote 2 of AS 3320, *Association with Financial Statements*."
 - In the last sentence, the reference to "Auditing Standard No. 17" is replaced with "AS 2701."
- d. In paragraph .02, the reference to "section 508, *Reports on Audited Financial Statements*, paragraphs .41 through .44, section 623, *Special Reports*, or other applicable Statements on Auditing Standards" is replaced with "paragraphs .41 through .44 of AS 3101, *Reports on Audited Financial Statements*, AS 3305, *Special Reports*, or other applicable PCAOB auditing standards."
- e. In footnote 4 to paragraph .05, the parenthetical reference to "section 711, *Filings Under Federal Securities Statutes*" is replaced with "AS 4101, *Responsibilities Regarding Filings Under Federal Securities Statutes*."
- f. Following paragraph .06:
 - The heading "Independent Auditor's Report" above the example report is replaced with "Report of Independent Registered Public Accounting Firm."
 - In the first sentence of the first paragraph in the example report, the phrase "auditing standards generally accepted in the United States of America" is

replaced with "the standards of the Public Company Accounting Oversight Board (United States)."

g. In footnote 6 to paragraph .07:

- In the second sentence, the parenthetical reference to "section 508, *Reports on Audited Financial Statements*, paragraphs .41 through .44" is replaced with "AS 3101.41 through .44."
- The heading "Independent Auditor's Report" above the example report is replaced with "Report of Independent Registered Public Accounting Firm."
- In the fourth sentence of the example report, the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."

h. In paragraph .08:

- In item *c* of footnote 8, the parenthetical reference to "section 722, *Interim Financial Information*, paragraph .03" is replaced with "paragraph .03 of AS 4105, *Reviews of Interim Financial Information*."
- In the example independent auditor's review report following paragraph .08:
 - In the first sentence of the second paragraph, the phrase "standards established by the American Institute of Certified Public Accountants" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."

- In the third sentence of the second paragraph, the phrase "generally accepted auditing standards" is replaced with "the standards of the Public Company Accounting Oversight Board."
- In the first sentence of the fourth paragraph, the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board."
- i. In footnote 11 to paragraph .09, the reference to "section 623, *Special Reports*," is replaced with "AS 3305."
- j. Following paragraph .10:
 - The heading "Independent Auditor's Report" above the example report is replaced with "Report of Independent Registered Public Accounting Firm."
 - In the example report:
 - In the first sentence of the second paragraph, the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
 - In the first sentence of the fourth paragraph, the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board."

AU sec. 558, "Required Supplementary Information"

SAS No. 52, "Omnibus Statement on Auditing Standards—1987, Required Supplementary Information" (AU sec. 558, "Required Supplementary Information"), as amended, is amended as follows:

- a. The section number "AU Section 558" is replaced with "AS 2705."
- b. In the references before paragraph .01, the phrase "(Supersedes section 553)" is deleted.
- c. Footnote * is deleted.
- d. Footnote 1 to paragraph .01 is deleted.
- e. In paragraph .02:
 - In the first sentence, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
 - In the second sentence of footnote 2, the reference to "section 550" is replaced with "AS 2710."
- f. In the last sentence of paragraph .03, the reference to "section 550," is replaced with "AS 2710."
- g. In paragraph .04:
 - In the first sentence, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
 - In the second sentence, the phrase "generally accepted auditing standards" is replaced with "PCAOB auditing standards."
- h. In paragraph .05:
 - In the first sentence, the reference to "section 550" is replaced with "AS 2710."

- In the second sentence, the reference to "Auditing Standard No. 17" is replaced with "AS 2701."
- i. In the last sentence of footnote 6 to paragraph .07b, the reference to "section 552, *Reporting on Condensed Financial Statements and Selected Financial Data*, paragraph .10" is replaced with "paragraph .10 of AS 3315, *Reporting on Condensed Financial Statements and Selected Financial Data*."
- j. In paragraph .07c, the parenthetical reference to "section 333" is replaced with "AS 2805."
- k. In paragraph .07d, the phrase ", interpretations, guides, or statements of position" is replaced with "or interpretations."
- l. In footnote 7 to paragraph .08, the reference to "Auditing Standard No. 17, *Auditing Supplemental Information Accompanying Audited Financial Statements*," is replaced with "AS 2701."
- m. In the second sentence of paragraph .09, the reference to "section 550.07" is replaced with "AS 2701."

AU sec. 9558, "Required Supplementary Information: Auditing Interpretations of Section 558"

AU sec. 9558, "Required Supplementary Information: Auditing Interpretations of Section 558," is amended as follows:

- a. The section number "AU Section 9558" is replaced with "AI 19."
- b. The title "Required Supplementary Information: Auditing Interpretations of Section 558" is replaced with "Required Supplementary Information: Auditing Interpretations of AS 2705."

- c. In the last sentence of paragraph .01, the reference to "section 558" is replaced with "AS 2705."
- d. In the second sentence of paragraph .02, the reference to "section 558" is replaced with "AS 2705."
- e. In the first sentence of paragraph .04, the reference to "section 558" is replaced with "AS 2705."
- f. In the first sentence of paragraph .06, the reference to "section 558" is replaced with "AS 2705."

AU sec. 560, "Subsequent Events"

SAS No. 1, "Codification of Auditing Standards and Procedures," section 560, "Subsequent Events" (AU sec. 560, "Subsequent Events"), as amended, is amended as follows:

- a. The section number "AU Section 560" is replaced with "AS 2801."
- b. In the note to paragraph .01, the reference to "paragraphs 93–97 of PCAOB Auditing Standard No. 5" is replaced with "paragraphs .93–.97 of AS 2201."
- c. In paragraph .09, the parenthetical reference to "section 508.19" is replaced with "paragraph .19 of AS 3101, *Reports on Audited Financial Statements*."
- d. In paragraph .12*d*, the parenthetical reference to "section 337" is replaced with "AS 2505, *Inquiry of a Client's Lawyer Concerning Litigation, Claims, and Assessments*."
- e. In paragraph .12*e*, the parenthetical reference to "section 333" is replaced with "AS 2805."

AU sec. 561, "Subsequent Discovery of Facts Existing at the Date of the Auditor's Report"

SAS No. 1, "Codification of Auditing Standards and Procedures," section 561, "Subsequent Discovery of Facts Existing at the Date of the Auditor's Report" (AU sec. 561, "Subsequent Discovery of Facts Existing at the Date of the Auditor's Report"), as amended, is amended as follows:

- a. The section number "AU Section 561" is replaced with "AS 2905."
- b. In paragraph .01:
 - In the first sentence of footnote 1, the reference to "section 560" is replaced with "AS 2801."
 - In the note, the reference to "paragraph 98 of PCAOB Auditing Standard No. 5" is replaced with "paragraph .98 of AS 2201."
- c. In the first sentence of footnote 2 to paragraph .03, the reference to "section 711.10–.13" is replaced with "paragraphs .10–.13 of AS 4101, *Responsibilities Regarding Filings Under Federal Securities Statutes*."

AU sec. 9561, "Subsequent Discovery of Facts Existing at the Date of the Auditor's Report: Auditing Interpretations of Section 561"

AU sec. 9561, "Subsequent Discovery of Facts Existing at the Date of the Auditor's Report: Auditing Interpretations of Section 561," is amended as follows:

- a. The section number "AU Section 9561" is replaced with "AI 22."
- b. The title "Subsequent Discovery of Facts Existing at the Date of the Auditor's Report: Auditing Interpretations of Section 561" is replaced with "Subsequent Discovery of Facts Existing at the Date of the Auditor's Report: Auditing Interpretations of AS 2905."

- c. In the second sentence of paragraph .02, the reference to "Section 561" is replaced with "AS 2905."

AU sec. 623, "Special Reports"

SAS No. 62, "Special Reports" (AU sec. 623, "Special Reports"), as amended, is amended as follows:

- a. The section number "AU Section 623" is replaced with "AS 3305."
- b. In the references before paragraph .01, the phrase "(Supersedes section 621)" is deleted.
- c. In the first sentence of paragraph .02, the phrase "Generally accepted auditing standards" is replaced with "The standards of the PCAOB."
- d. In paragraph .03:
- In the first sentence, the parenthetical reference to "section 411, *The Meaning of Present Fairly in Conformity With Generally Accepted Accounting Principles*" is replaced with "AS 2815, *The Meaning of Present Fairly in Conformity with Generally Accepted Accounting Principles.*"
 - In the second sentence, the parenthetical reference to "section 411.05" is replaced with "AS 2815.05."
- e. In the last sentence of footnote 1 to paragraph .05a, the reference to "section 504, *Association With Financial Statements*" is replaced with "AS 3320, *Association with Financial Statements.*"
- f. In item (1) of paragraph .05c:

- The phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
 - The parenthetical phrase "auditing standards generally accepted in the United States of America or U.S. generally accepted auditing standards" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
- g. In footnote 5 to paragraph .05f, the reference to "section 544, *Lack of Conformity With Generally Accepted Accounting Principles*" is replaced with "AS 3310, *Special Reports on Regulated Companies*."
- h. Paragraph ".05h" is replaced with ".05i."
- i. Paragraph .05h is added:
The city and state (or city and country, in the case of non-U.S. auditors) from which the auditor's report has been issued.
- j. Footnote 5A is added to the end of the added paragraph .05h:
See SEC Rule 2-02(a) of Regulation S-X, 17 C.F.R. § 210.2-02(a).
- k. In footnote 6 to paragraph .05h, the reference to "section 530" is replaced with "AS 3110."
- l. In paragraph .06, the parenthetical reference to "section 508, *Reports on Audited Financial Statements*, paragraph .08" is replaced with "paragraph .08 of AS 3101, *Reports on Audited Financial Statements*."
- m. Following paragraph .08:

- The heading "Independent Auditor's Report" above each example report is replaced with "Report of Independent Registered Public Accounting Firm."
 - In the first sentence of the second paragraph of each example report, the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
- n. In the third sentence of paragraph .09, the reference to "section 411, *The Meaning of Present Fairly in Conformity With Generally Accepted Accounting Principles*, paragraph .04" is replaced with "AS 2815.04."
- o. In the last sentence of paragraph .11, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
- p. In paragraph .12:
- In the second sentence:
 - The phrase "first standard of reporting" is replaced with "requirement in AS 3101.08*h*."
 - The phrase "ten generally accepted auditing standards" is replaced with "standards of the PCAOB."
 - In the last sentence, the phrase "The first standard of reporting" is replaced with "AS 3101.08*h*."
- q. In paragraph .14, the parenthetical reference to "section 508, *Reports on Audited Financial Statements*, paragraph .64" is replaced with "AS 3101.64."
- r. In item (1) of paragraph .15*c*:

- The phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
 - The parenthetical phrase "auditing standards generally accepted in the United States of America or U.S. generally accepted auditing standards" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
- s. In footnote 12 to paragraph .15e, the reference to "Paragraph 31" is replaced with "Paragraph .31."
- t. Paragraph ".15h" is replaced with ".15i."
- u. Paragraph .15h is added:
The city and state (or city and country, in the case of non-U.S. auditors) from which the auditor's report has been issued.
- v. Footnote 13A is added to the end of the added paragraph .15h:
See footnote 5A.
- w. In paragraph .17, the reference to "section 508, *Reports on Audited Financial Statements*, paragraph .11" is replaced with "AS 3101.11."
- x. Following paragraph .18:
- The heading "Independent Auditor's Report" above each example report is replaced with "Report of Independent Registered Public Accounting Firm."
 - In the first sentence of the second paragraph in the example report titled, "Report Relating to Accounts Receivable," the phrase "auditing standards generally accepted in the United States of America" is replaced with "the

standards of the Public Company Accounting Oversight Board (United States)."

- In the first sentence of the second paragraph in the example report titled, "Report Relating to Amount of Sales for the Purpose of Computing Rental," the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
- In the first sentence of the second paragraph in the example report titled, "Report Relating to Royalties," the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
- In the example report titled, "Report on Profit Participation":
 - In the first sentence of the first paragraph, the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
 - In the first sentence of the second paragraph, the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board."
- In the example report titled, "Report on Federal and State Income Taxes Included in Financial Statements":

- In the first sentence of the first paragraph, the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
 - In the first sentence of the second paragraph, the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board."
- y. In footnote 18 to paragraph .19, the reference to "section 801, *Compliance Auditing Applicable to Governmental Entities and Other Specified Recipients of Governmental Financial Assistance*" is replaced with "AS 6110, *Compliance Auditing Considerations in Audits of Recipients of Governmental Financial Assistance*."
- z. In the first sentence of paragraph .20b:
- The phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
 - The parenthetical phrase "auditing standards generally accepted in the United States of America or U.S. generally accepted auditing standards" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
- aa. Paragraph ".20g" is replaced with ".20h."
- bb. Paragraph .20g is added:

The city and state (or city and country, in the case of non-U.S. auditors) from which the auditor's report has been issued.

- cc. Footnote 20A is added to the end of the added paragraph .20g:
See footnote 5A.
- dd. Following paragraph .21:
- The heading "Independent Auditor's Report" above each example report is replaced with "Report of Independent Registered Public Accounting Firm."
 - In the first sentence of the example report titled, "Report on Compliance With Contractual Provisions Given in a Separate Report," the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
 - In the first sentence of the example report titled, "Report on Compliance With Regulatory Requirements Given in a Separate Report When the Auditor's Report on the Financial Statements Included an Explanatory Paragraph Because of an Uncertainty," the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
- ee. In the fourth sentence of paragraph .24, the parenthetical reference is deleted.
- ff. In item (1) of paragraph .25c:

- The phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
 - The parenthetical phrase "auditing standards generally accepted in the United States of America or U.S. generally accepted auditing standards" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
- gg. Paragraph ".25h" is replaced with ".25i."
- hh. Paragraph .25h is added:

The city and state (or city and country, in the case of non-U.S. auditors) from which the auditor's report has been issued.
- ii. Footnote 28A is added to the end of the added paragraph .25h:

See footnote 5A.
- jj. Following paragraph .26:
- The heading "Independent Auditor's Report" above each example report is replaced with "Report of Independent Registered Public Accounting Firm."
 - In the first sentence of the second paragraph of the example report titled, "Report on a Schedule of Gross Income and Certain Expenses to Meet a Regulatory Requirement and to Be Included in a Document Distributed to the General Public," the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."

- In the first sentence of the second paragraph of the example report titled, "Report on a Statement of Assets Sold and Liabilities Transferred to Comply With a Contractual Agreement," the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
- kk. In item (1) of paragraph .29c:
- The phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
 - The parenthetical phrase "auditing standards generally accepted in the United States of America or U.S. generally accepted auditing standards" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
- ll. Paragraph ".29i" is replaced with ".29j."
- mm. Paragraph .29i is added:
- The city and state (or city and country, in the case of non-U.S. auditors) from which the auditor's report has been issued.
- nn. Footnote 33A is added to the end of the added paragraph .29i:
- See footnote 5A.*
- oo. Following paragraph .30:
- The heading "Independent Auditor's Report" above the example report is replaced with "Report of Independent Registered Public Accounting Firm."

- In the first sentence of the second paragraph of the example report, the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
- pp. In the last sentence of paragraph .31a, the reference to "section 508, *Reports on Audited Financial Statements*, paragraphs .16 through .18" is replaced with "AS 3101.16 through .18."
- qq. In footnote 39 to paragraph .31b, the reference to "section 341, *The Auditor's Consideration of an Entity's Ability to Continue as a Going Concern*" is replaced with "AS 2415, *Consideration of an Entity's Ability to Continue as a Going Concern*."
- rr. In the last sentence of paragraph .31c, the reference to "section 508, *Reports on Audited Financial Statements*, paragraphs .12 and .13" is replaced with "AS 3101.12 and .13."
- ss. In the last sentence of paragraph .31d, the reference to "section 508, *Reports on Audited Financial Statements*, paragraphs .68 and .69" is replaced with "AS 3101.68 and .69."

AU sec. 9623, "Special Reports: Auditing Interpretations of Section 623"

AU sec. 9623, "Special Reports: Auditing Interpretations of Section 623," as amended, is amended as follows:

- a. The section number "AU Section 9623" is replaced with "AI 24."
- b. The title "Special Reports: Auditing Interpretations of Section 623" is replaced with "Special Reports: Auditing Interpretations of AS 3305."

- c. Footnote * to paragraphs [.01–.08], is deleted.
- d. In paragraph .41, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
- e. In paragraph .42:
 - In the first sentence, the reference to "Section 623.11 through .18 provides" is replaced with "Paragraphs .11 through .18 of AS 3305, *Special Reports*, provide."
 - In the Illustrative report:
 - The first paragraph is deleted.
 - The phrase "City and State or Country" is added below the term "Signature."
- f. Paragraphs .43 through .46 are deleted.
- g. The last sentence of paragraph .47 is deleted.
- h. In paragraph .50, the parenthetical reference to "section 623, *Special Reports*, paragraph .08" is replaced with "AS 3305.08."
- i. In paragraph .51, each reference to "Section 623" or "section 623" is replaced with "AS 3305."
- j. Following paragraph .52:
 - The heading "Independent Auditor's Report" above the example report is replaced with "Report of Independent Registered Public Accounting Firm."
 - In the example report:

- In the first sentence of the second paragraph, the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
 - The phrase "[*City and State or Country*]" is added below the term "[*Signature*]."
- k. In the first sentence of paragraph .53, the parenthetical reference to "section 623.08" is replaced with "AS 3305.08."
- l. In the last sentence of footnote 10 to paragraph .55:
 - The reference to "section 508" is replaced with "AS 3101."
 - The phrase ", and the applicable industry audit guide" is deleted.
- m. In the first sentence of paragraph .57, the reference to "section 623, *Special Reports*, paragraph .29" is replaced with "AS 3305.29."
- n. Following paragraph .58:
 - The heading "Independent Auditor's Report" above the example report is replaced with "Report of Independent Registered Public Accounting Firm."
 - In the example report in paragraph .58:
 - In the first sentence of the second paragraph, the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."

- The phrase "[*City and State or Country*]" is added below the term "[*Signature*]."
- o. In paragraph .61:
- In the first sentence, the reference to "section 623, *Special Reports*, paragraph .04)" is replaced with "AS 3305.04."
 - In the second sentence, the reference to "Section 623.09" is replaced with "AS 3305.09."
 - In the last sentence, the reference to "section 411, *The Meaning of Present Fairly in Conformity With Generally Accepted Accounting Principles*, paragraph .04" is replaced with "paragraph .04 of AS 2815, *The Meaning of 'Present Fairly in Conformity with Generally Accepted Accounting Principles.'*"
- p. In paragraph .62:
- In the first sentence:
 - The reference to "Section 623.02" is replaced with "AS 3305.02."
 - The phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
 - In the last sentence:
 - The phrase "Thus, in accordance with the third standard of reporting," is deleted.
 - The quotation marks are deleted.
 - The first "i" in "informative" is capitalized.
- q. In paragraph .64:

- In the first sentence the reference to "Section 623.09 and .10" is replaced with "AS 3305.09 and .10."
 - In the last sentence, the reference to "Section 623.10" is replaced with "AS 3305.10."
- r. In the third sentence of paragraph .82, the reference to "Section 623, *Special Reports*, paragraph .22" is replaced with "AS 3305.22."
- s. In the last sentence of paragraph .83, the reference to "section 508, *Reports on Audited Financial Statements*, paragraphs .35–.44 and .58–.60" is replaced with "AS 3101.35–.44 and .58–.60."
- t. In the last sentence of paragraph .85, the reference to "section 623.22–.26" is replaced with "AS 3305.22–.26."
- u. In paragraph .86, the reference to "section 508.35–.44 and .58–.60" is replaced with "AS 3101.35–.44 and .58–.60."
- v. In paragraph .90:
- In the first sentence, the reference to "Section 623, *Special Reports*, paragraph .10" is replaced with "AS 3305.10."
 - Each reference to "section 623.10" is replaced with "AS 3305.10."

AU sec. 625, "Reports on the Application of Accounting Principles"

SAS No. 50, "Reports on the Application of Accounting Principles" (AU sec. 625, "Reports on the Application of Accounting Principles"), as amended, is amended as follows:

- a. The section number "AU Section 625" is replaced with "AS 6105."

- b. In the last sentence of footnote 1 to paragraph .01, the reference to "section 623, *Special Reports*, paragraph .04" is replaced with "paragraph .04 of AS 3305, *Special Reports*."
- c. Footnote 3 to paragraph .02 is deleted.
- d. In paragraph .08, the parenthetical reference to "section 411, *The Meaning of Present Fairly in Conformity With Generally Accepted Accounting Principles*" is replaced with "AS 2815, *The Meaning of 'Present Fairly in Conformity with Generally Accepted Accounting Principles*."
- e. In the last sentence of paragraph .09, the reference to "section 315, *Communications Between Predecessor and Successor Auditors*, paragraph .10" is replaced with "paragraph .10 of AS 2610, *Initial Audits—Communications Between Predecessor and Successor Auditors*."
- f. In paragraph .10a, the phrase "applicable AICPA standards" is replaced with "the standards of the PCAOB."
- g. The first sentence of footnote 7 to paragraph .10f is deleted.
- h. In the last sentence of the paragraph following the subheading "*Introduction*" following paragraph .11, the phrase "standards established by the American Institute of Certified Public Accountants" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."

AU sec. 634, "Letters for Underwriters and Certain Other Requesting Parties"

SAS No. 72, "Letters for Underwriters and Certain Other Requesting Parties" (AU sec. 634, "Letters for Underwriters and Certain Other Requesting Parties"), as amended, is amended as follows:

- a. The section number "AU Section 634" is replaced with "AS 6101."
- b. In the references before paragraph .01, the phrase "(Supersedes SAS No. 49)" is deleted.
- c. In footnote 3 to paragraph .03, the parenthetical reference to "section 9634.01–.09" is replaced with "paragraphs .01–.09 of AI 27, *Letters for Underwriters and Certain Other Requesting Parties: Auditing Interpretations of AS 6101.*"
- d. In paragraph .09b:
 - In the first sentence, the phrase "generally accepted auditing standards" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
 - In the last sentence, the phrase "standards established by the American Institute of Certified Public Accountants" is replaced with "the standards of the Public Company Accounting Oversight Board."
- e. In paragraph .12:
 - Each phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
 - In footnote 8, the parenthetical reference to "section 9711.12–.15" is replaced with "paragraphs .12–.15 of AI 26, *Responsibilities Regarding Filings Under Federal Securities Statutes: Auditing Interpretations of AS 4101.*"
 - In the first sentence of footnote 9, the reference to "section 711, *Filings Under Federal Securities Statutes*" is replaced with "AS 4101, *Responsibilities Regarding Filings Under Federal Securities Statutes.*"

- f. In the first sentence of footnote 13 to paragraph .16, the reference to "SAS No. 71 [section 722]" is replaced with "AS 4105, *Reviews of Interim Financial Information*."
- g. In the first sentence of footnote 18 to paragraph .27:
- The parenthetical reference to "section 722.50" is replaced with "AS 4105.50."
 - The reference to "section 558, *Required Supplementary Information*, paragraphs .08 through .11" is replaced with "paragraphs .08 through .11 of AS 2705, *Required Supplementary Information*."
- h. In footnote 20 to paragraph .28, the reference to "section 530, *Dating of the Independent Auditor's Report*, paragraphs .03 through .08" is replaced with "AS 3110.03 through .08."
- i. In paragraphs .29a and b, each parenthetical reference to "section 552" is replaced with "AS 3315."
- j. In paragraph .29c, the parenthetical reference to "section 722" is replaced with "AS 4105."
- k. In the fifth sentence of paragraph .29, the reference to "section 325" is replaced with "AS 1305."
- l. In paragraph .30:
- In the first sentence:
 - The reference to "section 722" is replaced with "AS 4105."
 - The reference to "section 558, *Required Supplementary Information*," is replaced with "AS 2705."

- In the second sentence:
 - The reference to "Section 722" is replaced with "AS 4105."
 - The reference to "section 558" is replaced with "AS 2705."
 - In the last sentence, the reference to "sections 722 and 558" is replaced with "AS 4105 and AS 2705."
- m. In paragraph .31, the sixth and seventh sentences are deleted.
- n. In paragraphs .35*a* and *b*, each reference to "SAS No. 71 [section 722]" is replaced with "AS 4105."
- o. In paragraph .37:
- Each reference to "section 722" is replaced with "AS 4105."
 - In the second sentence of footnote 28, the reference to "section 722" is replaced with "AS 4105."
- p. In the first sentence of paragraph .38, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
- q. In paragraphs .39*a* and *b*, each reference to "SAS No. 71 [section 722]" is replaced with "AS 4105."
- r. In the third sentence of paragraph .42, the reference to "SAS No. 71 [section 722]" is replaced with "AS 4105."
- s. In the second bullet of paragraph .46, the reference to "SAS No. 71 [section 722]" is replaced with "AS 4105."
- t. In paragraph .59:
- In the fourth sentence, the parenthetical reference to "(see section 435, *Segment Information*)" is deleted.

- In footnote 34, the reference to "section 558" is replaced with "AS 2705."
- u. In paragraph .64:
- Following subtitle "Example A: Typical Comfort Letter":
 - In the third sentence of the second paragraph following item 2d, the reference to "section 722" is replaced with "AS 4105, *Reviews of Interim Financial Information*."
 - In item 4a(i) of the letter in Example A:
 - The phrase "American Institute of Certified Public Accountants" is replaced with "Public Company Accounting Oversight Board (United States)."
 - The reference to "SAS No. 71, *Interim Financial Information*" is replaced with "AS 4105, *Reviews of Interim Financial Information*."
 - In the first sentence following item 4b(ii) of the letter in Example A, the phrase "generally accepted auditing standards" is replaced with "the standards of the Public Company Accounting Oversight Board."
 - In footnote 6 to item 5a(i) of the letter in Example A, the reference to "Section 722" is replaced with "AS 4105."
 - Following the subtitle "Example B: Letter When a Short-Form Registration Statement Is Filed Incorporating Previously Filed Forms 10-K and 10-Q by Reference":
 - In item 4a(i) of the letter in Example B:

- The phrase "American Institute of Certified Public Accountants" is replaced with "Public Company Accounting Oversight Board (United States)."
- The reference to "SAS No. 71, *Interim Financial Information*" is replaced with "AS 4105, *Reviews of Interim Financial Information*."
- In the first sentence following item 4b(ii) of the letter in Example B, the phrase "generally accepted auditing standards" is replaced with "the standards of the Public Company Accounting Oversight Board."
- In the third sentence of item 5, (following the subtitle "Example D: Comments on Pro Forma Financial Information"), the reference to "SAS No. 71 [section 722]" is replaced with "AS 4105."
- In item 8 (following the subtitle "Example E: Comments on a Financial Forecast"):
 - In the first sentence, the reference to "AICPA" is replaced with "AT section 301, *Financial Forecasts and Projections*."
 - Each phrase "standards established by the American Institute of Certified Public Accountants" is replaced with "the standards of the Public Company Accounting Oversight Board."
- In the first sentence of footnote 10 to item 7 (following the subtitle "Example F: Comments on Tables, Statistics, and Other Financial

Information—Complete Description of Procedures and Findings"), the reference to "section 552" is replaced with "AS 3315."

- Following the subtitle "Example L: Alternate Wording When Recent Earnings Data Are Presented in Capsule Form":
 - In the first sentence of item 13, the reference to "section 722" is replaced with "AS 4105."
 - In item 4a(i) of the letter in Example L:
 - The phrase "American Institute of Certified Public Accountants" is replaced with "Public Company Accounting Oversight Board (United States)."
 - The reference to "SAS No. 71, *Interim Financial Information*" is replaced with "AS 4105, *Reviews of Interim Financial Information*."
 - In item 4b(ii) of the letter in Example L:
 - The phrase "American Institute of Certified Public Accountants" is replaced with "Public Company Accounting Oversight Board."
 - The reference to "SAS No. 71, *Interim Financial Information*," is replaced with "AS 4105."
 - In the first sentence following item 4b(iii) of the letter in Example L, the phrase "generally accepted auditing standards" is replaced with "the standards of the Public Company Accounting Oversight Board."

- The subtitle "Example O: Alternate Wording When the Procedures That the Underwriter Has Requested the Accountant to Perform on Interim Financial Information Are Less Than an SAS No. 71 Review" is replaced with " Example O: Alternate Wording When the Procedures That the Underwriter Has Requested the Accountant to Perform on Interim Financial Information Are Less Than an AS 4105 Review."
- Following the subtitle "Example O: Alternate Wording When the Procedures That the Underwriter Has Requested the Accountant to Perform on Interim Financial Information Are Less Than an SAS No. 71 Review":
 - In the third sentence of item 16, the reference to "SAS No. 71 [section 722]" is replaced with "AS 4105."
 - In the first sentence following item 4c of the letter in Example O, the phrase "generally accepted auditing standards" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
 - In the second paragraph to item 6 of the letter in Example O:
 - In the first sentence:
 - The phrase "standards established by the American Institute of Certified Public Accountants" is replaced with "the standards of the Public Company Accounting Oversight Board."

- The reference to "AICPA" is replaced with "AT section 301, *Financial Forecasts and Projections*."
- In the last sentence, the phrase "standards established by the AICPA" is replaced with "the standards of the Public Company Accounting Oversight Board."
- Following the subtitle "Example P: A Typical Comfort Letter in a Non-1933 Act Offering, Including the Required Underwriter Representations":
 - In the third sentence of item 17, the reference to "SAS No. 71 [section 722]" is replaced with "AS 4105."
 - In the first sentence of item 6 of the letter in Example P, the phrase "generally accepted auditing standards" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
- In the letter following the subtitle "Example Q: Letter to a Requesting Party That Has Not Provided the Representation Letter Described in Paragraphs .06 and .07":
 - In the second paragraph, the phrase "rule 101 of the AICPA's Code of Professional Conduct, and its interpretations and rulings" is replaced with "Public Company Accounting Oversight Board Rule 3520, *Auditor Independence*."
 - In Item 6:
 - In the first sentence, the phrase "generally accepted auditing standards" is replaced with "the standards of the

Public Company Accounting Oversight Board (United States)."

- In the last sentence, the phrase "standards established by the American Institute of Certified Public Accountants" is replaced with "the standards of the Public Company Accounting Oversight Board."
- Following the subtitle "Example R: Comfort Letter That Includes Reference to Examination of Annual MD&A and Review of Interim MD&A":
 - In the fifth sentence of item 19, the reference to "section 722" is replaced with "AS 4105."
 - In the first sentence following item 5b(ii) of the letter in Example R, the phrase "generally accepted auditing standards" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."

AU sec. 9634, "Letters for Underwriters and Certain Other Requesting Parties: Auditing Interpretations of Section 634"

AU sec. 9634, "Letters for Underwriters and Certain Other Requesting Parties: Auditing Interpretations of Section 634," as amended, is amended as follows:

- a. The section number "AU Section 9634" is replaced with "AI 27."
- b. The title "Letters for Underwriters and Certain Other Requesting Parties: Auditing Interpretations of Section 634" is replaced with "Letters for Underwriters and Certain Other Requesting Parties: Auditing Interpretations of AS 6101."

- c. In paragraph .03, the parenthetical reference to "section 634.33" is replaced with "paragraph .33 of AS 6101, *Letters for Underwriters and Certain Other Requesting Parties.*"
- d. In the first sentence of paragraph .04:
- The phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
 - The parenthetical reference to "section 550" is replaced with "AS 2710, *Other Information in Documents Containing Audited Financial Statements.*"
- e. In paragraph .05:
- In the third sentence:
 - The reference to "section 634" is replaced with "AS 6101."
 - The reference to "section 634.54–.60" is replaced with "AS 6101.54–.60."
 - In the first sentence of footnote 3, the reference to "Section 634.12" is replaced with "AS 6101.12."
 - In the fourth sentence, the reference to "section 634.55" is replaced with "AS 6101.55."
 - In the fifth sentence, the reference to "section 634.55 and .57" is replaced with "AS 6101.55 and .57."
- f. In paragraph .06, each reference to "section 634.57" or "Section 634.57" is replaced with "AS 6101.57."

- g. In the last sentence of paragraph .07, the reference to "section 634.55" is replaced with "AS 6101.55."
- h. In the last sentence of paragraph .09, the reference to "section 634.31" is replaced with "AS 6101.31."
- i. In the first sentence of paragraph .16, the reference to "Section 634, *Letters for Underwriters and Certain Other Requesting Parties*, paragraph .57," is replaced with "AS 6101.57."
- j. In the first sentence of paragraph .18, the reference to "Section 634.55" is replaced with "AS 6101.55."
- k. In the third sentence of paragraph .19, the reference to "section 634.55" is replaced with "6101.55."
- l. In paragraph .29:
 - In the first sentence, the reference to "section 634.64" is replaced with "6101.64."
 - In the last sentence of footnote 4 to the table following paragraph .29, the reference to "section 634.55" is replaced with "AS 6101.55."

AU sec. 711, "Filings Under Federal Securities Statutes"

SAS No. 37, "Filings Under Federal Securities Statutes" (AU sec. 711, "Filings Under Federal Securities Statutes"), as amended, is amended as follows:

- a. The section number "AU Section 711" is replaced with "AS 4101."
- b. The title "Filings Under Federal Securities Statutes" is replaced with "Responsibilities Regarding Filings Under Federal Securities Statutes."
- c. Footnote * to the section number of the standard is deleted.

- d. In the note to paragraph .02, the reference to "paragraphs C16–C17 of Appendix C, *Special Reporting Situations*, of PCAOB Auditing Standard No. 5" is replaced with "paragraphs .C16–.C17 of Appendix C, *Special Reporting Situations*, of AS 2201."
- e. In the fourth sentence of paragraph .10, the reference to "section 560.12" is replaced with "paragraph .12 of AS 2801, *Subsequent Events*."
- f. In the last sentence of paragraph .11, the parenthetical reference to "section 508" is replaced with "AS 3101, *Reports on Audited Financial Statements*."
- g. In paragraph .12:
- In the first sentence, the references to "sections 560 and 561" are replaced with "AS 2801 and AS 2905, *Subsequent Discovery of Facts Existing at the Date of the Auditor's Report*."
 - In the second sentence, the reference to "sections 530.05 and 530.07 and .08" is replaced with "paragraph .05 of AS 3110, *Dating of the Independent Auditor's Report*, and AS 3110.07 and .08."
 - In the third sentence, the reference to "section 561.08 and .09" is replaced with "AS 2905.08 and .09."
- h. In paragraph .13a:
- The reference to "section 561" is replaced with "AS 2905."
 - The parenthetical reference to "section 722.46" is replaced with "paragraph .46 of AS 4105, *Reviews of Interim Financial Information*."

AU sec. 9711, "Filings Under Federal Securities Statutes: Auditing Interpretations of Section 711"

AU sec. 9711, "Filings Under Federal Securities Statutes: Auditing Interpretations of Section 711," as amended, is amended as follows:

- a. The section number "AU Section 9711" is replaced with "AI 26."
- b. The title "Filings Under Federal Securities Statutes: Auditing Interpretations of Section 711" is replaced with "Responsibilities Regarding Filings Under Federal Securities Statutes: Auditing Interpretations of AS 4101."
- c. In paragraph .03:
 - In the first sentence, the reference to "Section 711, *Filings Under Federal Securities Statutes*, paragraph .05" is replaced with "Paragraph .05 of AS 4101, *Responsibilities Regarding Filings Under Federal Securities Statutes*."
 - In the last sentence, the parenthetical reference to "section 711.10 and .11" is replaced with "AS 4101.10 and .11."
- d. In paragraph .05, the reference to "section 711.10 and .11" is replaced with "AS 4101.10 and .11."
- e. In paragraph .09:
 - In the second sentence, the parenthetical reference to "section 552, *Reporting on Condensed Financial Statements and Selected Financial Data*, paragraph .08" is replaced with "paragraph .08 of AS 3315, *Reporting on Condensed Financial Statements and Selected Financial Data*."
 - In the last sentence, the parenthetical reference to "section 711.10 and .11" is replaced with "AS 4101.10 and .11."

- f. In paragraph .10:
- In the first sentence, the reference to "section 711" is replaced with "AS 4101."
 - In the last sentence, the reference to "section 711.10 and .11" is replaced with "AS 4101.10 and .11."
- g. In the last sentence of paragraph .11, the reference to "Section 711.12 and .13" is replaced with "AS 4101.12 and .13."

AU sec. 722, "Interim Financial Information"

SAS No. 100, "Interim Financial Information" (AU sec. 722, "Interim Financial Information"), as amended, is amended as follows:

- a. The section number "AU Section 722" is replaced with "AS 4105."
- b. The title "Interim Financial Information" is replaced with "Reviews of Interim Financial Information."
- c. In the references before paragraph .01, the phrase "(Supersedes SAS No. 71)" is deleted.
- d. In the second sentence of paragraph .01:
- The word "three" is deleted.
 - The phrase "discussed in section 150, *Generally Accepted Auditing Standards*, paragraph .02)," is deleted.
 - Footnote 1A is added following the term "standards":
See AS 1005, Independence, AS 1010, Training and Proficiency of the Independent Auditor, and AS 1015, Due Professional Care in the Performance of Work.

- e. In the first sentence of paragraph .04, the reference to "Section 315, *Communications Between Predecessor and Successor Auditors*" is replaced with "AS 2610, *Initial Audits—Communications Between Predecessor and Successor Auditors*."
- f. In footnote 5 to paragraph .05, the last sentence is deleted.
- g. In the second sentence of paragraph .07, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
- h. In the eighth bullet of paragraph .09:
- In the first sentence, the phrase "standards established by the AICPA" is replaced with "the standards of the PCAOB."
 - In the third sentence, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
- i. In the first sentence of footnote 7 to the first bullet of paragraph .11, the reference to "Paragraphs 10 through 23 of Auditing Standard No. 14" is replaced with "Paragraphs .10 through .23 of AS 2810."
- j. In the third sentence of paragraph .13, the reference to "Auditing Standard No. 12" is replaced with "AS 2110."
- k. In the last sentence of paragraph .16, the reference to "section 329" is replaced with "AS 2305."
- l. In footnote 11 to paragraph .18b, the parenthetical reference to "section 543, *Part of Audit Performed by Other Independent Auditors*" is replaced with "AS 1205, *Part of the Audit Performed by Other Independent Auditors*."

- m. In the last sentence of paragraph .18f, the reference to "section 550, *Other Information in Documents Containing Audited Financial Statements*, paragraphs .04 through .06)" is replaced with "paragraphs .04 through .06 of AS 2710, *Other Information in Documents Containing Audited Financial Statements*."
- n. In the first sentence of footnote 15 to paragraph .21, the reference to "section 341, *The Auditor's Consideration of an Entity's Ability to Continue as a Going Concern*, paragraph .10" is replaced with "paragraph .10 of AS 2415, *Consideration of an Entity's Ability to Continue as a Going Concern*."
- o. In footnote 16 to paragraph .24, the reference to "section 333, *Management Representations*, paragraphs .08 through .12" is replaced with "paragraphs .08 through .12 of AS 2805, *Management Representations*."
- p. In the last sentence of paragraph .30, the reference "paragraph 25 of Auditing Standard No. 16" is replaced with "paragraph .25 of AS 1301."
- q. In paragraph .32:
- The reference to "AU sec. 316" is replaced with "AS 2401."
 - The reference to "AU sec. 317" is replaced with "AS 2405."
- r. In paragraph .34:
- In the first sentence, the reference to "Auditing Standard No. 16, *Communications with Audit Committees*" is replaced with "AS 1301."
 - In the fourth sentence, the reference to "paragraph 12 of Auditing Standard No. 16, *Communications with Audit Committees*" is replaced with "AS 1301.12."

- s. In the last sentence of paragraph .36, the reference to "paragraph 25 of Auditing Standard No. 16, *Communications with Audit Committees*" is replaced with "AS 1301.25."
- t. In paragraph .37d, the phrase "standards established by the AICPA" is replaced with "the standards of the PCAOB."
- u. In paragraph .37f, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
- v. Paragraph ".37i" is replaced with ".37j."
- w. Paragraph .37i is added:
The city and state (or city and country, in the case of non-U.S. auditors) from which the auditor's report has been issued.
- x. Footnote 24A is added to the end of the added paragraph .37i:
See SEC Rule 2-02(a) of Regulation S-X, 17 C.F.R. § 210.2-02(a).
- y. In footnote 25 to paragraph .37i:
- The reference to "sections 530" is replaced with "AS 3110."
 - The reference to "560" is replaced with "AS 2801."
- z. In the Independent Accountant's Report following paragraph .38:
- The heading "Independent Accountant's Report" above the example report is replaced with "Report of Independent Registered Public Accounting Firm."
 - In the first sentence of the second paragraph, the phrase "standards established by the American Institute of Certified Public Accountants" is

replaced with "the standards of the Public Company Accounting Oversight Board (United States)."

- In the third sentence of the second paragraph, the phrase "generally accepted auditing standards" is replaced with "the standards of the Public Company Accounting Oversight Board."
- The phrase "[*City and State or Country*]" is added following the term "[*Signature*]."

aa. In the Independent Accountant's Report following paragraph .39:

- The heading "Independent Accountant's Report" above the example report is replaced with "Report of Independent Registered Public Accounting Firm."
- In the first sentence of the second paragraph, the phrase "standards established by the American Institute of Certified Public Accountants" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
- In the third sentence of the second paragraph, the phrase "generally accepted auditing standards" is replaced with "the standards of the Public Company Accounting Oversight Board."
- In the first sentence of the fourth paragraph, the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board."
- The phrase "[*City and State or Country*]" is added following the term "[*Signature*]."

- bb. In footnote 29 to paragraph .40, the reference to "section 543, *Part of Audit Performed by Other Independent Auditors*" is replaced with "AS 1205."
- cc. In the Independent Accountant's Report following paragraph .40:
- The heading "Independent Accountant's Report" above the example report is replaced with "Report of Independent Registered Public Accounting Firm."
 - In the first sentence of the third paragraph, the phrase "standards established by the American Institute of Certified Public Accountants" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
 - In the third sentence of the third paragraph, the phrase "generally accepted auditing standards" is replaced with "the standards of the Public Company Accounting Oversight Board."
 - The phrase "[*City and State or Country*]" is added following the term "[*Signature*]."
- dd. In footnote 30 to paragraph .41, the reference to "section 508, *Reports on Audited Financial Statements*, paragraph .15" is replaced with "paragraph .15 of AS 3101, *Reports on Audited Financial Statements*."
- ee. In the first sentence of footnote 32 to paragraph .43, the reference to "section 341, *The Auditor's Consideration of an Entity's Ability to Continue as a Going Concern*, paragraph .10" is replaced with "AS 2415.10."
- ff. In the last sentence of paragraph .46, the reference to "section 561" is replaced with "AS 2905."

- gg. In the last sentence of paragraph .50d, the phrase "standards established by the American Institute of Certified Public Accountants" is replaced with "the standards of the Public Company Accounting Oversight Board."
- hh. In Appendix B, footnote 36 to bullet 16 of item B1 in paragraph .55, the reference to "section 342, *Auditing Accounting Estimates*, paragraphs .05 and .06" is replaced with "paragraphs .05 and .06 of AS 2501, *Auditing Accounting Estimates*."
- ii. In Appendix C of paragraph .56:
- In item C2:
 - In the third sentence, the reference to "section 333" is replaced with "AS 2805."
 - The last sentence is deleted.
 - In the second sentence of item C5:
 - The reference to "section 316" is replaced with "AS 2401."
 - The phrase "related parties" is italicized.
 - The reference to "Auditing Standard No. 18" is replaced with "AS 2410."
 - In the last sentence of item C6, the reference to "section 333.08" is replaced with "AS 2805.08."
 - In the bracketed sentence of paragraph 15 of the second management representation letter titled "Illustrative Representation Letter for a Review of Interim Financial Information (Statements)," the reference to "*section*

333, Management Representations, *paragraph .17*)" is replaced with
"paragraph .17 of AS 2805, Management Representations."

AU sec. 801, "Compliance Auditing Considerations in Audits of Governmental Entities
and Recipients of Governmental Financial Assistance"

SAS No. 74, "Compliance Auditing Considerations in Audits of Governmental Entities
and Recipients of Governmental Financial Assistance" (AU sec. 801, "Compliance Auditing
Considerations in Audits of Governmental Entities and Recipients of Governmental Financial
Assistance"), as amended, is amended as follows:

- a. The section number "AU Section 801" is replaced with "AS 6110."
- b. The title "Compliance Auditing Considerations in Audits of Governmental
Entities and Recipients of Governmental Financial Assistance" is replaced with
"Compliance Auditing Considerations in Audits of Recipients of Governmental
Financial Assistance."
- c. In the references before paragraph .01, the phrase "(Supersedes SAS No. 68)" is
deleted.
- d. In paragraph .01, in the first sentence, the phrase "generally accepted auditing
standards (GAAS)" is replaced with "the standards of the PCAOB."
- e. Footnote 5 to paragraph .02 is deleted.
- f. In paragraph .02a, the reference to "section 317" is replaced with "AS 2405."
- g. In the first sentence of paragraph .06:
 - The reference to "Section 317" is replaced with "AS 2405."
 - The term "GAAS" is replaced with "the standards of the PCAOB."

- h. In the first sentence of paragraph .09, the term "GAAS" is replaced with "the standards of the PCAOB."
- i. In paragraph .10*a*, the term "GAAS" is replaced with "the standards of the PCAOB."
- j. In the last sentence of paragraph .11, the term "GAAS" is replaced with "the standards of the PCAOB."
- k. Footnote 12 to paragraph .12 is deleted.
- l. Footnote 14 to paragraph .16 is deleted.
- m. In footnote 15 to paragraph .17*c*, the term "GAAS" is replaced with "the standards of the PCAOB."
- n. In the last sentence of paragraph .18, the reference to "section 350" is replaced with "AS 2315."
- o. In paragraph .22:
 - In the first sentence, the term "GAAS" is replaced with "The standards of the PCAOB."
 - In the second sentence:
 - The phrase "a GAAS" is replaced with "an."
 - The phrase "in accordance with the standards of the PCAOB" is added following the term "statements."
 - The second term "GAAS" is replaced with "the standards of the PCAOB."
 - In the last sentence, the term "GAAS" is replaced with "the standards of the PCAOB."

- p. In the last sentence of paragraph .23, the reference to "section 317" is replaced with "AS 2405."

AU sec. 901, "Public Warehouses—Controls and Auditing Procedures for Goods Held"

SAS No. 1, "Codification of Auditing Standards and Procedures" (AU sec. 901, "Public Warehouses—Controls and Auditing Procedures for Goods Held"), as amended, is rescinded.

Attestation Standards

Attestation Standard No. 1, "Examination Engagements Regarding Compliance Reports of Brokers and Dealers"

Attestation Standard No. 1, "Examination Engagements Regarding Compliance Reports of Brokers and Dealers," is amended as follows:

- a. In footnote 8 to paragraph 4, the reference to "Auditing Standard No. 15" is replaced with "AS 1105."
- b. In the second note to paragraph 6, the reference to "Auditing Standard No. 3" is replaced with "AS 1215."
- c. In the first sentence of footnote 12 to paragraph 8, the reference to "Auditing Standard No. 17" is replaced with "AS 2701."
- d. In footnote 18 to paragraph 35, the reference to "Auditing Standard No. 16" is replaced with "AS 1301."
- e. In footnote 3 to paragraph C10, the reference to "AU sec. 317" is replaced with "AS 2405."

Attestation Standard No. 2, "Review Engagements Regarding Exemption Reports of Brokers and Dealers"

Attestation Standard No. 2, "Review Engagements Regarding Exemption Reports of Brokers and Dealers," is amended as follows:

- a. In the second note to paragraph 5, the reference to "Auditing Standard No. 3" is replaced with "AS 1215."
- b. In the first sentence of footnote 9 to paragraph 7, the reference to "Auditing Standard No. 17" is replaced with "AS 2701."
- c. In footnote 12 to paragraph 15, the reference to "Auditing Standard No. 16" is replaced with "AS 1301."

AT sec. 101, "Attestation Engagements"

AT sec. 101, "Attestation Engagements," as amended, is amended as follows:

- a. The following note is added at the end of paragraph .01:

Note: In connection with an engagement performed in accordance with this attestation standard, whenever the practitioner is required to make reference in a report to attestation standards established by the American Institute of Certified Public Accountants, the practitioner must instead refer to "the standards of the Public Company Accounting Oversight Board (United States)." A practitioner must also include the city and state (or city and country, in the case of non-U.S. practitioners) from which the practitioner's report has been issued.
- b. In the last sentence of paragraph .04f, the reference to "PCAOB Auditing Standard No. 4" is replaced with "AS 6115."
- c. In paragraph .91:
 - The parenthetical reference to "AU section 634" is replaced with "AS 6101."

- The parenthetical reference to "AU section 711, *Filings Under Federal Securities Statues*" is replaced with "AS 4101, *Responsibilities Regarding Filings Under Federal Securities Statues*."
- d. In the last sentence of paragraph .99, the reference to "AU section 561" is replaced with "AS 2905."

AT sec. 9101, "Attest Engagements: Attest Engagements Interpretations of Section 101"

AT sec. 9101, "Attest Engagements: Attest Engagements Interpretations of Section 101,"

is amended as follows:

- a. In the last sentence of paragraph .12, the reference to "AU section 322, *The Auditor's Consideration of the Internal Audit Function in an Audit of Financial Statements*" is replaced with "AS 2605, *Consideration of the Internal Audit Function*."
- b. In the second bullet of paragraph .28, the reference to "AU section 722, *Interim Financial Information*" is replaced with "AS 4105, *Reviews of Interim Financial Information*."
- c. Paragraph .43 is deleted.
- d. Paragraph 44 is replaced with the following:

Illustrative letters in response to a regulatory request for access to or copies of the attest documentation related to an examination engagement performed in accordance with section 601, *Compliance Attestation*, and an agreed-upon procedures engagement performed in accordance with section 201, *Agreed-Upon Procedures Engagements*, follow.

- e. In footnote 7 to paragraph .45, the parenthetical reference to "AU section 9339.11–.15" is deleted.
- f. In footnote 12 to paragraph .46:
- The parenthetical reference to "AU section 9339.11–.15" is deleted.
 - A comma is added after the second word "access."

AT sec. 201, "Agreed-Upon Procedures Engagements"

AT sec. 201, "Agreed-Upon Procedures Engagements," is amended as follows:

- a. The following note is added at the end of paragraph .01:
- Note: In connection with an engagement performed in accordance with this attestation standard, whenever the practitioner is required to make reference in a report to attestation standards established by the American Institute of Certified Public Accountants, the practitioner must instead refer to "the standards of the Public Company Accounting Oversight Board (United States)." A practitioner must also include the city and state (or city and country, in the case of non-U.S. practitioners) from which the practitioner's report has been issued.
- b. In paragraph .02a, the reference to "AU section 623" is replaced with "AS 3305."
- c. In paragraph .02b, the reference to "AU section 801, *Compliance Auditing Considerations in Audits of Governmental Entities and Recipients of Governmental Financial Assistance*" is replaced with "AS 6110, *Compliance Auditing Considerations in Audits of Recipients of Governmental Financial Assistance*."

- d. In paragraph .02c, the reference to "AU section 324, *Service Organizations*, paragraph .58" is replaced with "paragraph .58 of AS 2601, *Consideration of an Entity's Use of a Service Organization*."
- e. In paragraph .02d, the reference to "AU section 634" is replaced with "AS 6101."
- f. In footnote 3 to paragraph .03, the reference to "AU section 623.11–.18" is replaced with "AS 3305.11–.18."
- g. In footnote 7 to paragraph .22, the reference to "AU section 322, *The Auditor's Consideration of the Internal Audit Function in an Audit of Financial Statements*" is replaced with "AS 2605, *Consideration of the Internal Audit Function*."
- h. In footnote 13 to paragraph .31k:
- In the first sentence, the reference to "AU section 504, *Association With Financial Statements*" is replaced with "AS 3320, *Association with Financial Statements*."
 - In the second sentence:
 - The reference to "AU section 504.04" is replaced with "AS 3320.04."
 - The reference to "AU section 722, *Interim Financial Information*" is replaced with "AS 4105, *Reviews of Interim Financial Information*).")"
 - The reference to "AU section 504.05" is replaced with "AS 3320.05."

- i. In footnote 16 to paragraph .36, the reference to "AU section 530, *Dating of the Independent Auditor's Report*, paragraphs .06 and .07" is replaced with "paragraphs .06 and .07 of AS 3110, *Dating of the Independent Auditor's Report*."
- j. In footnote 18 to paragraph .40, the bracketed reference to "AU section 508" is replaced with "AS 3101."

AT sec. 301, "Financial Forecasts and Projections"

AT sec. 301, "Financial Forecasts and Projections," is amended as follows:

- a. The following note is added at the end of paragraph .01:

Note: In connection with an engagement performed in accordance with this attestation standard, whenever the practitioner is required to make reference in a report to attestation standards established by the American Institute of Certified Public Accountants, the practitioner must instead refer to "the standards of the Public Company Accounting Oversight Board (United States)." A practitioner must also include the city and state (or city and country, in the case of non-U.S. practitioners) from which the practitioner's report has been issued.
- b. In footnote 4 to paragraph .08e, the reference to "AU section 623" is replaced with "AS 3305."
- c. In footnote 12 to paragraph .23, the parenthetical reference to "AU section 9504.19–.22" is replaced with "paragraphs .19–.22 of AI 25, *Association with Financial Statements: Auditing Interpretations of AS 3320*."
- d. In paragraph .24:

- In footnote 13, the reference to "AU section 504, *Association With Financial Statements*" is replaced with "AS 3320, *Association with Financial Statements.*"
 - In footnote 14, the reference to "AU section 552" is replaced with "AS 3315."
- e. In paragraph .48:
- In footnote 23, the reference to "AU section 504" is replaced with "AS 3320."
 - In footnote 24, the reference to "AU section 552" is replaced with "AS 3315."
- f. In footnote 26 to paragraph .52, the reference to "AU section 634" is replaced with "AS 6101."
- g. In paragraph .60:
- In footnote 29:
 - In the first sentence, the reference to "AU section 550" is replaced with "AS 2710."
 - In the second sentence:
 - The reference to "AU section 550" is replaced with "AS 2710."
 - The bracketed reference to "AU section 711, *Filings Under Federal Securities Statutes*" is replaced with "AS 4101, *Responsibilities Regarding Filings Under Federal Securities Statutes.*"

- In the last sentence, the reference to "AU section 550" is replaced with "AS 2710."
- h. In the first sentence of footnote 5 to item 11*d* of paragraph .70, Appendix C, the reference to "AU section 722, *Interim Financial Information*, paragraphs .13 through .19" is replaced with "paragraphs .13 through .19 of AS 4105, *Reviews of Interim Financial Information*."

AT sec. 401, "Reporting on Pro Forma Financial Information"

AT sec. 401, "Reporting on Pro Forma Financial Information," is amended as follows:

- a. In footnote 1 to paragraph .01:
- In the first sentence, the reference to "AU section 634, *Letters for Underwriters and Certain Other Requesting Parties*, paragraphs .03 through .05" is replaced with "Paragraphs .03 through .05 of AS 6101, *Letters for Underwriters and Certain Other Requesting Parties*."
 - In the last sentence, the reference to "AU section 634.03" is replaced with "AS 6101.03."
- b. The following note is added at the end of paragraph .01:
- Note: In connection with an engagement performed in accordance with this attestation standard, whenever the practitioner is required to make reference in a report to attestation standards established by the American Institute of Certified Public Accountants, the practitioner must instead refer to "the standards of the Public Company Accounting Oversight Board (United States)." A practitioner must also include the city and state (or city and country, in the case of non-U.S. practitioners) from which the practitioner's report has been issued.

- c. In paragraph .02, the reference to "AU section 550, *Other Information in Documents Containing Audited Financial Statements*, and AU section 711, *Filings Under Federal Securities Statutes*" is replaced with "AS 2710, *Other Information in Documents Containing Audited Financial Statements*, and AS 4101, *Responsibilities Regarding Filings Under Federal Securities Statutes*."
- d. In footnote 2 to paragraph .03:
- In the second sentence, the reference to "AU section 560, *Subsequent Events*, paragraph .05" is replaced with "paragraph .05 of AS 2801, *Subsequent Events*."
 - In the last sentence, the reference to "AU section 508, *Reports on Audited Financial Statements*, paragraph .28" is replaced with "paragraph .28 of AS 3101, *Reports on Audited Financial Statements*."
- e. In the second sentence of footnote 5 to paragraph .07b, the reference to "AU section 722, *Interim Financial Information*" is replaced with "AS 4105, *Reviews of Interim Financial Information*."

AT sec. 601, "Compliance Attestation"

AT sec. 601, "Compliance Attestation," as amended, is amended as follows:

- a. The following note is added at the end of paragraph .01:

Note: In connection with an engagement performed in accordance with this attestation standard, whenever the practitioner is required to make reference in a report to attestation standards established by the American Institute of Certified Public Accountants, the practitioner must instead refer to "the standards of the Public Company Accounting Oversight Board (United States)." A practitioner

must also include the city and state (or city and country, in the case of non-U.S. practitioners) from which the practitioner's report has been issued.

- b. In paragraph .02:
- In item *b*, the reference to "AU section 623, *Special Reports*, paragraphs .19 through .21" is replaced with "paragraphs .19 through .21 of AS 3305, *Special Reports*."
 - In item *c*, the reference to "AU section 801, *Compliance Auditing Considerations in Audits of Governmental Entities and Recipients of Governmental Financial Assistance*" is replaced with "AS 6110, *Compliance Auditing Considerations in Audits of Recipients of Governmental Financial Assistance*."
 - In item *d*, the reference to "AU section 634" is replaced with "AS 6101."
- c. In footnote 5 to paragraph .19, the reference to "AU section 322, *The Auditor's Consideration of the Internal Audit Function in an Audit of Financial Statements*" is replaced with "AS 2605, *Consideration of the Internal Audit Function*."
- d. In the second sentence of paragraph .33, the reference to "AU section 316A, *Consideration of Fraud in a Financial Statement Audit*, paragraphs .16 through .19" is replaced with "AS 2401, *Consideration of Fraud in a Financial Statement Audit*."
- e. In the last sentence of paragraph .43, the reference to "AU section 336" is replaced with "AS 1210."
- f. In the last sentence of paragraph .44, the reference to "AU section 322, *The Auditor's Consideration of the Internal Audit Function in an Audit of Financial*

Statements" is replaced with "AS 2605, *Consideration of the Internal Audit Function*."

- g. In the second sentence of paragraph .47, the reference to "AU section 325, *Communication of Internal Control Related Matters Noted in an Audit*" is replaced with "AS 1305, *Communications About Control Deficiencies in an Audit of Financial Statements*."
- h. In the last sentence of paragraph .48, the reference to "AU section 350" is replaced with "AS 2315."
- i. In the first sentence of paragraph .50, the reference to "AU section 560" is replaced with "AS 2801."
- j. In footnote 22 to paragraph .68, the reference to "AU section 333, *Management Representations*, paragraph .09" is replaced with "Paragraph .09 of AS 2805, *Management Representations*."

AT sec. 701, "Management's Discussion and Analysis"

AT sec. 701, "Management's Discussion and Analysis," is amended as follows:

- a. The following note is added at the end of paragraph .01:

Note: In connection with an engagement performed in accordance with this attestation standard, whenever the practitioner is required to make reference in a report to attestation standards established by the American Institute of Certified Public Accountants or auditing standards generally accepted in the United States of America, the practitioner must instead refer to "the standards of the Public Company Accounting Oversight Board (United States)." A practitioner must also

include the city and state (or city and country, in the case of non-U.S.

practitioners) from which the practitioner's report has been issued.

- b. In the last sentence of footnote 6 to paragraph .02:
- The reference to "Statement on Auditing Standards (SAS) No. 71" is deleted.
 - The parenthetical reference to "AU section 722, *Interim Financial Information*" is replaced with "AS 4105, *Reviews of Interim Financial Information*."
- c. In footnote 7 to paragraph .02, the reference to "AU section 634" is replaced with "AS 6101."
- d. In paragraph .11a, the reference to "AU section 722, *Interim Financial Information*," is replaced with "AS 4105."
- e. In item (2) of paragraph .14a, the reference to "AU section 722" is replaced with "AS 4105."
- f. In footnote 16 to paragraph .20:
- In the first sentence, the reference to "AU section 329, *Analytical Procedures*" is replaced with "AS 2305, *Substantive Analytical Procedures*."
 - In the last sentence, the reference to "AU section 329" is replaced with "AS 2305."
- g. The first sentence of paragraph .39 is deleted.
- h. Footnote 18 to paragraph .44 is deleted.
- i. In paragraph .47:

- In the third sentence, the reference to "AU section 336" is replaced with "AS 1210."
 - In the last sentence, the reference to "AU section 311, *Planning and Supervision*" is replaced with "AS 1201, *Supervision of the Audit Engagement*."
- j. In the last sentence of paragraph .48, the reference to "AU section 322, *The Auditor's Consideration of the Internal Audit Function in an Audit of Financial Statements*" is replaced with "AS 2605, *Consideration of the Internal Audit Function*."
- k. In the last sentence of paragraph .58:
- The reference to "AU section 325, *Communication of Internal Control Related Matters Noted in an Audit*" is replaced with "AS 1305, *Communications About Control Deficiencies in an Audit of Financial Statements*."
 - The reference to "AU section 380, *Communication With Audit Committees*" is replaced with "AS 1301, *Communications with Audit Committees*."
- l. In footnote 24 to paragraph .66:
- In the second sentence, the reference to "AU section 561" is replaced with "AS 2905."
 - In the last sentence, the reference to "AU section 711, *Filings Under Federal Securities Statutes*" is replaced with "AS 4101, *Responsibilities Regarding Filings Under Federal Securities Statutes*."

- m. In footnote 25 to paragraph .66c, the reference to "AU section 337" is replaced with "AS 2505."
- n. In the first sentence of paragraph .102, the reference to "AU section 315, *Communications Between Predecessor and Successor Audits*" is replaced with "AS 2610, *Initial Audits—Communications Between Predecessor and Successor Audits*."
- o. In paragraph .106:
- In the second sentence, the reference to "SAS No. 8" is replaced with "AS 2710."
 - In the last sentence, the reference to "AU section 711, *Filings Under Federal Securities Statutes*," is replaced with "AS 4101."
- p. In footnote 30 to paragraph .107, the reference to "AU section 550, *Information in Documents Containing Audited Financial Statements*," is replaced with "AS 2710."
- q. In the last sentence of paragraph .108, the reference to "AU section 317, *Illegal Acts*, paragraphs .17, .22, and .23)" is replaced with "paragraphs .17, .22, and .23 of AS 2405, *Illegal Acts by Clients*."
- r. In the last sentence of paragraph .109, the reference to "AU section 316" is replaced with "AS 2401."
- s. In footnote 31 to paragraph .110:
- In the first sentence, the reference to "AU section 333, *Management Representations*, paragraph .09" is replaced with "Paragraph .09 of AS 2805, *Management Representations*."

- In the second sentence, the reference to "AU section 711.10" is replaced with "AS 4101.10."
- t. In the title of Appendix D:
- The reference to "SAS No. 8" is replaced with "AS 2710."
 - Footnote * is deleted.
- u. In the table in paragraph .117, the column heading "*SAS No. 8*" is replaced with "*AS 2710*."

Quality Control Standards

QC sec. 20, "System of Quality Control for a CPA Firm's Accounting and Auditing Practice"

QC section ("sec.") 20, "System of Quality Control for a CPA Firm's Accounting and Auditing Practice," is amended as follows:

- a. In the first sentence of paragraph .10, the reference to "AU section 220" is replaced with "AS 1005."
- b. In footnote 7 to paragraph .10, the reference to "AU section 220.02" is replaced with "AS 1005.02."
- c. In the last sentence of paragraph .18, the reference to "PCAOB Auditing Standard No. 7" is replaced with "AS 1220."

Ethics and Independence Standards

ET sec. 101, "Independence"

ET sec. 101, "Independence," is amended as follows:

- a. The note in paragraph .05 is deleted.

ET sec. 102, "Integrity and Objectivity"

ET sec. 102, "Integrity and Objectivity," is amended as follows:

- a. In footnote 1 to paragraph .05, the reference to "paragraph 5.b. of Auditing Standard No. 10, *Supervision of the Audit Engagement*, and paragraph 12.d. of Auditing Standard No. 3, *Audit Documentation*" is replaced with "paragraph .05b of AS 1201, *Supervision of the Audit Engagement*, and paragraph .12d of AS 1215, *Audit Documentation*."

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-XXXXX; File No. PCAOB 2015-01)

[Date]

Public Company Accounting Oversight Board; Notice of Filing of Proposed Rules to Implement the Reorganization of PCAOB Auditing Standards and Related Changes to PCAOB Rules and Attestation, Quality Control, and Ethics and Independence Standards

Pursuant to Section 107(b) of the Sarbanes-Oxley Act of 2002 (the "Act"), notice is hereby given that on June 17, 2015, the Public Company Accounting Oversight Board (the "Board" or the "PCAOB") filed with the Securities and Exchange Commission ("SEC" or "Commission") the proposed rules described in items I and II below, which items have been prepared by the Board. The Commission is publishing this notice to solicit comments on the proposed rules from interested persons.

I. Board's Statement of the Terms of Substance of the Proposed Rules

On March 31, 2015, the Board adopted amendments to implement the reorganization of PCAOB auditing standards and related changes to PCAOB rules and attestation, quality control, and ethics and independence standards (collectively referred to as, the "amendments" or the "proposed rules").

The text of the proposed rules is set out below.

Amendments to Rules of the Board

Rule 3101. Certain Terms Used in Auditing and Related Professional Practice Standards

Rule 3101. Certain Terms Used in Auditing and Related Professional Practice Standards, is amended as follows:

In paragraph (b), the phrase "adopted in Rules 3200T, 3300T, 3400T, 3500T, and 3600T" is deleted.

Rule 3200T. Interim Auditing Standards

Rule 3200T. Interim Auditing Standards, is amended as follows:

- The letter "T" is removed from the reference to Rule 3200T.
- The word "Interim" is removed from the title of the rule.
- The text of the rule is replaced with the following:

In connection with the preparation or issuance of any audit report, a registered public accounting firm and its associated persons shall comply with all applicable auditing standards adopted by the Board and approved by the SEC, including, to the extent not superseded or amended by the Board, AICPA Statements on Auditing Standards as in existence on April 16, 2003.

Amendments to PCAOB Standards

Auditing Standards and Interpretations

*Auditing Standard No. 1, References in Auditors' Reports to the Standards of the Public Company Accounting Oversight Board*¹

Auditing Standard No. 1, References in Auditors' Reports to the Standards of the Public Company Accounting Oversight Board, is superseded.

Auditing Standard No. 3, Audit Documentation

¹ The captions in this section refer to the numbers and titles of existing PCAOB auditing standards and interpretations.

Auditing Standard No. 3, *Audit Documentation*, as amended, is amended as follows:

- a. The section number "Auditing Standard No. 3" is replaced with "AS 1215."
- b. In the references before paragraph 1, the phrase "[supersedes SAS No. 96, *Audit Documentation*]" is deleted.
- c. Paragraph numbers 1 through 21 are replaced with .01 through .21.
- d. In footnote 1 to paragraph 4, the reference to "paragraph 12" is replaced with "paragraph .12."
- e. In footnote 2 to paragraph 6, the reference to "paragraphs 28–33 of Auditing Standard No. 5" is replaced with "paragraphs .28–.33 of AS 2201."
- f. In paragraph 9:
 - The parenthetical reference to "paragraph 15" is replaced with "paragraph .15."
 - In the first bullet, the reference to "paragraph 16" is replaced with "paragraph .16."
 - In the second bullet, the reference to "AU sec. 390" is replaced with "AS 2901."
- g. In footnote 2A to paragraph 12a:
 - The reference to "paragraphs 12–13 of Auditing Standard No. 12" is replaced with "paragraphs .12–.13 of AS 2110."
 - The reference to "AU sec. 316" is replaced with "AS 2401."

- h. In footnote 2B to paragraph 12c, the reference to "paragraphs 10–23 of Auditing Standard No. 14" is replaced with "paragraphs .10–.23 of AS 2810."
- i. In footnote 2C to paragraph 12f:
- The reference to "paragraph 74 of Auditing Standard No. 12, *Identifying and Assessing Risks of Material Misstatement*," is replaced with "AS 2110.74."
 - The reference to "paragraph 36 of Auditing Standard No. 14, *Evaluating Audit Results*" is replaced with "AS 2810.36."
- j. In the second sentence of paragraph 17, the reference to "AU sec. 711, *Filings Under Federal Securities Statutes*" is replaced with "AS 4101, *Responsibilities Regarding Filings Under Federal Securities Statutes*."
- k. In the first sentence of paragraph 18, the reference to "paragraphs 4–13" is replaced with "paragraphs .04–.13."
- l. In paragraph 19a, the reference to "paragraphs 12 and 13" is replaced with "paragraphs .12 and .13."
- m. In paragraph 19c, the reference to "paragraph 8" is replaced with "paragraph .08."
- n. In the last sentence of paragraph 19, the reference to "AU sec. 543, *Part of Audit Performed by Other Independent Auditors*," is replaced with "AS 1205, *Part of the Audit Performed by Other Independent Auditors*."

Auditing Standard No. 4, *Reporting on Whether a Previously Reported Material*

Weakness Continues to Exist

Auditing Standard No. 4, *Reporting on Whether a Previously Reported Material*

Weakness Continues to Exist, as amended, is amended as follows:

- a. The section number "Auditing Standard No. 4" is replaced with "AS 6115."
- b. Paragraph numbers 1 through 65 are replaced with .01 through .65.
- c. In Note 1 to paragraph 1, the reference to "Auditing Standard No. 5" is replaced with "AS 2201."
- d. In paragraph 2:
 - In item (1), the reference to "Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*," is replaced with "AS 2201."
 - In item (2), the reference to "Auditing Standard No. 5" is replaced with "AS 2201."
 - The parenthetical reference to "paragraph 26" is replaced with "paragraph .26."
 - In the note, the reference to "Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*" is replaced with "AS 2201."
- e. In the last sentence of paragraph 4, the reference to "Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*," is replaced with "AS 2201."

- f. In paragraph 7e, the reference to "paragraph 48" is replaced with "paragraph .48."
- g. In paragraph 8, the reference to "paragraph 7" is replaced with "paragraph .07."
- h. In paragraph 9, the reference to "Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*" is replaced with "AS 2201."
- i. In paragraph 10:
- In the first sentence, the reference to "Paragraph 5 of Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*," is replaced with "AS 2201.05."
 - In the first sentence of the note, the reference to "Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*," is replaced with "AS 2201."
- j. In paragraph 11, the reference to "Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*" is replaced with "AS 2201."
- k. In footnote 2 to paragraph 13, the reference to "paragraph 42 of Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*" is replaced with "AS 2201.42."

- l. In the last sentence of the note to paragraph 17, the reference to "Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*" is replaced with "AS 2201."
- m. In Note 2 to paragraph 18, the reference to "Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*" is replaced with "AS 2201."
- n. In the first sentence of paragraph 23, the reference to "paragraph 20 of Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*" is replaced with "AS 2201.20."
- o. In the last sentence of paragraph 24, the reference to "paragraph 9 of Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*" is replaced with "AS 2201.09."
- p. In paragraph 25:
 - In the last sentence, the reference to "Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*," is replaced with "AS 2201."
 - In the note:
 - Each reference to "Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is*

Integrated with An Audit of Financial Statements," is replaced with "AS 2201."

- In the second sentence, the reference to "paragraphs 26a–b and 27" is replaced with "paragraphs .26a–b and .27."
- In the last sentence, the reference to "paragraphs 26 and 27" is replaced with "paragraphs .26 and .27."

q. In paragraph 26:

- In the first sentence, the reference to "paragraph 5" is replaced with "paragraph .05."
- In footnote 3, the reference to "paragraph .02 of AU sec. 315, *Communications Between Predecessor and Successor Auditors*" is replaced with "paragraph .02 of AS 2610, *Initial Audits—Communications Between Predecessor and Successor Auditors.*"

r. In the first sentence of paragraph 26a, the reference to "paragraphs 22–27 of Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*" is replaced with "AS 2201.22–.27."

s. In paragraph 26b, the reference to "paragraphs 34–38 of Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements,*" is replaced with "AS 2201.34–.38."

- t. In the first sentence of paragraph 26c, the reference to "AU sec. 315, *Communications Between Predecessor and Successor Auditors*" is replaced with "AS 2610."
- u. In paragraph 27:
- In the first sentence, the reference to "paragraph 26" is replaced with "paragraph .26."
 - In the last sentence, the reference to "Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*" is replaced with "AS 2201."
- v. In the last sentence of paragraph 28, the reference to "paragraph 7" is replaced with "paragraph .07."
- w. In the last sentence of paragraph 31, the reference to "paragraphs 42–43 of Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*" is replaced with "AS 2201.42–.43."
- x. In paragraph 32:
- In the first sentence, the reference to "paragraphs 44–45 of Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*" is replaced with "AS 2201.44–.45."
 - In the last sentence, the reference to "paragraphs 50–54 of Auditing Standard No. 5" is replaced with "AS 2201.50–.54."

- y. In the third sentence of paragraph 33, the reference to "paragraphs 22–24 of Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*" is replaced with "AS 2201.22–.24."
- z. In paragraph 35, the reference to "Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*," is replaced with "AS 2201."
- aa. In the last sentence of paragraph 36, the reference to "paragraphs 16–19 of Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*" is replaced with "AS 2201.16–.19."
- bb. In the first sentence of paragraph 38, the reference to "Paragraphs 18–19 of Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*," is replaced with "AS 2201.18–.19."
- cc. In the first sentence of paragraph 40, the reference to "AU sec. 543, *Part of Audit Performed by Other Independent Auditors*" is replaced with "AS 1205, *Part of the Audit Performed by Other Independent Auditors*."
- dd. In the first sentence of the note to paragraph 43, the reference to "paragraph 51" is replaced with "paragraph .51."
- ee. In the second sentence of paragraph 46, the reference to "paragraph 43" is replaced with "paragraph .43."
- ff. In paragraph 47:

- In the first sentence, the reference to "Auditing Standard No. 3" is replaced with "AS 1215."
 - In the second sentence, the reference to "Paragraph 14 of Auditing Standard No. 3" is replaced with "AS 1215.14."
 - In the third sentence, the reference to "paragraph 29" is replaced with "paragraph .29."
 - In the last sentence, the reference to "Auditing Standard No. 3" is replaced with "AS 1215."
- gg. In the first sentence of paragraph 48, the reference to "paragraph 7e" is replaced with "paragraph .07e."
- hh. In paragraph 50, the reference to "paragraph 48" is replaced with "paragraph .48."
- ii. In the first sentence of the note to paragraph 51b, the reference to "Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*" is replaced with "AS 2201."
- jj. In the note to paragraph 51g, the reference to "paragraph 31" is replaced with "paragraph .31."
- kk. In the first sentence of the note to paragraph 51i, the reference to "Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*" is replaced with "AS 2201."

- ll. In the note to paragraph 51o, the reference to "Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*" is replaced with "AS 2201."
- mm. In the first sentence of paragraph 52, the reference to "Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*," is replaced with "AS 2201."
- nn. In paragraph 53:
- In the first sentence, the reference to "paragraph 3" is replaced with "paragraph .03."
 - In the last sentence, the reference to "paragraph 51" is replaced with "paragraph .51."
- oo. In paragraph 54a, the parenthetical reference to "paragraph 56" is replaced with "paragraph .56."
- pp. In paragraph 54b, the parenthetical reference to "paragraphs 57 and 58" is replaced with "paragraphs .57 and .58."
- qq. In paragraph 54c, the parenthetical reference to "paragraphs 59 through 60" is replaced with "paragraphs .59 through .60."
- rr. In the first sentence of paragraph 55, the reference to "paragraph 43" is replaced with "paragraph .43."
- ss. In the third sentence of paragraph 57, the reference to "paragraph 44" is replaced with "paragraph .44."

- tt. In the first sentence of paragraph 58, the reference to "paragraph 61" is replaced with "paragraph .61."
- uu. In the first sentence of paragraph 59, the reference to "paragraph 48" is replaced with "paragraph .48."
- vv. In the note to paragraph 60, each reference to "paragraph 59" is replaced with "paragraph .59."
- ww. In the first sentence of paragraph 62, the reference to "paragraph 55" is replaced with "paragraph .55."
- xx. In paragraph 63, the reference to "paragraphs 7 and 29–32 of AU sec. 722, *Interim Financial Information*" is replaced with "paragraphs .07 and .29–.32 of AS 4105, *Reviews of Interim Financial Information*."
- yy. In paragraph 64:
- In the second sentence, the reference to "paragraph 56" is replaced with "paragraph .56."
 - In the last sentence, the reference to "paragraphs 7 and 29–32 of AU 722, *Interim Financial Information*" is replaced with "AS 4105.07 and AS 4105.29–.32."
- zz. In Appendix A, in the first sentence of the first paragraph, the reference to "Paragraphs 51 through 60" is replaced with "Paragraphs .51 through .60."
- Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting*

That Is Integrated with An Audit of Financial Statements

Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*, as amended, is amended as follows:

- a. The section number "Auditing Standard No. 5" is replaced with "AS 2201."
- b. Paragraph numbers 1 through 98 are replaced with .01 through .98.
- c. In footnote 3 to paragraph 2, the reference to "Paragraph A5" is replaced with "Paragraph .A5."
- d. In footnote 5 to paragraph 3, the reference to "AU sec. 230" is replaced with "AS 1015."
- e. In paragraph 4:
 - In the first sentence, the phrase "The general standards" is replaced with the phrase "The standards, AS 1005, *Independence*, AS 1010, *Training and Proficiency of the Independent Auditor*, and AS 1015, *Due Professional Care in the Performance of Work*."
 - Footnote 6 is deleted.
- f. In paragraph 14:
 - In the second sentence:
 - The reference to "paragraph 22" is replaced with "paragraph .22."
 - The reference to "paragraph 39" is replaced with "paragraph .39."

- In footnote 10, the reference to "Auditing Standard No. 12" is replaced with "AS 2110."
 - In footnote 10A to the first bullet, the reference to "AU sec. 316" is replaced with "AS 2401."
- g. In paragraph 15, the reference to "paragraphs 65–69 of Auditing Standard No. 12, *Identifying and Assessing Risks of Material Misstatement*" is replaced with "AS 2110.65–.69."
- h. In the last sentence of paragraph 16, the reference to "AU sec. 322, *The Auditor's Consideration of the Internal Audit Function in an Audit of Financial Statements*" is replaced with "AS 2605, *Consideration of the Internal Audit Function*."
- i. In the third sentence of paragraph 18, the reference to "paragraphs .09 through .11 of AU sec. 322" is replaced with "AS 2605.09 through .11."
- j. In footnote 11 to paragraph 20, the reference to "Auditing Standard No. 11" is replaced with "AS 2105."
- k. In footnote 12 to paragraph 28, the reference to "Auditing Standard No. 15" is replaced with "AS 1105."
- l. In footnote 13 to the note to paragraph 31:
- The first parenthetical reference to "paragraph 14 of Auditing Standard No. 14" is replaced with "paragraph .14 of AS 2810."
 - The second parenthetical reference to "paragraph 61 and paragraph 5 of Auditing Standard No. 13" is replaced with "paragraph .61 and paragraph .05 of AS 2301."

- m. In paragraph 35:
- The reference to "paragraph 34" is replaced with "paragraph .34."
 - The reference to "AU sec. 322" is replaced with "AS 2605."
- n. In the second sentence of paragraph 36:
- The reference to "paragraph 29" is replaced with "paragraph .29."
 - The reference to "Auditing Standard No. 12, *Identifying and Assessing Risks of Material Misstatement*" is replaced with "AS 2110."
- o. In the first sentence of paragraph 37, the reference to "paragraph 34" is replaced with "paragraph .34."
- p. In paragraph 53, the parenthetical reference to "paragraph B1" is replaced with "paragraph .B1."
- q. In the last sentence of paragraph 57, the reference to "paragraphs 46 through 56" is replaced with "paragraphs .46 through .56."
- r. In paragraph 58, the reference to "paragraph 47" is replaced with "paragraph .47."
- s. In the first sentence of paragraph 59, the reference to "paragraphs 47 and 58" is replaced with "paragraphs .47 and .58."
- t. In the last sentence of paragraph 60, the reference to "paragraph B28" is replaced with "paragraph .B28."
- u. In paragraph 73, the reference to "paragraph C2" is replaced with "paragraph .C2."

- v. In paragraph 74, the parenthetical reference to "paragraphs C3 through C7" is replaced with "paragraphs .C3 through .C7."
- w. In paragraph 75g, the reference to "paragraphs 78 and 80" is replaced with "paragraphs .78 and .80."
- x. In paragraph 76, the reference to "paragraph C3" is replaced with "paragraph .C3."
- y. In paragraph 77, the reference to "AU sec. 333" is replaced with "AS 2805."
- z. In the last sentence of paragraph 84:
 - The reference to "AU sec. 316, *Consideration of Fraud in a Financial Statement Audit*" is replaced with "AS 2401."
 - The reference to "AU sec. 317" is replaced with "AS 2405."
- aa. In paragraph 85e, the reference to "paragraph A5" is replaced with "paragraph .A5."
- bb. In paragraph 90:
 - In the first sentence, the reference to "Paragraphs 62 through 70" is replaced with "Paragraphs .62 through .70."
 - In footnote 19, the reference to "paragraph C3" is replaced with "paragraph .C3."
- cc. In the first bullet of paragraph 91, the reference to "paragraph A7" is replaced with "paragraph .A7."
- dd. In the first sentence of the note to paragraph 92, the reference to "paragraphs 88 and 91" is replaced with "paragraphs .88 and .91."

- ee. In the last sentence of paragraph 93, the reference to "paragraph 75h" is replaced with "paragraph .75h."
- ff. In the second sentence of paragraph 95, the reference to "AU sec. 560" is replaced with "AS 2801."
- gg. In paragraph 96:
- The parenthetical reference to "paragraph C2" is replaced with "paragraph .C2."
 - In the last sentence, the reference to "paragraph C13" is replaced with "paragraph .C13."
- hh. In the last sentence of paragraph 98, the reference to "AU sec. 561" is replaced with "AS 2905."
- ii. In Appendix A, paragraph numbers A1 through A11 are replaced with .A1 through .A11.
- jj. In Appendix B, paragraph numbers B1 through B33 are replaced with .B1 through .B33.
- kk. In the first sentence of paragraph B5, the reference to "paragraph B2" is replaced with "paragraph .B2."
- ll. In paragraph B13, the reference to "paragraph 61" is replaced with "paragraph .61."
- mm. In the fifth sentence of paragraph B16, the reference to "AU sec. 722, *Interim Financial Information*" is replaced with "AS 4105, *Reviews of Interim Financial Information*."
- nn. In paragraph B17:

- In the first sentence, the reference to "AU sec. 324, *Service Organizations*," is replaced with "AS 2601, *Consideration of an Entity's Use of a Service Organization*."
 - In the last sentence, the reference to "AU sec. 324" is replaced with "AS 2601."
- oo. In the first sentence of paragraph B18, the reference to "AU sec. 324.03" is replaced with "AS 2601.03."
- pp. In the first sentence of paragraph B19, the reference to "AU sec. 324.07" is replaced with "AS 2601.07."
- qq. In the first sentence of paragraph B20, the reference to "AU sec. 324.12" is replaced with "AS 2601.12."
- rr. In the note to paragraph B20a:
- In the first sentence, the parenthetical reference to "AU sec. 324.24b" is replaced with "AS 2601.24b."
 - In the second sentence, the parenthetical reference to "AU sec. 324.24a" is replaced with "AS 2601.24a."
 - In the last sentence, the reference to "AU sec. 324" is replaced with "AS 2601."
- ss. In the note to paragraph B21, the reference to "AU sec. 324.16" is replaced with "AS 2601.16."
- tt. In the last sentence of paragraph B23, the reference to "AU sec. 543, *Part of Audit Performed by Other Independent Auditors*" is replaced with "AS 1205, *Part of the Audit Performed by Other Independent Auditors*."

- uu. In Appendix C, paragraph numbers C1 through C17 are replaced with .C1 through .C17.
- vv. In the last sentence of paragraph C2, the reference to "paragraph 91" is replaced with "paragraph .91."
- ww. In paragraph C4, the parenthetical reference to "paragraph 85" is replaced with "paragraph .85."
- xx. In paragraph C5:
- In the first bullet, the reference to "paragraph A7" is replaced with "paragraph .A7."
 - In the last sentence of the second bullet, the reference to "paragraph 91" is replaced with "paragraph .91."
- yy. In the note to paragraph C6, the reference to "paragraph 89" is replaced with "paragraph .89."
- zz. In the second sentence of paragraph C8, the reference to "AU sec. 543, *Part of Audit Performed by Other Independent Auditors*" is replaced with "AS 1205, *Part of the Audit Performed by Other Independent Auditors*."
- aaa. In the last sentence of paragraph C9, the reference to "AU sec. 543" is replaced with "AS 1205."
- bbb. In footnote 1 to paragraph C10, the reference to "paragraph B15" is replaced with "paragraph .B15."
- ccc. In paragraph C12, the reference to "paragraph 72" is replaced with "paragraph .72."
- ddd. In paragraph C14:

- In the last sentence, the reference to "AU sec. 317" is replaced with "AS 2405."
- In the first sentence of the note, the reference to "paragraph C12" is replaced with "paragraph .C12."

eee. In paragraph C15:

- In the first sentence, the reference to "AU sec. 722, *Interim Financial Information*" is replaced with "AS 4105, *Reviews of Interim Financial Information*."
- In the last sentence, the reference to "AU sec. 722" is replaced with "AS 4105."

fff. In paragraph C16:

- In the first sentence, the reference to "AU sec. 711, *Filings Under Federal Securities Statutes*" is replaced with "AS 4101, *Responsibilities Regarding Filings Under Federal Securities Statutes*."
- In the second sentence, the reference to "AU sec. 711" is replaced with "AS 4101."
- In the last sentence, the reference to "AU sec. 711.10" is replaced with "AS 4101.10."

Auditing Standard No. 6, *Evaluating Consistency of Financial Statements*

Auditing Standard No. 6, *Evaluating Consistency of Financial Statements*, as

amended, is amended as follows:

- a. The section number "Auditing Standard No. 6" is replaced with "AS 2820."
- b. In the references before paragraph 1, the phrase "*Supersedes AU secs. 420 and 9420*" is deleted.
- c. Paragraph numbers 1 through 11 are replaced with .01 through .11.
- d. In paragraph 8:
 - In the second sentence, the reference to "paragraph 7" is replaced with "paragraph .07."
 - Each reference to "AU sec. 508" is replaced with "AS 3101."
 - In the last sentence of the note, the reference to "AU sec. 508" is replaced with "AS 3101."
- e. In paragraph 9, the reference to "AU sec. 508" is replaced with "AS 3101."
- f. In the last sentence of paragraph 10:
 - The reference to "paragraph 31" is replaced with "paragraph .31."
 - The reference to "Auditing Standard No. 14" is replaced with "AS 2810."
 - The reference to "AU sec. 508" is replaced with "AS 3101."
- g. In paragraph 11:
 - In the fifth sentence, the reference to "paragraphs 7 and 8 and AU sec. 508" is replaced with "paragraphs .07 and .08 and AS 3101."
 - In the last sentence, the reference to "paragraphs 9 and 10 and AU sec. 508" is replaced with "paragraphs .09 and .10 and AS 3101."

Auditing Standard No. 7, *Engagement Quality Review*

Auditing Standard No. 7, *Engagement Quality Review*, as amended, is amended as follows:

- a. The section number "Auditing Standard No. 7" is replaced with "AS 1220."
- b. In the references before paragraph 1, the phrase "*Supersedes SECPS Requirements of Membership § 1000.08(f)*." is deleted.
- c. Paragraph numbers 1 through 21 are replaced with .01 through .21.
- d. In paragraph 1, the phrase "a review interim financial information" is replaced with "a review of interim financial information."
- e. In the last sentence of footnote 1 to paragraph 2, the reference to "AU section ("sec.") 722, *Interim Financial Information*" is replaced with "AS 4105, *Reviews of Interim Financial Information*."
- f. In the last sentence of paragraph 9, the reference to "paragraphs 10 and 11" is replaced with "paragraphs .10 and .11."
- g. In footnote 4 to paragraph 10e, the reference to "Paragraph 13 of PCAOB Auditing Standard No. 3" is replaced with "Paragraph .13 of AS 1215."
- h. In footnote 5 to paragraph 10g:
 - The reference to "AU sec. 550" is replaced with "AS 2710."
 - The reference to "AU sec. 711, *Filings Under Federal Securities Statutes*" is replaced with "AS 4101, *Responsibilities Regarding Filings Under Federal Securities Statutes*."

- i. In the first sentence of paragraph 11, the reference to "paragraph 10" is replaced with "paragraph .10."
- j. In footnote 6 to paragraph 12, the reference to "AU sec. 230" is replaced with "AS 1015."
- k. In the last sentence of paragraph 14, the reference to "paragraphs 15 and 16" is replaced with "paragraphs .15 and .16."
- l. In paragraph 15c, the reference to "paragraphs 10.d and 10.e" are replaced with "paragraphs .10d and .10e."
- m. In footnote 8 to paragraph 15e:
 - The reference to "AU sec. 722.18f" is replaced with "AS 4105.18f."
 - The reference to "AU sec. 711" is replaced with "AS 4101."
- n. In paragraph 15f, the reference to "paragraphs 10.h and 10.i" are replaced with "paragraphs .10h and .10i."
- o. In paragraph 16, the reference to "paragraph 15" is replaced with "paragraph .15."
- p. In paragraph 21, the reference to "PCAOB Auditing Standard No. 3, *Audit Documentation*," is replaced with "AS 1215."

Auditing Standard No. 8, *Audit Risk*

Auditing Standard No. 8, *Audit Risk*, is amended as follows:

- a. The section number "Auditing Standard No. 8" is replaced with "AS 1101."
- b. Paragraph numbers 1 through 11 are replaced with .01 through .11.

- c. In the first sentence of footnote 1 to paragraph 1, the reference to "Auditing Standard No. 5" is replaced with "AS 2201."
- d. In paragraph 3:
- In footnote 2, the reference to "Auditing Standard No. 14" is replaced with "AS 2810."
 - In footnote 3:
 - The reference to "AU sec. 110" is replaced with "AS 1001."
 - The reference to "AU sec. 230" is replaced with "AS 1015."
- e. In paragraph 5:
- In the last sentence, the reference to "Auditing Standard No. 12" is replaced with "AS 2110."
 - In footnote 4, the reference to "Auditing Standard No. 15" is replaced with "AS 1105."
 - In footnote 5, the reference to "Paragraph 59 of Auditing Standard No. 12" is replaced with "AS 2110.59."
- f. In paragraph 8:
- In footnote 6, the reference to "Paragraph 59.a. of Auditing Standard No. 12" is replaced with "AS 2110.59a."
 - In footnote 7, the reference to "Paragraphs 32–34 of Auditing Standard No. 13" is replaced with "Paragraphs .32–.34 of AS 2301."

- g. In footnote 8 to paragraph 11, the reference to "Paragraph 37 of Auditing Standard No. 13" is replaced with "AS 2301.37."

Auditing Standard No. 9, *Audit Planning*

Auditing Standard No. 9, *Audit Planning*, as amended, is amended as follows:

- a. The section number "Auditing Standard No. 9" is replaced with "AS 2101."
- b. Paragraph numbers 1 through 19 are replaced with .01 through .19.
- c. In the second sentence of footnote 3 to paragraph 6a, the reference to "AU sec. 161, *The Relationship of Generally Accepted Auditing Standards to Quality Control Standards*" is replaced with "AS 1110, *Relationship of Auditing Standards to Quality Control Standards*."
- d. In paragraph 6c, the reference to "Auditing Standard No. 16" is replaced with "AS 1301."
- e. In paragraph 7:
- In the second sentence, the reference to "paragraphs 8–10" is replaced with "paragraphs .08–.10."
 - In footnote 5, the reference to "Auditing Standard No. 11" is replaced with "AS 2105."
- f. In the first sentence of footnote 7 to paragraph 9a, the reference to "Auditing Standard No. 16, *Communications with Audit Committees*" is replaced with "AS 1301."
- g. In footnote 8 to paragraph 9b, the reference to "paragraph 6 of Auditing Standard No. 10" is replaced with "paragraph .06 of AS 1201."

- h. In paragraph 9c:
- The reference to "paragraph 7" is replaced with "paragraph .07."
 - In footnote 9, the reference to "Paragraph 6" is replaced with "Paragraph .06."
- i. In footnote 10 to paragraph 9d:
- The reference to "AU sec. 230" is replaced with "AS 1015."
 - The reference to "paragraph 16" is replaced with "paragraph .16."
 - The reference to "paragraph 5.a." is replaced with "paragraph .05a."
 - The reference to "Auditing Standard No. 13" is replaced with "AS 2301."
- j. In footnote 11 to paragraph 10a, the reference to "Auditing Standard No. 12" is replaced with "AS 2110."
- k. In footnote 12 to paragraph 10b:
- The reference to "Auditing Standard No. 13" is replaced with "AS 2301."
 - The reference to "Auditing Standard No. 5" is replaced with "AS 2201."
- l. In footnote 14 to paragraph 12a, the reference to "AU sec. 316" is replaced with "AS 2401."
- m. In footnote 15 to paragraph 12b, the reference to "Paragraph 10 of Auditing Standard No. 11" is replaced with "AS 2105.10."
- n. In the note to paragraph 12g:

- The reference to "Auditing Standard No. 5" is replaced with "AS 2201."
 - In footnote 17, the reference to "Paragraphs B10–B16 of Auditing Standard No. 5" is replaced with "AS 2201.B10–.B16."
- o. In paragraph 13:
- In the first sentence:
 - The reference to "AU sec. 322, *The Auditor's Consideration of the Internal Audit Function in an Audit of Financial Statements*" is replaced with "AS 2605, *Consideration of the Internal Audit Function.*"
 - The reference to "Auditing Standard No. 5" is replaced with "AS 2201."
 - In the last sentence:
 - The reference to "AU sec. 322" is replaced with "AS 2605."
 - The reference to "Auditing Standard No. 5" is replaced with "AS 2201."
- p. In paragraph 14:
- In the first sentence, the reference to "AU sec. 543, *Part of Audit Performed by Other Independent Auditors*" is replaced with "AS 1205, *Part of the Audit Performed by Other Independent Auditors.*"

- In the last sentence, the reference to "paragraphs 11–13" is replaced with "paragraphs .11–.13."
 - In footnote 18, the reference to "paragraphs C8–C11 of Auditing Standard No. 5" is replaced with "AS 2201.C8–.C11."
- q. In paragraph 18b, the reference to "AU sec. 315, *Communications Between Predecessor and Successor Auditors*" is replaced with "AS 2610, *Initial Audits—Communications Between Predecessor and Successor Auditors*."
- r. In footnote 19 to paragraph 19, the reference to "paragraph 3 of Auditing Standard No. 6" is replaced with "paragraph .03 of AS 2820."
- s. In Appendix A, paragraph numbers A1 through A2 are replaced with .A1 through .A2.

Auditing Standard No. 10, *Supervision of the Audit Engagement*

Auditing Standard No. 10, *Supervision of the Audit Engagement*, is amended as follows:

- a. The section number "Auditing Standard No. 10" is replaced with "AS 1201."
- b. Paragraph numbers 1 through 6 are replaced with .01 through .06.
- c. In paragraph 3:
- In the last sentence, the reference to "Paragraphs 5–6" is replaced with "Paragraphs .05–.06."
 - In footnote 2, the reference to "AU sec. 336" is replaced with "AS 1210."

- In footnote 3, the reference to "AU sec. 543, *Part of Audit Performed by Other Independent Auditors*" is replaced with "AS 1205, *Part of the Audit Performed by Other Independent Auditors.*"
 - In footnote 4, the reference to "AU sec. 322, *The Auditor's Consideration of the Internal Audit Function in an Audit of Financial Statements*" is replaced with "AS 2605, *Consideration of the Internal Audit Function.*"
 - In footnote 5, the reference to "Paragraphs 16–19 of Auditing Standard No. 5" is replaced with "Paragraphs .16–.19 of AS 2201."
 - In footnote 6, the reference to "AU sec. 230" is replaced with "AS 1015."
- d. In paragraph 5a:
- In footnote 7 to paragraph 5a:
 - The reference to "AU sec. 230.06" is replaced with "AS 1015.06."
 - The reference to "paragraph 5 of Auditing Standard No. 13" is replaced with "paragraph .05 of AS 2301."
 - In footnote 8 to item (3), the reference to "Auditing Standard No. 12" is replaced with "AS 2110."
- e. In footnote 9 to paragraph 5b:
- The reference to "paragraph 15 of Auditing Standard No. 9" is replaced with "paragraph .15 of AS 2101."

- The reference to "paragraph 74 of Auditing Standard No. 12" is replaced with "AS 2110.74."
 - The reference to "paragraphs 20–23 and 35–36 of Auditing Standard No. 14" is replaced with "paragraphs .20–.23 and .35–.36 of AS 2810."
- f. In the note to paragraph 5, the reference to "AU sec. 230" is replaced with "AS 1015."
- g. In footnote 10 to item (3) of paragraph 5c:
- The reference to "Auditing Standard No. 14" is replaced with "AS 2810."
 - The reference to "Auditing Standard No. 3" is replaced with "AS 1215."
- h. In footnote 11 to paragraph 6a, the reference to "Paragraph 10 of Auditing Standard No. 12" is replaced with "AS 2110.10."
- i. In footnote 12 to paragraph 6d:
- The reference to "paragraph 5.a. of Auditing Standard No. 13" is replaced with "AS 2301.05a."
 - The reference to "AU sec. 230.06" is replaced with "AS 1015.06."
- j. In the note to paragraph 6:
- The reference to "paragraph 5 of Auditing Standard No. 13, *The Auditor's Responses to the Risks of Material Misstatement*," is replaced with "AS 2301.05."

- In footnote 13, the reference to "Paragraph 5.b. of Auditing Standard No. 13" is replaced with "AS 2301.05b."
- k. In Appendix A, paragraph numbers A1 and A2 are replaced with .A1 and .A2.

Auditing Standard No. 11, *Consideration of Materiality in Planning and*

Performing an Audit

Auditing Standard No. 11, *Consideration of Materiality in Planning and*

Performing an Audit, is amended as follows:

- a. The section number "Auditing Standard No. 11" is replaced with "AS 2105."
- b. Paragraph numbers 1 through 12 are replaced with .01 through .12.
- c. In footnote 1 to paragraph 1, the reference to "Auditing Standard No. 14" is replaced with "AS 2810."
- d. In paragraph 3:
- In the third sentence, the reference to "Auditing Standard No. 14" is replaced with "AS 2810."
 - In footnote 4, the reference to "Auditing Standard No. 14" is replaced with "AS 2810."
- e. In paragraph 4:
- The reference to "Auditing Standard No. 5" is replaced with "AS 2201."
 - In footnote 5, the reference to "Paragraph 20 of Auditing Standard No. 5" is replaced with "AS 2201.20."

- f. In paragraph 12:
- In the note, the reference to "Auditing Standard No. 14" is replaced with "AS 2810."
 - In footnote 6 to the note, the reference to "Paragraph 17 of Auditing Standard No. 14" is replaced with "AS 2810.17."

Auditing Standard No. 12, *Identifying and Assessing Risks of Material*

Misstatement

Auditing Standard No. 12, Identifying and Assessing Risks of Material

Misstatement, is amended as follows:

- a. The section number "Auditing Standard No. 12" is replaced with "AS 2110."
- b. Paragraph numbers 1 through 74 are replaced with .01 through .74.
- c. In footnote 1 to paragraph 1, the reference to "Paragraphs 5–8 of Auditing Standard No. 8" is replaced with "Paragraphs .05–.08 of AS 1101."
- d. In paragraph 2:
- In the first sentence, the reference to "Paragraphs 4–58" is replaced with "Paragraphs .04–.58."
 - In the last sentence, the reference to "Paragraphs 59–73" is replaced with "Paragraphs .59–.73."
- e. In paragraph 4:
- In footnote 3:
 - In the first sentence, the reference to "AU sec. 316" is replaced with "AS 2401."

- In the last sentence, the reference to "Auditing Standard No. 18" is replaced with "AS 2410."
 - In footnote 4, the reference to "Auditing Standard No. 15" is replaced with "AS 1105."
- f. In paragraph 5a, the parenthetical reference to "paragraphs 7–17" is replaced with "paragraphs .07–.17."
- g. In paragraph 5b, the parenthetical reference to "paragraphs 18–40" is replaced with "paragraphs .18–.40."
- h. In paragraph 5c, the parenthetical reference to "paragraphs 41–45" is replaced with "paragraphs .41–.45."
- i. In paragraph 5d, the parenthetical reference to "paragraphs 46–48" is replaced with "paragraphs .46–.48."
- j. In paragraph 5e, the parenthetical reference to "paragraphs 49–53" is replaced with "paragraphs .49–.53."
- k. In paragraph 5f:
- The parenthetical reference to "paragraphs 54–58" is replaced with "paragraphs .54–.58."
 - In footnote 5 to the note, the reference to "Paragraph 11 of Auditing Standard No. 15" is replaced with "AS 1105.11."
- l. In footnote 7 to paragraph 9, the reference to "AU sec. 317" is replaced with "AS 2405."
- m. In paragraph 11:
- The reference to "paragraph 7" is replaced with "paragraph .07."

- In the third bullet, the reference to "paragraph 10A" is replaced with "paragraph .10A."
- n. In footnote 7A to the fifth bullet in paragraph 13, the reference to "AU secs. 316.66-.67A" is replaced with "AS 2401.66-.67A."
- o. In footnote 8 to paragraph 18, the reference to "Paragraphs 21–22" is replaced with "Paragraphs .21–.22."
- p. In paragraph 19:
- In footnote 9, the reference to "Paragraph 13 of Auditing Standard No. 5" is replaced with "Paragraph .13 of AS 2201."
 - In footnote 10 to the note, the reference to "Paragraph 10 of Auditing Standard No. 15" is replaced with "AS 1105.10."
- q. In paragraph 20:
- In the last sentence of the first note, the reference to "paragraphs 37–38" is replaced with "paragraphs .37–.38."
 - In the last sentence of the second note, the reference to "paragraphs 37–38" is replaced with "paragraphs .37–.38."
- r. In paragraph 22:
- In the third sentence, the reference to "Auditing Standard No. 5" is replaced with "AS 2201."
 - In the last sentence, the reference to "paragraphs 23–36" is replaced with "paragraphs .23–.36."
 - In footnote 13, the reference to "Paragraph 5 of Auditing Standard No. 5" is replaced with "AS 2201.05."

- s. In the note to paragraph 24:
- In the first sentence, the reference to "paragraph 23" is replaced with "paragraph .23."
 - In the last sentence, the reference to "Auditing Standard No. 5" is replaced with "AS 2201."
 - In footnote 14, the reference to "Paragraph 25 of Auditing Standard No. 5" is replaced with "AS 2201.25."
- t. In paragraph 25:
- The reference to "paragraphs 65–66" is replaced with "paragraphs .65–.66."
 - In footnote 15, the reference to "Paragraph A3 of Auditing Standard No. 5" is replaced with "AS 2201.A3."
- u. In paragraph 32:
- The reference to "paragraph 28.e." is replaced with "paragraph .28e."
 - In footnote 17, the reference to "Paragraphs 12–13" is replaced with "Paragraphs .12–.13."
- v. In paragraph 34:
- In the first sentence, the reference to "paragraph 18" is replaced with "paragraph .18."
 - In footnote 18, the reference to "paragraph B5" is replaced with "paragraph .B5."

- w. In footnote 19 to paragraph 35, the reference to "AU sec. 322, *The Auditor's Consideration of the Internal Audit Function in an Audit of Financial Statements*" is replaced with "AS 2605, *Consideration of the Internal Audit Function.*"
- x. In paragraph 37:
- In the first sentence, the reference to "paragraph 20" is replaced with "paragraph .20."
 - In the first and last sentences of the note, the references to "Auditing Standard No. 5" are replaced with "AS 2201."
 - In footnote 20 to the note, the reference to "paragraphs 34–38 of Auditing Standard No. 5" is replaced with "AS 2201.34–.38."
- y. In paragraph 39:
- In the first sentence, the reference to "paragraph 18" is replaced with "paragraph .18."
 - In footnote 21, the reference to "Paragraphs 16–35 of Auditing Standard No. 13" is replaced with "Paragraphs .16–.35 of AS 2301."
 - In footnote 22, the reference to "Paragraph B1 of Auditing Standard No. 5" is replaced with "AS 2201.B1."
- z. In paragraph 40:
- In the first sentence, the reference to "Auditing Standard No. 5" is replaced with "AS 2201."

- In footnote 23, the reference to "Paragraph 22 of Auditing Standard No. 5" is replaced with "AS 2201.22."
 - In footnote 24, the reference to "paragraph 24 of Auditing Standard No. 5" is replaced with "AS 2201.24."
- aa. In the last sentence of paragraph 41, the reference to "paragraph 59" is replaced with "paragraph .59."
- bb. In paragraph 42, the reference to "paragraph 8" is replaced with "paragraph .08."
- cc. In paragraph 44, the reference to "AU sec. 722, *Interim Financial Information*" is replaced with "AS 4105, *Reviews of Interim Financial Information*."
- dd. In footnote 26 to paragraph 45, the reference to "Paragraph 7 of Auditing Standard No. 9" is replaced with "Paragraph .07 of AS 2101."
- ee. In the last sentence of paragraph 47, the reference to "AU sec. 722" is replaced with "AS 4105."
- ff. In paragraph 49:
- In footnote 28 to the first note to paragraph 49, the reference to "Paragraphs 52–53" is replaced with "Paragraphs .52–.53."
 - In the second note, the reference to "paragraph 67" is replaced with "paragraph .67."
- gg. In footnote 29 to paragraph 51, the reference to "paragraph 29 of Auditing Standard No. 14" is replaced with "paragraph .29 of AS 2810."
- hh. In paragraph 53:

- In the first bullet, the reference to "AU sec. 316" is replaced with "AS 2401."
 - In footnote 30 to the first bullet, the reference to "AU sec. 316.13" is replaced with "AS 2401.13."
 - In the second bullet, the parenthetical reference to "Auditing Standard No. 14" is replaced with "AS 2810."
 - In footnote 31 to the third bullet, the reference to "Paragraphs 20–23 of Auditing Standard No. 14" is replaced with "AS 2810.20–.23."
- ii. In footnote 31A to Item a(8) of paragraph 56, the reference to "AU secs. 316.66-67A" is replaced with "AS 2401.66–.67A."
- jj. In paragraph 59a:
- The parenthetical reference to "paragraphs 4–58" is replaced with "paragraphs .04–.58."
 - In the note, the reference to "paragraphs 65–69" is replaced with "paragraphs .65–.69."
- kk. In footnote 32 to the note to paragraph 59d, the reference to "Paragraphs 16–35 of Auditing Standard No. 13" is replaced with "AS 2301.16–.35."
- ll. In paragraph 59e:
- The parenthetical reference to "paragraphs 60–64" is replaced with "paragraphs .60–.64."
 - In footnote 33, the reference to "Paragraph A10 of Auditing Standard No. 5" is replaced with "AS 2201.A10."

- In footnote 34, the reference to "Paragraph A9 of Auditing Standard No. 5" is replaced with "AS 2201.A9."
- mm. In paragraph 59f, the parenthetic reference to "paragraphs 70–71" is replaced with "paragraphs .70–.71."
- nn. In the first sentence of paragraph 60, the reference to "paragraph 59.e." is replaced with "paragraph .59e."
- oo. In footnote 35 to the note to paragraph 62:
- In the second sentence, the reference to "paragraphs 11, 14, and 25 of Auditing Standard No.14" is replaced with "AS 2810.11, .14, and .25."
 - In the last sentence:
 - The reference to "paragraph 61 of Auditing Standard No. 5" is replaced with "AS 2201.61."
 - The reference to "paragraph 5.c. of Auditing Standard No. 13" is replaced with "AS 2301.5c."
- pp. In paragraph 65:
- In the fourth sentence, the reference to "AU sec. 316.85" is replaced with "AS 2401.85."
 - In the first sentence of the note, the reference to "AU sec. 316.85" is replaced with "AS 2401.85."
- qq. In paragraph 67, the reference to "paragraph 65" is replaced with "paragraph .65."

- rr. In paragraph 71a, the reference to "paragraph 60" is replaced with "paragraph .60."
- ss. In paragraph 72:
- The reference to "paragraphs 18–40" is replaced with "paragraphs .18–.40."
 - In footnote 36, the reference to "Auditing Standard No. 13" is replaced with "AS 2301."
- tt. In footnote 37 to paragraph 73:
- The phrase "AU sec. 316.88 and" is deleted.
 - The reference to "paragraph 14 of Auditing Standard No. 5" is replaced with "AS 2201.14," and "present" is replaced with "presents."
- uu. In paragraph 73A, the reference to "paragraphs 18-40 and 72-73" is replaced with "paragraphs .18–.40 and .72–.73."
- vv. In footnote 38 to paragraph 74, the reference to "paragraph 46 of Auditing Standard No. 13" is replaced with "AS 2301.46."
- ww. In Appendix A, paragraph numbers A1 through A5 are replaced with .A1 through .A5.
- xx. In Appendix B, paragraph numbers B1 through B6 are replaced with .B1 through .B6.
- yy. In paragraph B1:

- In footnote 1, the reference to "AU sec. 324, *Service Organizations*" is replaced with "AS 2601, *Consideration of an Entity's Use of a Service Organization*."
- In footnote 2, the reference to "paragraphs 16–17 of Auditing Standard No. 9" is replaced with "paragraphs .16–.17 of AS 2101."

Auditing Standard No. 13, *The Auditor's Responses to the Risks of Material*

Misstatement

Auditing Standard No. 13, *The Auditor's Responses to the Risks of Material*

Misstatement, is amended as follows:

- a. The section number "Auditing Standard No. 13" is replaced with "AS 2301."
- b. Paragraph numbers 1 through 47 are replaced with .01 through .47.
- c. In paragraph 3, the reference to "Auditing Standard No. 12" is replaced with "AS 2110."
- d. In paragraph 4a, the reference to "paragraphs 5–7" is replaced with "paragraphs .05–.07."
- e. In paragraph 4b, the reference to "paragraphs 8–46" is replaced with "paragraphs .08–.46."
- f. In footnote 1 to paragraph 5a, the reference to "AU sec. 230" is replaced with "AS 1015."
- g. In paragraph 5b, the parenthetical reference to "paragraphs 5–6 of Auditing Standard No. 10" is replaced with "paragraphs .05–.06 of AS 1201."

- h. In footnote 2 to item (5) of paragraph 5c, the reference to "paragraphs 61 and B13 of Auditing Standard No. 5" is replaced with "paragraphs .61 and .B13 of AS 2201."
- i. In footnote 3 to paragraph 5d:
- In the first sentence, the reference to "Paragraphs 12–13 of Auditing Standard No. 12" is replaced with "AS 2110.12–.13."
 - In the last sentence:
 - The reference to "AU sec. 316" is replaced with "AS 2401."
 - The reference to "AU sec. 411, *The Meaning of Present Fairly in Conformity With Generally Accepted Accounting Principles*" is replaced with "AS 2815, *The Meaning of 'Present Fairly in Conformity with Generally Accepted Accounting Principles.'*"
- j. In footnote 4 to paragraph 7, the reference to "AU secs. 230.07–.09" is replaced with "AS 1015.07–.09."
- k. In footnote 5 to paragraph 7, the reference to "AU secs. 316.13" is replaced with "AS 2401.13."
- l. In paragraph 9c:
- In footnote 7 to item (1), the reference to "paragraph 7.b. of Auditing Standard No. 8" is replaced with "paragraph .07b of AS 1101."

- In the note to item (2), the reference to "Auditing Standard No. 5" is replaced with "AS 2201."
- m. In paragraph 10:
- In the last sentence:
 - The reference to "Paragraphs 16–35" is replaced with "Paragraphs .16–.35."
 - The reference to "paragraphs 36–46" is replaced with "paragraphs .36–.46."
 - In the first sentence of the note, the reference to "Paragraphs 16–17" is replaced with "Paragraphs .16–.17."
- n. In paragraph 11:
- In the note, the reference to "Auditing Standard No. 12" is replaced with "AS 2110."
 - In footnote 10 to the note, the reference to "paragraph 71 of Auditing Standard No. 12" is replaced with "AS 2110.71."
- o. In paragraph 11A:
- In the first sentence, the reference to "Paragraph 71.g. of Auditing Standard No. 12" is replaced with "AS 2110.71g."
 - In the second sentence, the reference to "AU sec. 316.66-.67A" is replaced with "AS 2401.66–.67A."
 - In the last sentence, the reference to "AU sec. 316.66-.67A" is replaced with "AS 2401.66–.67A."
- p. In paragraph 12:

- In the second note, the reference to "Auditing Standard No. 5" is replaced with "AS 2201."
 - In footnote 11 to the second note, the reference to "Paragraphs 14–15 of Auditing Standard No. 5" is replaced with "AS 2201.14–.15."
- q. In the last sentence of paragraph 13, the reference to "paragraphs 16–17" is replaced with "paragraphs .16–.17."
- r. In the note to paragraph 14, the reference to "AU secs. 316.54–.67" is replaced with "AS 2401.54–.67."
- s. In paragraph 15, the reference to "AU sec. 316" is replaced with "AS 2401."
- t. In paragraph 15a, the parenthetical reference to "AU secs. 316.58–.62" is replaced with "AS 2401.58–.62."
- u. In paragraph 15b, the parenthetical reference to "AU secs. 316.63–.65" is replaced with "AS 2401.63–.65."
- v. In paragraph 15c, the parenthetical reference to "AU secs. 316.66–.67A" is replaced with "AS 2401.66–.67A."
- w. In footnote 14 to paragraph 17:
- The reference to "Paragraph 10 of Auditing Standard No. 15" is replaced with "Paragraph .10 of AS 1105."
 - The reference to "AU sec. 329" is replaced with "AS 2305."
- x. In footnote 15 to paragraph 20, the reference to "Paragraphs 37–38 of Auditing Standard No. 12" is replaced with "AS 2110.37–.38."

- y. In the note to paragraph 27, the reference to "AU sec. 350" is replaced with "AS 2315."
- z. In the last sentence of paragraph 28, the reference to "Paragraph 16" is replaced with "Paragraph .16."
- aa. In the last sentence of footnote 16 to the ninth bullet of paragraph 31, the reference to "paragraph B28 of Auditing Standard No. 5" is replaced with "AS 2201.B28."
- bb. In the note to paragraph 34:
 - In the first sentence, the reference to "Auditing Standard No. 5" is replaced with "AS 2201."
 - In the last sentence, the reference to "AU sec. 325" is replaced with "AS 1305."
- cc. In paragraph 35:
 - Each reference to "Auditing Standard No. 5" is replaced with "AS 2201."
 - In footnote 17, the reference to "Paragraph B1 of Auditing Standard No. 5" is replaced with "AS 2201.B1."
- dd. In paragraph 38:
 - In footnote 18, the reference to "Paragraph A5 of Auditing Standard No. 5" is replaced with "AS 2201.A5."
 - In footnote 19, the reference to "AU sec. 328" is replaced with "AS 2502."

- ee. In the note to paragraph 39, the reference to "Auditing Standard No. 15" is replaced with "AS 1105."
- ff. In paragraph 40, the reference to "paragraph 9.b." is replaced with "paragraph .09b."
- gg. In the note to paragraph 41b, the reference to "AU secs. 316.58–.62" is replaced with "AS 2401.58–.62."
- hh. In item (1) of paragraph 44a, the reference to "paragraphs 32–34" is replaced with "paragraphs .32–.34."
- ii. In footnote 20 to paragraph 47, the reference to "Paragraph .44 of AU sec. 350" is replaced with "AS 2315.44."
- jj. In Appendix A, paragraph numbers A1 through A3 are replaced with .A1 through .A3.

Auditing Standard No. 14, *Evaluating Audit Results*

Auditing Standard No. 14, *Evaluating Audit Results*, is amended as follows:

- a. The section number "Auditing Standard No. 14" is replaced with "AS 2810."
- b. Paragraph numbers 1 through 37 are replaced with .01 through .37.
- c. In footnote 3 to paragraph 6b:
 - The reference to "Paragraphs 46–48 of Auditing Standard No. 12" is replaced with "Paragraphs .46–.48 of AS 2110."
 - The reference to "AU sec. 329" is replaced with "AS 2305."
- d. In the note to paragraph 6, the reference to "paragraph 36" is replaced with "paragraph .36."

- e. In footnote 4 to paragraph 7, the reference to "Paragraph 47 of Auditing Standard No. 12" is replaced with "AS 2110.47."
- f. In the first sentence of paragraph 9, the reference to "paragraph 6.b." is replaced with "paragraph .06b."
- g. In the second sentence of the note to paragraph 10, the reference to "Auditing Standard No. 11" is replaced with "AS 2105."
- h. In paragraph 12:
 - In the last sentence:
 - The reference to "paragraph 13" is replaced with "paragraph .13."
 - The reference to "AU sec. 350" is replaced with "AS 2315."
 - In footnote 5, the reference to "AU sec. 350.26" is replaced with "AS 2315.26."
- i. In the last sentence of the note to paragraph 13, the reference to "Paragraph 27" is replaced with "Paragraph .27."
- j. In footnote 6 to paragraph 14b, the reference to "Auditing Standard No. 11" is replaced with "AS 2105."
- k. In paragraph 17:
 - In footnote 7:
 - In the first sentence, the reference to "AU sec. 508" is replaced with "AS 3101."

- In the last sentence, the reference to "AU sec. 508.35" is replaced with "AS 3101.35."
 - In footnote 11 to the second note, the reference to "AU sec. 317" is replaced with "AS 2405."
 - In the third note, the reference to "Auditing Standard No. 11" is replaced with "AS 2105."
 - In footnote 12 to the third note, the reference to "Paragraphs 11–12 of Auditing Standard No. 11" is replaced with "AS 2105.11–.12."
- l. In paragraph 18, the reference to "paragraph 17" is replaced with "paragraph .17."
 - m. In the last sentence of paragraph 19, the reference to "paragraph 36" is replaced with "paragraph .36."
 - n. In the last sentence of paragraph 20, the reference to "AU sec. 316" is replaced with "AS 2401."
 - o. In footnote 14 to paragraph 20, the reference to "AU sec. 316.05" is replaced with "AS 2401.05."
 - p. In paragraph 23, the reference to "AU secs. 316.79–.82A, AU sec. 317" is replaced with "AS 2401.79–.82A, AS 2405."
 - q. In the note to paragraph 25a, the reference to "paragraph 15" is replaced with "paragraph .15."
 - r. In footnote 15 to paragraph 25c, the reference to "Paragraph 5.d. of Auditing Standard No. 13" is replaced with "Paragraph .05d of AS 2301."

- s. In footnote 16 to paragraph 25d, the reference to "Paragraph 27" is replaced with "Paragraph .27."
- t. In the note to paragraph 27, the reference to "AU secs. 316.64–.65" is replaced with "AS 2401.64–.65."
- u. In footnote 17 to paragraph 28:
- The first parenthetical reference to "paragraph 9" is replaced with "paragraph .09."
 - The second parenthetical reference to "paragraphs 20–23" is replaced with "paragraphs .20–.23."
 - The third parenthetical reference to "paragraphs 24–27" is replaced with "paragraphs .24–.27."
- v. In the note to paragraph 29, the parenthetical reference to "paragraphs 49–51 of Auditing Standard No. 12" is replaced with "AS 2110.49–.51."
- w. In the first note to paragraph 30:
- In the first sentence, the reference to "AU sec. 411, *The Meaning of Present Fairly in Conformity With Generally Accepted Accounting Principles*" is replaced with "AS 2815, *The Meaning of 'Present Fairly in Conformity with Generally Accepted Accounting Principles.'*"
 - In the last sentence, the reference to "Auditing Standard No. 6" is replaced with "AS 2820."
- x. In paragraph 31:

- In the note, the reference to "AU sec. 508" is replaced with "AS 3101."
 - In footnote 18 to the note, the reference to "AU secs. 508.41–.44" is replaced with "AS 3101.41–.44."
- y. In paragraph 32:
- The reference to "Auditing Standard No. 8" is replaced with "AS 1101."
 - In footnote 19, the reference to "Paragraph 3 of Auditing Standard No. 8" is replaced with "AS 1101.03."
- z. In paragraph 34a, the parenthetical reference to "paragraphs 14 and 17–19" is replaced with "paragraphs .14 and .17–.19."
- aa. In paragraph 34b, the parenthetical reference to "paragraphs 20–23 and 28–29" is replaced with "paragraphs .20–.23 and .28–.29."
- bb. In paragraph 34c, the parenthetical reference to "paragraph 36" is replaced with "paragraph .36."
- cc. In footnote 20 to paragraph 34e, the reference to "Paragraphs 7–9 of Auditing Standard No. 15" is replaced with "Paragraphs .07–.09 of AS 1105."
- dd. In paragraph 35:
- In the last sentence, the reference to "AU sec. 508" is replaced with "AS 3101."
 - In footnote 21, the reference to "AU sec 508.22–.34" is replaced with "AS 3101.22–.34."

- ee. In the note to paragraph 36:
- In the first sentence, the reference to "Auditing Standard No. 12" is replaced with "AS 2110."
 - In footnote 22, the reference to "Paragraph 74 of Auditing Standard No.12" is replaced with "AS 2110.74."
 - In the last sentence, the reference to "Auditing Standard No. 13" is replaced with "AS 2301."
 - In footnote 23, the reference to "Paragraphs 32–34 of Auditing Standard No. 13" is replaced with "AS 2301.32–.34."
- ff. In paragraph 37:
- Each reference to "Auditing Standard No. 5" is replaced with "AS 2201."
 - In footnote 24:
 - The reference to "Paragraphs 62–70 of Auditing Standard No. 5" is replaced with "AS 2201.62–.70."
 - The reference to "paragraphs 71–73 of Auditing Standard No. 5" is replaced with "AS 2201.71–.73."
- gg. In Appendix A, paragraph numbers A1 through A3 are replaced with .A1 through .A3.
- hh. In footnote 2 to paragraph A2, the reference to "AU sec. 316" is replaced with "AS 2401."
- ii. In footnote 3 to paragraph A3, the reference to "Paragraph 10" is replaced with "Paragraph .10."

- jj. In Appendix B, paragraph numbers B1 through B2 are replaced with .B1 through .B2.
- kk. In paragraph B1:
- The reference to "Paragraph 17" is replaced with "Paragraph .17."
 - In footnote 1:
 - In the first sentence, the reference to "AU sec. 508" is replaced with "AS 3101."
 - In the last sentence, the reference to "AU sec. 508.35" is replaced with "AS 3101.35."
 - In footnote 5 to the second note, the reference to "AU sec. 317" is replaced with "AS 2405."
- ll. In the last sentence of paragraph B2.o, the reference to "paragraph B2.l" is replaced with "paragraph .B2l."
- mm. In Appendix C, paragraph number C1 is replaced with .C1.
- nn. In paragraph C1, the reference to "paragraph 28" is replaced with "paragraph .28."
- oo. In footnote 1 to item (2) of paragraph C1b, the reference to "Paragraph 9 of Auditing Standard No. 15" is replaced with "Paragraph .09 of AS 1105."
- pp. In the parenthetical reference of footnote 2 to item (1) of paragraph C1c:
- The reference to "Auditing Standard No. 5" is replaced with "AS 2201."
 - The reference to "AU sec. 508" is replaced with "AS 3101."

Auditing Standard No. 15, *Audit Evidence*

Auditing Standard No. 15, *Audit Evidence*, is amended as follows:

- a. The section number "Auditing Standard No. 15" is replaced with "AS 1105."
- b. Paragraph numbers 1 through 29 are replaced with .01 through .29.
- c. In footnote 1 to paragraph 3:
 - In the first sentence, the reference to "Auditing Standard No. 14" is replaced with "AS 2810."
 - In the second sentence, the reference to "Auditing Standard No. 3" is replaced with "AS 1215."
- d. In footnote 2 to the first bullet of paragraph 5, the reference to "Paragraph A5 of Auditing Standard No. 12" is replaced with "Paragraph .A5 of AS 2110."
- e. In footnote 3 to paragraph 10:
 - In the first sentence, the reference to "AU sec. 336" is replaced with "AS 1210."
 - In the last sentence:
 - The reference to "AU sec. 324, *Service Organizations*" is replaced with "AS 2601, *Consideration of an Entity's Use of a Service Organization*."
 - The reference to "Auditing Standard No. 5" is replaced with "AS 2201."

- f. In footnote 5 to paragraph 12, the reference to "paragraph 28 of Auditing Standard No. 5" is replaced with "AS 2201.28."
- g. In footnote 6 to paragraph 13a, the reference to "Auditing Standard No.12" is replaced with "AS 2110."
- h. In footnote 7 to paragraph 13b, the reference to "Auditing Standard No. 13" is replaced with "AS 2301."
- i. In the first sentence of paragraph 14, the reference to "Paragraphs 15–21" is replaced with "Paragraphs .15–.21."
- j. In footnote 8 to paragraph 16, the reference to "AU sec. 331, *Inventories*" is replaced with "AS 2510, *Auditing Inventories*."
- k. In footnote 9 to paragraph 17, the reference to "AU sec. 333" is replaced with "AS 2805."
- l. In footnote 10 to paragraph 18, the reference to "AU sec. 330" is replaced with "AS 2310."
- m. In footnote 11 to paragraph 21, the reference to "AU sec. 329" is replaced with "AS 2305."
- n. In paragraph 27, the reference to "paragraphs 25–26" is replaced with "paragraphs .25–.26."
- o. In footnote 12 to paragraph 27, the reference to "paragraphs 12–13 and paragraphs 17–19 of Auditing Standard No. 14" is replaced with "AS 2810.12–.13 and AS 2810.17–.19."
- p. In footnote 13 to paragraph 28, the reference to "AU sec. 350" is replaced with "AS 2315."

Auditing Standard No. 16, *Communications with Audit Committees*

Auditing Standard No. 16, *Communications with Audit Committees*, is amended

as follows:

- a. The section number "Auditing Standard No. 16" is replaced with "AS 1301."
- b. Paragraph numbers 1 through 26 are replaced with .01 through .26.
- c. In the first sentence of footnote 5 to paragraph 8, the reference to "paragraphs 5.f. and 54–57 of Auditing Standard No. 12" is replaced with "paragraphs .05f and .54–.57 of AS 2110."
- d. In the first sentence of footnote 6 to paragraph 8, the reference to "AU sec. 317" is replaced with "AS 2405."
- e. In paragraph 9:
 - In footnote 7, the reference to "paragraphs 8–9 of Auditing Standard No. 9" is replaced with "paragraphs .08–.09 of AS 2101."
 - In the first sentence of footnote 8, the reference to "Auditing Standard No. 12" is replaced with "AS 2110."
- f. In footnote 9 to paragraph 10a, the reference to "paragraph 16 of Auditing Standard No. 9" is replaced with "AS 2101.16."
- g. In footnote 10 to paragraph 10b, the reference to "AU sec. 322, *The Auditor's Consideration of the Internal Audit Function in an Audit of Financial Statements*" is replaced with "AS 2605, *Consideration of the Internal Audit Function*."

- h. In footnote 11 to paragraph 10c, the reference to "paragraphs 16–19 of Auditing Standard No. 5" is replaced with "paragraphs .16–.19 of AS 2201."
- i. In footnote 12 to paragraph 10d, the reference to "paragraphs 8–14 of Auditing Standard No. 9" is replaced with "AS 2101.08–.14."
- j. In footnote 13 to paragraph 10e, the reference to "AU sec. 543, *Part of Audit Performed by Other Independent Auditors*" is replaced with "AS 1205, *Part of the Audit Performed by Other Independent Auditors*."
- k. In footnote 14 to paragraph 11, the reference to "paragraph 15 of Auditing Standard No. 9" is replaced with "AS 2101.15."
- l. In footnote 17 to item (1) of paragraph 12c, the reference to "AU sec. 342" is replaced with "AS 2501."
- m. In footnote 20 to item (1) of paragraph 12d, the reference to "paragraph 71.g. of Auditing Standard No. 12" is replaced with "AS 2110.71g."
- n. In the first sentence of the note to paragraph 12, the reference to "paragraph 12" is replaced with "paragraph .12."
- o. In footnote 21 to item (1) of paragraph 13a, the reference to "paragraphs 24–27 of Auditing Standard No. 14" is replaced with "paragraphs .24–.27 of AS 2810."
- p. In footnote 22 to item (2) of paragraph 13a, the reference to "paragraph 27 of Auditing Standard No. 14" is replaced with "AS 2810.27."
- q. In footnote 23 to paragraph 13c, the reference to "AU sec. 342" is replaced with "AS 2501."

- r. In footnote 24 to paragraph 13d, the reference to "AU sec. 316" is replaced with "AS 2401."
- s. In footnote 25 to paragraph 13e:
- In the first sentence, the reference to "paragraphs 30–31 of Auditing Standard No. 14" is replaced with "AS 2810.30–.31."
 - In the last sentence:
 - The reference to "Auditing Standard No. 18" is replaced with "AS 2410."
 - The reference to "AU sec. 341, *The Auditor's Consideration of an Entity's Ability to Continue as a Going Concern*" is replaced with "AS 2415, *Consideration of an Entity's Ability to Continue as a Going Concern*."
- t. In footnote 27 to paragraph 14:
- In the first sentence, the reference to "AU sec. 550" is replaced with "AS 2710."
 - In the last sentence:
 - The reference to "AU sec. 550" is replaced with "AS 2710."
 - The reference to "Auditing Standard No. 17" is replaced with "AS 2701."
 - The reference to "AU sec. 558" is replaced with "AS 2705."

- The reference to "AU sec. 711, *Filings Under Federal Securities Statutes*" is replaced with "AS 4101, *Responsibilities Regarding Filings Under Federal Securities Statutes.*"
- u. In footnote 28 to paragraph 17:
- In the first sentence, the reference to "AU sec. 341" is replaced with "AS 2415."
 - In the last sentence, the reference to "AU secs. 341.03a–c" is replaced with "AS 2415.03a–c."
- v. In footnote 29 of paragraph 17a:
- The reference to "AU sec. 341.06" is replaced with "AS 2415.06."
 - The reference to "AU sec 341.07" is replaced with "AS 2415.07."
- w. In footnote 30 to paragraph 17b, the reference to "AU sec. 341.08" is replaced with "AS 2415.08."
- x. In footnote 31 to paragraph 17c:
- In the first sentence, the reference to "AU sec. 341.12" is replaced with "AS 2415.12."
 - In the last sentence, the reference to "AU sec. 341.03c" is replaced with "AS 2415.03c."
- y. In footnote 32 to item (1) of paragraph 17c, the reference to "AU sec. 341.10" is replaced with "AS 2415.10."
- z. In footnote 33 to item (2) of paragraph 17c, the reference to "AU sec. 341.12–.16" is replaced with "AS 2415.12–.16."

- aa. In footnote 34 to paragraph 18, the reference to "paragraph 20 of Auditing Standard No. 14" is replaced with "paragraph .20 of AS 2810."
- bb. In footnote 36 to paragraph 18, the reference to "Auditing Standard No. 14" is replaced with "AS 2810."
- cc. In footnote 37 to paragraph 19, the reference to "paragraph 10 of Auditing Standard No. 14" is replaced with "AS 2810.10."
- dd. In footnote 39 to the note to paragraph 23, the reference to "AU sec. 508" is replaced with "AS 3101."
- ee. In footnote 40 to paragraph 24:
 - The reference to "AU sec. 316.79–.81" is replaced with "AS 2401.79–.81."
 - The reference to "AU sec. 317.17" is replaced with "AS 2405.17."
- ff. In paragraph 25:
 - Footnote 41 is deleted.
 - In footnote 42, the reference to "Auditing Standard No. 3" is replaced with "AS 1215."
 - In the note, the reference to "paragraphs 12 or 18" is replaced with "paragraphs .12 or .18."
- gg. In Appendix A, paragraph numbers A1 through A4 are replaced with .A1 through .A4.
- hh. Appendix B of Auditing Standard No.16 is replaced with the following:

This appendix identifies other PCAOB rules and standards related to the audit that require communication of specific matters between the auditor and the audit committee.

- AS 6115, *Reporting on Whether a Previously Reported Material Weakness Continues to Exist*, paragraphs .60, .62, and .64
- AS 2201, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*, paragraphs .78–.81, .91, .C7, and .C14
- AS 2110, *Identifying and Assessing Risks of Material Misstatement*, paragraphs .05f and .54–.57
- AS 2410, *Related Parties*, paragraphs .07 and .19
- Attestation Standard No. 1, *Examination Engagements Regarding Compliance Reports of Brokers and Dealers*, paragraphs 34 and 35
- Attestation Standard No. 2, *Review Engagements Regarding Exemption Reports of Brokers and Dealers*, paragraph 15
- PCAOB Rule 3524, *Audit Committee Pre-approval of Certain Tax Services*
- PCAOB Rule 3525, *Audit Committee Pre-approval of Non-audit Services Related to Internal Control Over Financial Reporting*
- PCAOB Rule 3526, *Communication with Audit Committees Concerning Independence*
- AS 2401, *Consideration of Fraud in a Financial Statement Audit*, paragraphs .79–.81

- AS 2405, *Illegal Acts by Clients*, paragraphs .08, .17, and .20
 - AS 1305, *Communications About Control Deficiencies in an Audit of Financial Statements*, paragraphs .04–.07 and .09
 - AS 2502, *Auditing Fair Value Measurements and Disclosures*, paragraph .50
 - AS 2805, *Management Representations*, paragraph .05
 - AS 2710, *Other Information in Documents Containing Audited Financial Statements*, paragraphs .04 and .06
 - AS 4101, *Responsibilities Regarding Filings Under Federal Securities Statutes*, paragraph .13
 - AS 4105, *Reviews of Interim Financial Information*, paragraphs .08–.09, .30–.31, and .33–.36
- ii. In Appendix C, paragraph numbers C1 through C2 are replaced with .C1 through .C2.
- jj. In footnote 2 to item 2b of paragraph C1b, the reference to "AU sec. 325" is replaced with "AS 1305."
- kk. In footnote 3 to item (b) of paragraph C2, the reference to "AU sec. 722, *Interim Financial Information*" is replaced with "AS 4105, *Reviews of Interim Financial Information*."

Auditing Standard No. 17, Auditing Supplemental Information Accompanying

Audited Financial Statements

Auditing Standard No. 17, *Auditing Supplemental Information Accompanying*

Audited Financial Statements, is amended as follows:

- a. The section number "Auditing Standard No. 17" is replaced with "AS 2701."
- b. Paragraph numbers 1 through 15 are replaced with .01 through .15.
- c. In footnote 3 to the note to paragraph 3b, the reference to "Auditing Standard No. 11" is replaced with "AS 2105."
- d. In footnote 6 to paragraph 7, the reference to "paragraph 10 of Auditing Standard No. 14" is replaced with "paragraph .10 of AS 2810."
- e. In footnote 7 to the note to paragraph 8, the reference to "paragraph 17 of Auditing Standard No. 14" is replaced with "AS 2810.17."
- f. In footnote 8 to paragraph 12b:
 - In the first sentence, the reference to "AU sec. 561" is replaced with "AS 2905."
 - In the second sentence, the reference to "AU sec. 561" is replaced with "AS 2905."
- g. In Appendix A, paragraph numbers A1 and A2 are replaced with .A1 and .A2.

Auditing Standard No. 18, *Related Parties*

Auditing Standard No. 18, *Related Parties*, is amended as follows:

- a. The section number "Auditing Standard No. 18" is replaced with "AS 2410."
- b. Paragraph numbers 1 through 19 are replaced with .01 through .19.
- c. In footnote 2 to paragraph 2:

- In the first sentence, the reference to "paragraphs 30-31 of Auditing Standard No. 14" is replaced with "paragraphs .30-.31 of AS 2810."
 - In the last sentence, the reference to "AU sec. 411, *The Meaning of Present Fairly in Conformity With Generally Accepted Accounting Principles*" is replaced with "AS 2815, *The Meaning of 'Present Fairly in Conformity with Generally Accepted Accounting Principles.'*"
- d. In paragraph 3:
- In the first sentence, the reference to "Auditing Standard No. 12" is replaced with "AS 2110."
 - In item a, the parenthetical reference to "paragraph 4" is replaced with "paragraph .04."
 - In item b, the parenthetical reference to "paragraphs 5-7" is replaced with "paragraphs .05-.07."
 - In item c, the parenthetical reference to "paragraphs 8-9" is replaced with "paragraphs .08-.09."
 - In the second note:
 - The reference to "paragraphs 4-9" is replaced with "paragraphs .04-.09."
 - The reference to "Auditing Standard No. 12" is replaced with "AS 2110."
- e. In footnote 3 to paragraph 4:

- In the first sentence, the reference to "paragraph 18 of Auditing Standard No. 12" is replaced with "AS 2110.18."
 - In the last sentence, the reference to "paragraph 20 of Auditing Standard No. 12" is replaced with "AS 2110.20."
- f. In footnote 4 to paragraph 5:
- In the first sentence, the reference to "AU sec. 333" is replaced with "AS 2805."
 - In the last sentence, the reference to "paragraph 5" is replaced with "paragraph .05."
- g. In paragraph 6, the reference to "paragraph 5" is replaced with "paragraph .05."
- h. In footnote 7 to paragraph 7, the reference to "Auditing Standard No. 16" is replaced with "AS 1301."
- i. In footnote 8 to paragraph 8:
- In the first sentence, the reference to "paragraph 49 of Auditing Standard No. 12" is replaced with "AS 2110.49."
 - In the last sentence, the reference to "paragraph 5 of Auditing Standard No. 10" is replaced with "paragraph .05 of AS 1201."
- j. In footnote 9 to paragraph 9, the reference to "AU sec. 543, *Part of Audit Performed by Other Independent Auditors*" is replaced with "AS 1205, *Part of the Audit Performed by Other Independent Auditors.*"
- k. In paragraph 10:

- In footnote 10, the reference to "paragraph 59 of Auditing Standard No. 12" is replaced with "AS 2110.59."
 - In the note:
 - The reference to "paragraphs 4-9" is replaced with "paragraphs .04-.09."
 - The reference to "Auditing Standard No. 12" is replaced with "AS 2110."
- l. In paragraph 11:
- In footnote 11, the reference to "paragraph 3 of Auditing Standard No. 13" is replaced with "paragraph .03 of AS 2301."
 - In footnote 12:
 - The reference to "Auditing Standard No. 13" is replaced with "AS 2301."
 - The reference to "paragraph 17 of Auditing Standard No. 15" is replaced with "paragraph .17 of AS 1105."
 - In the note:
 - In the first sentence, the reference to "AU sec. 316" is replaced with "AS 2401."
 - In the last sentence, the reference to "AU sec. 316.67" is replaced with "AS 2401.67."
- m. In the last sentence of the note to paragraph 12, the reference to "paragraph 12" is replaced with "paragraph .12."

- n. In footnote 16 to paragraph 15, the reference to "paragraph 29 of Auditing Standard No. 15" is replaced with "AS 1105.29."
- o. In paragraph 16:
- In footnote 17 to item b, the reference to "AU sec. 333.04" is replaced with "AS 2805.04."
 - In item e, the reference to "paragraph 12" is replaced with "paragraph .12."
 - In item f:
 - In footnote 18 to item ii, the reference to "paragraph 74 of Auditing Standard No. 12" is replaced with "AS 2110.74."
 - In the last sentence of item iii:
 - The reference to "AU secs. 316.79-.82" is replaced with "AS 2401.79-.82."
 - The reference to "AU sec. 317" is replaced with "AS 2405."
- p. In footnote 19 to paragraph 17, the reference to "paragraphs 30-31 of Auditing Standard No. 14" is replaced with "AS 2810.30-.31."
- q. In footnote 20 to paragraph 18:
- In the first sentence, the reference to "paragraph .06.l. of AU sec. 333" is replaced with "AS 2805.06l."
 - In the last sentence, the reference to "AU sec. 508" is replaced with "AS 3101."

- r. In footnote 21 to paragraph 19, the reference to "Auditing Standard No. 16" is replaced with "AS 1301."
- s. In Appendix A, paragraph numbers A1 through A3 are replaced with .A1 through .A3.
- t. In paragraph A1:
 - In the second sentence, the reference to "paragraph A2." is replaced with "paragraph .A2."
 - In the third sentence, the reference to "paragraph A3." is replaced with "paragraph .A3."

AU sec. 110, "Responsibilities and Functions of the Independent Auditor"

SAS No. 1, "Codification of Auditing Standards and Procedures," section 110, "Responsibilities and Functions of the Independent Auditor" (AU sec. 110, "Responsibilities and Functions of the Independent Auditor"), as amended, is amended as follows:

- a. The section number "AU Section 110" is replaced with "AS 1001."
- b. In the third sentence of paragraph .01, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
- c. In paragraph 02:
 - In footnote 1:
 - In the first sentence, the reference to "Auditing Standard No. 11" is replaced with "AS 2105."
 - In the second sentence, the reference to "section 317" is replaced with "AS 2405."

- In footnote 2, the phrase "section 230, *Due Professional Care in the Performance of Work*, paragraphs .10 through .13" is replaced with "paragraphs .10 through .13 of AS 1015, *Due Professional Care in the Performance of Work*."
- d. In the first sentence of paragraph .05, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
- e. Paragraph .10 is deleted.
- f. Paragraph .11 and its following note is added:

The auditor should be aware of and consider auditing interpretations applicable to his or her audit. If the auditor does not apply the auditing guidance included in an applicable auditing interpretation, the auditor should be prepared to explain how he or she complied with the provisions of the auditing standard addressed by such auditing guidance.

Note: The term "auditing interpretations," as used in this paragraph, refers to the publications entitled "Auditing Interpretation" issued by the American Institute of Certified Public Accountants' Auditing Standards Board as in existence on April 16, 2003, and in effect.

AU sec. 150, "Generally Accepted Auditing Standards"

SAS No. 95, "Generally Accepted Auditing Standards" (AU sec. 150, "Generally Accepted Auditing Standards"), as amended, is rescinded.

AU sec. 161, "The Relationship of Generally Accepted Auditing Standards to Quality Control Standards"

SAS No. 25, "The Relationship of Generally Accepted Auditing Standards to Quality Control Standards," (AU sec. 161, "The Relationship of Generally Accepted Auditing Standards to Quality Control Standards"), as amended, is amended as follows:

- a. The section number "AU Section 161" is replaced with "AS 1110."
- b. The title "The Relationship of Generally Accepted Auditing Standards to Quality Control Standards" is replaced with "Relationship of Auditing Standards to Quality Control Standards."
- c. In the references before paragraph .01, the phrase "(Supersedes SAS No. 4)" is deleted.
- d. In paragraph .01:
 - In the first sentence, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
 - The last sentence is deleted.
- e. In the second sentence of paragraph .02, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
- f. In paragraph .03:
 - In the first sentence, the phrase "Generally accepted auditing standards" is replaced with "Auditing standards."
 - In the second sentence, the phrase "generally accepted auditing standards" is replaced with "auditing standards."
 - In the last sentence, the phrase "generally accepted auditing standards" is replaced with "the auditing standards."

AU sec. 201, "Nature of the General Standards"

SAS No. 1, "Codification of Auditing Standards and Procedures" (AU sec. 201, "Nature of the General Standards"), is rescinded.

AU sec. 210, "Training and Proficiency of the Independent Auditor"

SAS No. 1, "Codification of Auditing Standards and Procedures" section 210 "Training and Proficiency of the Independent Auditor" (AU sec. 210, "Training and Proficiency of the Independent Auditor"), as amended, is amended as follows:

- a. The section number "AU Section 210" is replaced with "AS 1010."
- b. In paragraph .01, the introductory phrase "The first general standard is:" is deleted.
- c. In paragraph .02, the phrase "This standard" is replaced with the phrase "The statement in the preceding paragraph."

AU sec. 220, "Independence"

SAS No. 1, "Codification of Auditing Standards and Procedures" section 220 "Independence" (AU sec. 220, "Independence"), as amended, is amended as follows:

- a. The section number "AU Section 220" is replaced with "AS 1005."
- b. In paragraph .01, the introductory phrase "The second general standard is:" is deleted.
- c. In the first sentence of paragraph .02, the phrase "This standard" is replaced with the phrase "The statement in the preceding paragraph."
- d. In paragraph .05, the phrase "that differ from the AICPA requirements in certain respects" is deleted.

AU sec. 230, "Due Professional Care in the Performance of Work"

SAS No. 1, "Codification of Auditing Standards and Procedures" section 230 "Due Professional Care in the Performance of Work" (AU sec. 230, "Due Professional Care in the Performance of Work"), as amended, is amended as follows:

- a. The section number "AU Section 230" is replaced with "AS 1015."
- b. Footnote * to the title of the standard is deleted.
- c. In paragraph .01:
 - The introductory phrase "The third general standard is:" is deleted.
 - Footnote 1 is deleted.
- d. In the first sentence of paragraph .02, the phrase "This standard" is replaced with "The statement in the preceding paragraph."
- e. In footnote 4 to paragraph .06, the reference to "Auditing Standard No. 10" is replaced with "AS 1201."
- f. In footnote 5 to paragraph .11, the reference to "section 342" is replaced with "AS 2501."
- g. In paragraph .12:
 - In the fifth sentence, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
 - In the sixth sentence, the parenthetical reference to "paragraph 9 of Auditing Standard No. 15" is replaced with "paragraph .09 of AS 1105."

AU sec. 315, "Communications Between Predecessor and Successor Auditors"

SAS No. 84, "Communications Between Predecessor and Successor Auditors" (AU sec. 315, "Communications Between Predecessor and Successor Auditors"), as amended, is amended as follows:

- a. The section number "AU Section 315" is replaced with "AS 2610."
- b. The title "Communications Between Predecessor and Successor Auditors" is replaced with "Initial Audits—Communications Between Predecessor and Successor Auditors."
- c. In the references before paragraph .01, the phrase "(Supersedes SAS No. 7)" is deleted.
- d. In last sentence of paragraph .01, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
- e. In paragraph .09:
 - The sentence "The successor auditor may wish to consider other reasonable inquiries." is moved to the end of the paragraph, after the fifth bullet.
 - In footnote 5 to the third bullet:
 - The reference to "section 316" is replaced with "AS 2401."
 - The reference to "section 317" is replaced with "AS 2405."
 - The reference to "section 325" is replaced with "AS 1305."
 - In footnote 5A to the last bullet, the reference to "Paragraph .66 of AU sec. 316, *Consideration of Fraud in a Financial Statement Audit*," is replaced with "AS 2401.66."

- f. In the last sentence of footnote 8 to paragraph .12, the reference to "section 543, *Part of Audit Performed by Other Independent Auditors*, paragraph 10a" is replaced with "paragraph .10a of AS 1205, *Part of the Audit Performed by Other Independent Auditors*."
- g. In paragraph .16:
- In the first sentence, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
 - In the second sentence, the reference to "section 543, *Part of Audit Performed by Other Independent Auditors*" is replaced with "AS 1205."
 - In the last sentence:
 - The reference to "AU sec. 336" is replaced with "AS 1210."
 - The reference to "AU sec. 322, *The Auditor's Consideration of the Internal Audit Function in an Audit of Financial Statements*," is replaced with "AS 2605, *Consideration of the Internal Audit Function*."
 - The reference to "paragraphs 16–19 of PCAOB Auditing Standard No. 5" is replaced with "paragraphs .16–.19 of AS 2201."
- h. In the first sentence of paragraph .20, the reference to "section 331, *Inventories*" is replaced with "AS 2510, *Auditing Inventories*."
- i. In paragraph .21:

- In the last sentence, the reference to "section 561" is replaced with "AS 2905."
 - In footnote 9, the reference to "section 508, *Reports on Audited Financial Statements*, paragraphs .70 through .74" is replaced with "paragraphs .70 through .74 of AS 3101, *Reports on Audited Financial Statements*."
- j. Under item 1 of paragraph 25:
- In the first sentence of the illustrative letter's first paragraph, the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
 - In the first bullet, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
 - In item (2) of the illustrative paragraph, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."

AU sec. 316, "Consideration of Fraud in a Financial Statement Audit"

SAS No. 99, "Consideration of Fraud in a Financial Statement Audit" (AU sec. 316, "Consideration of Fraud in a Financial Statement Audit"), as amended, is amended as follows:

- a. The section number "AU Section 316" is replaced with "AS 2401."
- b. In the references before paragraph .01, the phrase "(Supersedes SAS No. 82)" is deleted.

- c. In paragraph .01:
- In the first sentence, the reference to "Section 110, *Responsibilities and Functions of the Independent Auditor*, paragraph .02" is replaced with "Paragraph .02 of AS 1001, *Responsibilities and Functions of the Independent Auditor*."
 - In the note, the reference to "paragraphs 14–15 of PCAOB Auditing Standard No. 5" is replaced with "paragraphs .14–.15 of AS 2201."
 - In the first sentence of footnote 1, the reference to "section 317" is replaced with "AS 2405."
- d. In paragraph .01A:
- In the first sentence, the reference to "Auditing Standard No. 12" is replaced with "AS 2110."
 - In the second sentence, the reference to "Auditing Standard No. 13" is replaced with "AS 2301."
 - In the last sentence, the reference to "Auditing Standard No. 14" is replaced with "AS 2810."
- e. In the second sentence of paragraph .04, the reference to "section 110.03" is replaced with "AS 1001.03."
- f. In the fifth sentence of paragraph .09, the term "GAAS" is replaced with "the standards of the PCAOB."
- g. In footnote 7 to paragraph .12, the reference to "section 230, *Due Professional Care in the Performance of Work*, paragraphs .10 through

.13" is replaced with "paragraphs .10 through .13 of AS 1015, *Due Professional Care in the Performance of Work*."

- h. In the second sentence of paragraph .13, the phrase "section 230, *Due Professional Care in the Performance of Work*, paragraphs .07 through .09" is replaced with "AS 1015.07 through .09."
- i. In paragraph .52:
- In the first sentence, the reference to "Paragraph 8 of Auditing Standard No. 13, *The Auditor's Responses to the Risks of Material Misstatement*," is replaced with "AS 2301.08."
 - In the last sentence, the reference to "Paragraph 12 of Auditing Standard No. 13" is replaced with "AS 2301.12."
 - In the note, the reference to "Paragraph 71.b. of Auditing Standard No. 12, *Identifying and Assessing Risks of Material Misstatement*," is replaced with "AS 2110.71b."
- j. In paragraph .53:
- In footnote 20 to the fourth bullet, the reference to "AU sec. 329" is replaced with "AS 2305."
 - In the fifth bullet, the parenthetical reference to "paragraph 54 of Auditing Standard No. 12, *Identifying and Assessing Risks of Material Misstatement*" is replaced with "AS 2110.54."
- k. In paragraph .54:
- In footnote 21 to the second sub-bullet of the first bullet, the reference to "AU sec. 330" is replaced with "AS 2310."

- In footnote 22 to the second bullet, the reference to "AU sec. 336" is replaced with "AS 1210."
- In the third bullet:
 - In the fourth sentence, the reference to "section 342" replaced with "AS 2501."
 - In the fifth sentence, the parenthetical reference to "section 342.09 through .14" is replaced with "AS 2501.09 through .14."
- l. In the second sentence of paragraph .56, the reference to "paragraphs 8 through 15 of Auditing Standard No. 13, *The Auditor's Responses to the Risks of Material Misstatement*," is replaced with "AS 2301.08 through .15."
- m. In footnote 23 to item 1 of paragraph .58, the reference to "paragraphs 28 through 32 of Auditing Standard No. 12, *Identifying and Assessing Risks of Material Misstatement*" is replaced with "AS 2110.28 through .32."
- n. In the last sentence of the fifth bullet of paragraph .61, the reference to "paragraphs 11 through 14 of Auditing Standard No. 9" is replaced with "paragraphs .11 through .14 of AS 2101."
- o. In the last sentence of paragraph .63, the reference to "Paragraphs 24 through 27 of Auditing Standard No. 14, *Evaluating Audit Results*" is replaced with "AS 2810.24 through .27."

- p. In footnote 24 to paragraph .63, the reference to "section 342, *Auditing Accounting Estimates*, paragraphs .02 and .16," is replaced with "AS 2501.02 and .16."
- q. In paragraph .66:
- In the first note, the reference to "Auditing Standard No. 12, *Identifying and Assessing Risks of Material Misstatement*" is replaced with "AS 2110."
 - In the second note:
 - In the second sentence, the reference to "paragraphs 14-16 of Auditing Standard No. 18" is replaced with "paragraphs .14-.16 of AS 2410."
 - In the last sentence, the reference to "Auditing Standard No. 18, *Related Parties*," is replaced with "AS 2410."
- r. In the note to paragraph .66A, the reference to "Paragraph 11A of Auditing Standard No. 13" is replaced with "AS 2301.11A."
- s. In paragraph 67:
- In the note, the reference to "Paragraphs 20-23 of Auditing Standard No. 14, *Evaluating Audit Results*," is replaced with "AS 2810.20-.23."
 - In the second sentence of footnote 25A to the third bullet, the reference to "Auditing Standard No. 18, *Related Parties*," is replaced with "AS 2410."
- t. In paragraph 67A:

- In the note, the reference to "AU sec. 550" is replaced with "AS 2710."
 - In footnote 25B, the reference to "paragraphs 30-31 of Auditing Standard No. 14" is replaced with "AS 2810.30–.31."
- u. In paragraph .80:
- In the second sentence, the parenthetical reference to "section 325, 'Communications About Control Deficiencies in An Audit of Financial Statements,' paragraph 4" is replaced with "paragraph .04 of AS 1305, *Communications About Control Deficiencies in an Audit of Financial Statements*."
 - In the third sentence, the parenthetical reference to "paragraphs 72–73 of Auditing Standard No. 12, *Identifying and Assessing Risks of Material Misstatement*" is replaced with "AS 2110.72–.73."
- v. In the second sentence of paragraph .81, the parenthetical reference to "paragraphs 12–13 of Auditing Standard No. 16" is replaced with "paragraphs .12–.13 of AS 1301."
- w. In paragraph .82:
- In item a, the reference to "AU sec. 315, *Communications Between Predecessor and Successor Auditors*" is replaced with "AS 2610, *Initial Audits—Communications Between Predecessor and Successor Auditors*."
 - In footnote 40, the reference to "Section 315" is replaced with "AS 2610."

- x. In paragraph .83:
- In the first bullet, the parenthetical reference to "paragraphs 52 and 53 of Auditing Standard No. 12, *Identifying and Assessing Risks of Material Misstatement*" is replaced with "AS 2110.52 and .53."
 - In the second bullet, the parenthetical reference to "paragraph 47, paragraphs 56 through 58, and paragraphs 65 through 69 of Auditing Standard No. 12, *Identifying and Assessing Risks of Material Misstatement*" is replaced with "AS 2110.47, AS 2110.56 through .58, and AS 2110.65 through .69."
 - In the third bullet:
 - The first parenthetical reference to "(paragraphs 59 through 69 of Auditing Standard No. 12, *Identifying and Assessing Risks of Material Misstatement*)" is replaced with "(AS 2110.59 through .69)."
 - The second parenthetical reference to "(paragraphs 5 through 15 of Auditing Standard No. 13, *The Auditor's Response to the Risks of Material Misstatement*)" is replaced with "(AS 2301.05 through .15)."
 - In the fourth bullet, the parenthetical reference to "paragraph 68 of Auditing Standard No. 12, *Identifying and Assessing Risks of Material Misstatement*" is replaced with "AS 2110.68."

- In the fifth bullet, the parenthetical reference to "paragraph 15 of Auditing Standard No. 13, *The Auditor's Responses to the Risks of Material Misstatements*" is replaced with "AS 2301.15."
 - In the sixth bullet, the parenthetical reference to "paragraphs 5 through 9 of Auditing Standard No. 14, *Evaluating Audit Results*" is replaced with "AS 2810.05 through .09."
- y. In the first sentence of item A.1 of paragraph .85, the reference to "paragraphs 65 through 69 of Auditing Standard No. 12, *Identifying and Assessing Risks of Material Misstatement*" is replaced with "AS 2110.65 through .69."
- z. Paragraphs .86 through .88 are deleted.
- aa. Footnotes 5 and 6 to paragraph .86 are deleted.
- bb. Footnote 8 to paragraph .87 is deleted.
- cc. Footnotes 1 through 11 to paragraph .88 are deleted.

AU sec. 317, "Illegal Acts by Clients"

SAS No. 54, "Illegal Acts by Clients" (AU sec. 317, "Illegal Acts by Clients"),

as amended, is amended as follows:

- a. The section number "AU Section 317" is replaced with "AS 2405."
- b. In the references before paragraph .01, the phrase "(Supersedes section 328)" is deleted.
- c. In the first sentence of paragraph .01, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."

- d. In the last sentence of paragraph .05, the reference to "section 110" is replaced with "AS 1001."
- e. In the last sentence of paragraph .07, the phrase "generally accepted auditing standards" is replaced with "PCAOB auditing standards."
- f. In paragraph .08:
- In the first sentence, the phrase "generally accepted auditing standards" is replaced with "PCAOB auditing standards."
 - The parenthetical reference to "section 333" is replaced with "AS 2805."
- g. In footnote 2 to paragraph .21, the reference to "section 508" is replaced with "AS 3101."
- h. In the subtitle before paragraph .22, the phrase "in Accordance With Generally Accepted Auditing Standards" is deleted.
- i. In paragraph .23*b*:
- The reference to "section 315, *Communications Between Predecessor and Successor Auditors*" is replaced with "AS 2610, *Initial Audits—Communications Between Predecessor and Successor Auditors*."
 - In footnote 5, the reference to "section 315" is replaced with "AS 2610."

AU sec. 9317, "Illegal Acts by Clients: Auditing Interpretations of Section 317"

AU sec. 9317, "Illegal Acts by Clients: Auditing Interpretations of Section 317,"

is amended as follows:

- a. The section number "AU Section 9317" is replaced with "AI 13."
- b. The title "Illegal Acts by Clients: Auditing Interpretations of Section 317" is replaced with "Illegal Acts by Clients: Auditing Interpretations of AS 2405."
- c. In paragraph .01:
 - In the first sentence, the phrase "The second standard of field work requires" is replaced with "The auditing standards require."
 - In the last sentence:
 - The reference to "section 317" is replaced with "AS 2405, *Illegal Acts by Clients*."
 - The phrase "the second standard of field work" is replaced with "AS 2110, *Identifying and Assessing Risks of Material Misstatement*."
- d. In paragraph .03, the reference to "section 317" is replaced with "AS 2405."
- e. In paragraph .05, the parenthetical reference to "section 317.22" is replaced with "AS 2405.22."

AU sec. 322, "The Auditor's Consideration of the Internal Audit Function in an Audit of Financial Statements"

SAS No. 54, "The Auditor's Consideration of the Internal Audit Function in an Audit of Financial Statements" (AU sec. 322, "The Auditor's Consideration of the Internal Audit Function in an Audit of Financial Statements"), as amended, is amended as follows:

- a. The section number "AU Section 322" is replaced with "AS 2605."
- b. The title "The Auditor's Consideration of the Internal Audit Function in an Audit of Financial Statements" is replaced with "Consideration of the Internal Audit Function."
- c. In the references before paragraph .01, the phrase "(Supersedes SAS No. 9)" is deleted.
- d. In the last sentence of paragraph .01, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
- e. In the note to paragraph .01, the reference to "paragraphs 16–19 of PCAOB Auditing Standard No. 5" is replaced with "paragraphs .16–.19 of AS 2201."
- f. In paragraph .02:
 - In the first sentence, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
 - In footnote 2, the phrase "the AICPA Code of Professional Conduct" is replaced with "PCAOB Rule 3520, *Auditor Independence*."
- g. In footnote 3 to paragraph .04, the reference to "Auditing Standard No. 12" is replaced with "AS 2110."
- h. In footnote 5 to paragraph .18, the reference to "paragraph 8 of Auditing Standard No. 15" is replaced with "paragraph .08 of AS 1105."

- i. In footnote 6 to paragraph .19, the reference to "section 543, *Part of Audit Performed by Other Independent Auditors*" is replaced with "AS 1205, *Part of the Audit Performed by Other Independent Auditors*."
- j. In the note to paragraph .22, the reference to "paragraphs 18–19 of PCAOB Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*" is replaced with "AS 2201.18–.19."
- k. In footnote 8 to paragraph .27, the reference to "Auditing Standard No. 10" is replaced with "AS 1201."
- l. In the appendix, the title "The Auditor's Consideration of the Internal Audit Function in an Audit of Financial Statements" is replaced with "Consideration of the Internal Audit Function."

AU sec. 324, "Service Organizations"

SAS No. 70, "Service Organizations" (AU sec. 324, "Service Organizations"),

as amended, is amended as follows:

- a. The section number "AU Section 324" is replaced with "AS 2601."
- b. The title "Service Organizations" is replaced with "Consideration of an Entity's Use of a Service Organization."
- c. Footnote * to the title of the standard is deleted.
- d. In the references before paragraph .01, the phrase "(Supersedes SAS No. 44)" is deleted.
- e. In the note to paragraph .01, the reference to "paragraphs B17–B27 of Appendix B, *Special Topics*, of PCAOB Auditing Standard No. 5" is

replaced with " paragraphs .B17–.B27 of Appendix B, *Special Topics*, of AS 2201."

- f. In paragraph .07:
- In the first sentence, the reference to "Auditing Standard No. 12" is replaced with "AS 2110."
 - In the third bullet, the second sentence is deleted.
- g. In the first sentence of paragraph .16, the reference to "paragraph 18 and paragraphs 29 through 31 of Auditing Standard No. 13" is replaced with "paragraph .18 and paragraphs .29 through .31 of AS 2301."
- h. In the last sentence of paragraph .18, the reference to "section 543, *Part of Audit Performed by Other Independent Auditors*, paragraph .10a" is replaced with "paragraph .10a of AS 1205, *Part of the Audit Performed by Other Independent Auditors*."
- i. In the first sentence of paragraph 19, the reference to "section 543.12" is replaced with "AS 1205.12."
- j. In the last sentence of paragraph .20, the reference to "section 325" is replaced with "AS 1305."
- k. In the second sentence of paragraph .22:
- The phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
 - The phrase "general standards and with the relevant fieldwork and reporting standards" is replaced with "relevant PCAOB auditing standards."

- l. In the second sentence of paragraph .23:
 - The reference to "Auditing Standard No. 14" is replaced with "AS 2810."
 - The reference to "section 317" is replaced with "AS 2405."
- m. In paragraph .38, in the last sentence of the first paragraph of the sample report on controls placed in operation at a service organization, the phrase "standards established by the American Institute of Certified Public Accountants" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
- n. In the last sentence of paragraph .41, the reference to "Section 350" is replaced with "AS 2315."
- o. In paragraph .54, in the last sentence of the first paragraph of the sample report on controls placed in operation at a service organization and tests of operating effectiveness, the phrase "standards established by the American Institute of Certified Public Accountants" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."

AU sec. 9324, "Service Organizations: Auditing Interpretations of Section 324"

AU sec. 9324, "Service Organizations: Auditing Interpretations of Section 324,"

as amended, is amended as follows:

- a. The section number "AU Section 9324" is replaced with "AI 18."

- b. The title "Service Organizations: Auditing Interpretations of Section 324" is replaced with "Consideration of an Entity's Use of a Service Organization: Auditing Interpretations of AS 2601."
- c. In paragraph .01:
- In the first sentence, the reference to "section 324, *Service Organizations*" is replaced with "AS 2601, *Consideration of an Entity's Use of a Service Organization*."
 - In the second sentence, the reference to "Section 324.44f" is replaced with "AS 2601.44f."
- d. In the first sentence of paragraph .02, the reference to "section 324.44f" is replaced with "AS 2601.44f."
- e. In paragraph .05:
- In the third sentence, the reference to "Paragraphs .06 through .17 of section 324, *Service Organizations*," is replaced with "AS 2601.06 through .17."
 - In the fourth sentence, the reference to "section 324.06–.17" is replaced with "AS 2601.06–.17."
 - In the last sentence, the reference to "section 324.06" is replaced with "AS 2601.06."
- f. In the second sentence of paragraph .07, the reference to "Section 324.11–.16" is replaced with "AS 2601.11–.16."
- g. Following paragraph .16, in the Sample Scope Paragraph of a Service Auditor's Report Using the Carve-Out Method:

- The heading "Independent Service Auditor's Report" above the example report is replaced with "Service Auditor's Report of Independent Registered Public Accounting Firm."
 - In the last sentence of the report, the phrase "standards established by the American Institute of Certified Public Accountants" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
 - In the bracketed sentence, the reference to "section 324.38 and .54" is replaced with "AS 2601.38 and .54."
- h. In the first sentence of paragraph .17, the reference to "section 324.12" is replaced with "AS 2601.12."
- i. Following paragraph .18, in the Sample Service Auditor's Report Using the Inclusive Method:
- The heading "Independent Service Auditor's Report" above the example report is replaced with "Service Auditor's Report of Independent Registered Public Accounting Firm."
 - In the last sentence of the first paragraph of the report, the phrase "standards established by the American Institute of Certified Public Accountants" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
- j. In paragraph .35, each reference to "Section 324.32" or "section 324.32" is replaced with "AS 2601.32."
- k. In paragraph .36:

- Each reference to "Section 324.32" or "section 324.32" is replaced with "AS 2601.32."
 - Footnote 2 is deleted.
- l. In the first sentence of paragraph .37, the reference to "section 550" is replaced with "AS 2710."
- m. In paragraph .38:
- In the first sentence, the reference to "Section 324.29g and .44l" is replaced with "AS 2601.29g and .44l."
 - In the second sentence, the reference to "Section 324.44l" is replaced with "AS 2601.44l."
 - In the third sentence, the reference to "section 324.38 and .54" is replaced with "AS 2601.38 and .54."
 - In the fourth sentence, the reference to "section 324.54" is replaced with "AS 2601.54."
- n. In the first sentence of paragraph .39, the reference to "section 324.38 and .54" is replaced with "AS 2601.38 and .54."
- o. In the first sentence of paragraph .40, the reference to "section 324.38 and .54" is replaced with "AS 2601.38 and .54."

AU sec. 325, "Communications About Control Deficiencies in an Audit of Financial Statements"

AU sec. 325, "Communications About Control Deficiencies in an Audit of Financial Statements," as amended, is amended as follows:

- a. The section number "AU Section 325" is replaced with "AS 1305."

- b. Paragraph numbers 1 through 9 are replaced with .01 through .09.
- c. The directions before paragraph 1 are replaced with the following:

Note: For an integrated audit of financial statements and internal control over financial reporting, see paragraphs .78–.84 of AS 2201, An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements.

Note: The following paragraphs apply in an audit of financial statements only:

- d. In the second note to paragraph 3, the reference to "paragraphs 62–70 of PCAOB Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*" is replaced with "AS 2201.62–.70."
- e. In the last sentence of paragraph 4, the reference to "paragraphs 2 and 3" is replaced with "paragraphs .02 and .03."
- f. In the last sentence of paragraph 9:
- The reference to "AU sec. 325" is replaced with "AS 1305."
 - The reference to "paragraph 2" is replaced with "paragraph .02."

AU sec. 9325, "Communication of Internal Control Related Matters Noted in an Audit: Auditing Interpretations of Section 325"

AU sec. 9325, "Communication of Internal Control Related Matters Noted in an Audit: Auditing Interpretations of Section 325," as amended, is amended as follows:

- a. The section number "AU Section 9325" is replaced with "AI 12."

- b. The title "Communication of Internal Control Related Matters Noted in an Audit: Auditing Interpretations of Section 325" is replaced with "Communications About Control Deficiencies in an Audit of Financial Statements: Auditing Interpretations of AS 1305."
- c. In the note before paragraph .01:
- In the first sentence:
 - The reference to "AU sec. 325" is replaced with "AS 1305, *Communications About Control Deficiencies in an Audit of Financial Statements,*."
 - The reference to "paragraph 2" is replaced with "paragraph .02."
 - In the last sentence, the reference to "paragraph A7 of Appendix A, *Definitions*, of PCAOB Auditing Standard No. 5" is replaced with "paragraph .A7 of Appendix A, *Definitions*, of AS 2201."
- d. In the first sentence of paragraph .01, the reference to "Section 325" is replaced with "AS 1305."
- e. In the second sentence of paragraph .02, the reference to "Section 325" is replaced with "AS 1305."
- f. In the first sentence of paragraph .03, the reference to "Section 325" is replaced with "AS 1305."
- g. In the example report below paragraph .04, in the second sentence, the phrase "standards established by the American Institute of Certified Public

Accountants" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."

AU sec. 9326, "Evidential Matter: Auditing Interpretations of Section 326"

AU sec. 9326, "Evidential Matter: Auditing Interpretations of Section 326," as amended, is amended as follows:

- a. The section number "AU Section 9326" is replaced with "AI 28."
- b. The title "Evidential Matter: Auditing Interpretations of Section 326" is replaced with "Evidential Matter Relating to Income Tax Accruals: Auditing Interpretations."
- c. In paragraph .10:
 - In the first sentence, the phrase "third standard of field work requires" is replaced with "auditing standards require."
 - In the second sentence, the reference to "Paragraph 35 of Auditing Standard No. 14" is replaced with "Paragraph .35 of AS 2810."
 - In the third sentence, the reference to "Section 508, *Reports on Audited Financial Statements*, paragraph .24" is replaced with "Paragraph .24 of AS 3101, *Reports on Audited Financial Statements*."
 - In the fourth sentence, the reference to "section 333 on *Management Representations*" is replaced with "AS 2805, *Management Representations*."
 - In the fifth sentence:

- The reference to "Section 333.06" is replaced with "AS 2805.06."
 - The reference to "section 333.08" is replaced with "AS 2805.08."
 - In the last sentence, the reference to "section 333.13" is replaced with "AS 2805.13."
- d. In the first sentence of paragraph .12, the phrase "Section 339, *Audit Documentation*, states that audit documentation is the principal record" is replaced with "Audit documentation is the written record."
- e. In paragraph .16, the reference to "section 336" is replaced with "AS 1210."
- f. In the first sentence of paragraph .18, the reference to "Section 336.01" is replaced with "AS 1210.01."
- g. In the first sentence of paragraph .19, the reference to "section 337" is replaced with "AS 2505."

AU sec. 328, "Auditing Fair Value Measurements and Disclosures"

SAS No. No. 101, "Auditing Fair Value Measurements and Disclosures" (AU sec. 328, "Auditing Fair Value Measurements and Disclosures"), as amended, is amended as follows:

- a. The section number "AU Section 328" is replaced with "AS 2502."
- b. In paragraph .06 each reference to "Section 342" or "section 342" is replaced with "AS 2501."

- c. In footnote 3 to paragraph .07, the reference to "section 332" is replaced with "AS 2503."
- d. In the first sentence of paragraph .11, the reference to "Auditing Standard No. 12" is replaced with "AS 2110."
- e. In the last sentence of the fifth bullet of paragraph .12, the reference to "section 324, *Service Organizations*" is replaced with "AS 2601, *Consideration of an Entity's Use of a Service Organization.*"
- f. In the first sentence of paragraph .14, the reference to "Paragraph A5, second note of Auditing Standard No. 5" is replaced with "Paragraph .A5, second note of AS 2201."
- g. In the last sentence of paragraph .20, the reference to "section 336" is replaced with "AS 1210."
- h. In paragraph .22, the reference to "Section 336" or "section 336" is replaced with "AS 1210."
- i. In footnote 6 to paragraph .40, the reference to "section 329, *Analytical Procedures*" is replaced with "AS 2305, *Substantive Analytical Procedures.*"
- j. In footnote 7 to paragraph .41, the reference to "section 560" is replaced with "AS 2801."
- k. In footnote 8 to paragraph .43, the reference to "paragraph 31 of Auditing Standard No. 14" is replaced with "paragraph .31 of AS 2810."
- l. In the last sentence of paragraph .47, the parenthetical reference to "paragraphs 12 through 18 and 24 through 27 of Auditing Standard No.

14, *Evaluating Audit Results*" is replaced with "AS 2810.12 through .18 and AS 2810.24 through .27."

m. In the first sentence of paragraph .48:

- The reference to "Section 333" is replaced with "AS 2805."
- The reference to "generally accepted auditing standards" is replaced with "the standards of the PCAOB."

n. In paragraph .50, the reference to "Paragraphs 12–13 of Auditing Standard No. 16" is replaced with "Paragraphs .12–.13 of AS 1301."

AU sec. 329, "Substantive Analytical Procedures"

SAS No. 56, "Analytical Procedures" (AU sec. 329, "Substantive Analytical

Procedures"), as amended, is amended as follows:

a. The section number "AU Section 329" is replaced with "AS 2305."

b. In the references before paragraph .01, the phrase "(Supersedes section 318)" is deleted.

c. In paragraph .01:

- In the first note, the reference to "Auditing Standard No. 12" is replaced with "AS 2110."
- In the second note, the reference to "Auditing Standard No. 14" is replaced with "AS 2810."

d. In the last sentence of paragraph .09, the parenthetical reference to "paragraph 11 of Auditing Standard No. 13" is replaced with "paragraph .11 of AS 2301."

- e. In footnote 1 to paragraph .09, the reference to "Auditing Standard No. 15" is replaced with "AS 1105."
- f. In the last sentence of paragraph .21, the parenthetical reference to "Auditing Standard No. 14, *Evaluating Audit Results*" is replaced with "AS 2810."

AU sec. 330, "The Confirmation Process"

SAS No. 67, "The Confirmation Process" (AU sec. 330, "The Confirmation Process"), as amended, is amended as follows:

- a. The section number "AU Section 330" is replaced with "AS 2310."
- b. In the references before paragraph .01, the phrase "(Supersedes section 331.03–.08)" is deleted.
- c. In paragraph .01:
 - In the first sentence, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
 - In the last bullet:
 - In the first sentence, the reference to "section 331, *Inventories*, paragraphs .03–.08" is replaced with "paragraphs .03–.08 of AS 2510, *Auditing Inventories*."
 - Each reference to "section 331.01" is replaced with "AS 2510.01."
- d. In paragraph .02:
 - In the second sentence:
 - The reference to "section 350" is replaced with "AS 2315."

- The reference to "Auditing Standard No. 13" is replaced with "AS 2301."
 - In the last sentence, the reference to "Auditing Standard No. 13, *The Auditor's Responses to the Risks of Material Misstatement*" is replaced with "AS 2301."
- e. In paragraph .03:
- The reference to "section 336" is replaced with "AS 1210."
 - The reference to "section 337" is replaced with "AS 2505."
- f. In the first sentence of paragraph .05, the reference to "Auditing Standard No. 8" is replaced with "AS 1101."
- g. In the last sentence of paragraph .06, the reference to "paragraph 8 of Auditing Standard No. 15" is replaced with "paragraph .08 of AS 1105."
- h. In the last sentence of paragraph .11, the reference to "Auditing Standard No. 15, *Audit Evidence*," is replaced with "AS 1105."
- i. In paragraph .15, the parenthetical reference to "section 230" is replaced with "AS 1015."
- j. In footnote 2 to paragraph .27, the reference to "Auditing Standard No. 18" is replaced with "AS 2410."
- k. In the last sentence of footnote 3 to paragraph .28, the reference to "Section 322, *The Auditor's Consideration of the Internal Audit Function in an Audit of Financial Statements*" is replaced with "AS 2605, *Consideration of the Internal Audit Function*."

AU sec. 331, "Inventories"

SAS No. 1, "Codification of Auditing Standards and Procedures" section 331 "Inventories" (AU sec. 331, "Inventories"), as amended, is amended as follows:

- a. The section number "AU Section 331" is replaced with "AS 2510."
- b. The title "Inventories" is replaced with "Auditing Inventories."
- c. Footnote * to the title of the standard is deleted.
- d. Footnote 3 to the subtitle before paragraph .14, "Inventories Held in Public Warehouses," is deleted.
- e. In paragraph .15, the reference to "sections 508.24 and 508.67" is replaced with "paragraphs .24 and .67 of AS 3101, *Reports on Audited Financial Statements*."

AU sec. 332, "Auditing Derivative Instruments, Hedging Activities, and Investments in Securities"

SAS No. 92, "Auditing Derivative Instruments, Hedging Activities, and Investments in Securities" (AU sec. 332, "Auditing Derivative Instruments, Hedging Activities, and Investments in Securities"), as amended, is amended as follows:

- a. The section number "AU Section 332" is replaced with "AS 2503."
- b. Footnote 1 to the title of the standard is deleted.
- c. In the references before paragraph .01, the phrase "(Supersedes SAS No. 81)" is deleted.
- d. In paragraph .01:
 - In the last sentence, the reference to "paragraphs 11 and 12 of Auditing Standard No. 15" is replaced with "paragraphs .11 and .12 of AS 1105."

- In footnote 3, the reference to "section 623, *Special Reports*, paragraph .04" is replaced with "paragraph .04 of AS 3305, *Special Reports*."
- e. In paragraph .06:
- In the first sentence, the reference to "Auditing Standard No. 9" is replaced with "AS 2101."
 - In the second sentence, the reference to "Auditing Standard No. 10" is replaced with "AS 1201."
 - In the last sentence, the reference to "AU sec. 336" is replaced with "AS 1210."
- f. In the last sentence of paragraph .07, the reference to "section 322, *The Auditor's Consideration of the Internal Audit Function in an Audit of Financial Statements*" is replaced with "AS 2605, *Consideration of the Internal Audit Function*."
- g. In the first sentence of paragraph .09, the reference to "Auditing Standard No. 12" is replaced with "AS 2110."
- h. Footnote 6 to paragraph .10 is deleted.
- i. In paragraph .11:
- In the fourth sentence, the reference to "Paragraphs 28 through 32 and B1 through B6 of Auditing Standard No. 12, *Identifying and Assessing Risks of Material Misstatement*" is replaced with "AS 2110.28 through .32 and AS 2110.B1 through .B6."

- In the last sentence, the reference to "section 324, *Service Organizations*" is replaced with "AS 2601, *Consideration of an Entity's Use of a Service Organization*."
 - In the note, the reference to "paragraph 39 of PCAOB Auditing Standard No. 5" is replaced with "paragraph .39 of AS 2201."
- j. In footnote 8 to the fifth bullet of paragraph .14, the reference to "Section 324" is replaced with "AS 2601."
- k. In the last sentence of paragraph .15, the reference to "Auditing Standard No. 12, *Identifying and Assessing Risks of Material Misstatement*" is replaced with "AS 2110."
- l. In paragraph .16a, the reference to "section 324" is replaced with "AS 2601."
- m. Footnote 10 to paragraph .18 is deleted.
- n. In paragraph .21:
- In the first sentence of footnote 11 to the second bullet, the reference to "Section 330" is replaced with "AS 2310, *The Confirmation Process*."
 - In footnote 12 to the last bullet, the reference to "Section 329" is replaced with "AS 2305, *Substantive Analytical Procedures*."
- o. In footnote 13 to the second bullet of paragraph .22, the reference to "Section 330.17" is replaced with "AS 2310.17."
- p. In footnote 15 to paragraph .32, the reference to "section 508, *Reports on Audited Financial Statements*, paragraphs .16–.18" is replaced with

"paragraphs .16–.18 of AS 3101, *Reports on Audited Financial Statements*."

- q. In paragraph .33:
- In the third sentence, the reference to "section 560, *Subsequent Events*, paragraphs .05–.06)" is replaced with "paragraphs .05–.06 of AS 2801, *Subsequent Events*."
 - In the last sentence, the reference to "section 560.03" is replaced with "AS 2801.03."
- r. In paragraph .35:
- In the sixth sentence, the reference to "section 342" is replaced with "AS 2501."
 - In the last sentence, the reference to "paragraphs 24 through 27 of Auditing Standard No. 14" is replaced with "paragraphs .24 through .27 of AS 2810."
- s. In paragraph .39:
- Each reference to "Section 336" is replaced with "AS 1210."
 - Each reference to "Section 324" is replaced with "AS 2601."
- t. In paragraph .43*a*, the reference to "section 342" is replaced with "AS 2501."
- u. In paragraph .43*b*, the reference to "section 336" is replaced with "AS 1210."
- v. In the third sentence of paragraph .49, the reference to "section 411, *The Meaning of Present Fairly in Conformity with Generally Accepted*

Accounting Principles, paragraph .04" is replaced with "paragraph .04 of AS 2815, *The Meaning of 'Present Fairly in Conformity with Generally Accepted Accounting Principles.'*"

- w. In paragraph .51, the parenthetical reference to "paragraph 31 of Auditing Standard No. 14, *Evaluating Audit Results*" is replaced with "AS 2810.31."
- x. In paragraph .58:
 - In the first sentence, the reference to "Section 333" is replaced with "AS 2805."
 - In footnote 20, the reference to "section 333.17" is replaced with "AS 2805.17."

AU sec. 333, "Management Representations"

SAS No. 85, "Management Representations" (AU sec. 333, "Management Representations"), as amended, is amended as follows:

- a. The section number "AU Section 333" is replaced with "AS 2805."
- b. In the references before paragraph .01, the phrase "(Supersedes SAS No. 19)" is deleted.
- c. In paragraph .01, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
- d. In footnote 1 to paragraph .02, the reference to "Section 230" is replaced with "AS 1015."
- e. In the third sentence of paragraph .03, the reference to "Auditing Standard No. 18" is replaced with "AS 2410."

- f. In the note to paragraph .05, the reference to "paragraphs 75–77 of PCAOB Auditing Standard No. 5" is replaced with "paragraphs .75–.77 of AS 2201."
- g. In paragraph .06g:
- In footnote 4, the reference to "Auditing Standard No. 14" is replaced with "AS 2810."
 - In the first sentence of footnote 6, the reference to "Paragraph 11 of Auditing Standard No. 14, *Evaluating Audit Results*" is replaced with "AS 2810.11."
 - In footnote 7:
 - In the first sentence:
 - The reference to "section 317, *Illegal Acts by Clients*, paragraph .17" is replaced with "paragraph .17 of AS 2405, *Illegal Acts by Clients*."
 - The reference to "section 316, *Consideration of Fraud in a Financial Statement Audit*, paragraphs .79 through .82" is replaced with "paragraphs .79 through .82 of AS 2401, *Consideration of Fraud in a Financial Statement Audit*."
 - In the last sentence:
 - The reference to "section 317" is replaced with "AS 2405."

- The reference to "section 316" is replaced with "2401."
- h. In footnote 9 to paragraph .06l, the reference to "paragraph 18 of Auditing Standard No. 18, *Related Parties*" is replaced with "AS 2410.18."
- i. In footnote 10 to paragraph .06o, the reference to "section 317" is replaced with "AS 2405."
- j. In footnote 11 to paragraph .06p:
- In the first sentence, the reference to "section 337, *Inquiry of a Client's Lawyer Concerning Litigation, Claims, and Assessments*, paragraph .05d" is replaced with " paragraph .05d of AS 2505, *Inquiry of a Client's Lawyer Concerning Litigation, Claims, and Assessments*."
 - The parenthetical reference to "section 9337.15–.17" is replaced with "paragraphs .15–.17 of AI 17, *Inquiry of a Client's Lawyer Concerning Litigation, Claims, and Assessments: Auditing Interpretations of AS 2505*."
- k. In footnote 12 to paragraph .06q, the reference to "section 337.05b" is replaced with "AS 2505.05b."
- l. In footnote 13 to paragraph .06t:
- The reference to "section 560, *Subsequent Events*, paragraph .12" is replaced with "paragraph .12 of AS 2801, *Subsequent Events*."

- The reference to "section 711, *Filings Under Federal Securities Statutes*, paragraph .10" is replaced with "paragraph .10 of AS 4101, *Responsibilities Regarding Filings Under Federal Securities Statutes*."
 - The reference to "section 634, *Letters for Underwriters and Certain Other Requesting Parties*, paragraph .45, footnote 29" is replaced with "paragraph .45, footnote 31 of AS 6101, *Letters for Underwriters and Certain Other Requesting Parties*."
- m. Footnote 14 to paragraph .07 is deleted.
- n. In the fourth sentence of paragraph .09, the bracketed reference to "section 530, *Dating of the Independent Auditor's Report*, paragraph .05" is replaced with "paragraph .05 of AS 3110, *Dating of the Independent Auditor's Report*."
- o. In footnote 15 to paragraph .12, the reference to "section 508, *Reports on Audited Financial Statements*, paragraph .71" is replaced with "paragraph .71 of AS 3101, *Reports on Audited Financial Statements*."
- p. In footnote 16 to paragraph .12, the reference to "section 711.10" is replaced with "AS 4101.10."
- q. In footnote 18 to paragraph .13, the reference to "section 508.22–.34" is replaced with "AS 3101.22–.34."
- r. In the second sentence of item 4 of paragraph .16:
- The reference to "section 316" is replaced with "AS 2401."

- The reference to "Auditing Standard No. 18" is replaced with "AS 2410."

s. The second sentence in item 1 of paragraph .17 is deleted.

AU sec. 9333, "Management Representations: Auditing Interpretations of Section 333"

AU sec. 9333, "Management Representations: Auditing Interpretations of Section 333," is amended as follows:

- a. The section number "AU Section 9333" is replaced with "AI 21."
- b. The title "Management Representations: Auditing Interpretations of Section 333" is replaced with "Management Representations: Auditing Interpretations of AS 2805."
- c. In the first sentence of paragraph .01, the reference to "Section 333" is replaced with "AS 2805."
- d. In paragraph .02, each reference to "Section 317" or "section 317" is replaced with "AS 2405."
- e. In the second sentence of paragraph .03, the reference to "Section 333" is replaced with "AS 2805."

AU sec. 336, "Using the Work of a Specialist"

SAS No. 73, "Using the Work of a Specialist" (AU sec. 336, "Using the Work of a Specialist"), as amended, is amended as follows:

- a. The section number "AU Section 336" is replaced with "AS 1210."
- b. In the references before paragraph .01, the phrase "(Supersedes SAS No. 11)" is deleted.

- c. In paragraph .01:
- In the first sentence, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
 - In footnote 1, the reference to "Auditing Standard No. 10" is replaced with "AS 1201."
- d. In the second sentence of paragraph .02, the reference to "section 337" is replaced with "AS 2505."
- e. In paragraph .04:
- The reference to "section 623" is replaced with "AS 3305."
 - In footnote 3, the reference to "section 623, *Special Reports*" is replaced with "AS 3305."
- f. In the last sentence of paragraph .05, the reference to "Auditing Standard No. 10, *Supervision of the Audit Engagement*" is replaced with "AS 1201."
- g. In footnote 4 to paragraph .07c, the parenthetical sentence is deleted.
- h. In the last sentence of paragraph .13, the parenthetical reference to "section 508, *Reports on Audited Financial Statements*, paragraphs .22 and .23" is replaced with "paragraphs .22 and .23 of AS 3101, *Reports on Audited Financial Statements*."
- i. In the last sentence of paragraph .14, the parenthetical reference to "section 508.35, .36, and .41" is replaced with "AS 3101.35, .36, and .41."

AU sec. 9336, "Using the Work of a Specialist: Auditing Interpretations of Section 336"

AU sec. 9336, "Using the Work of a Specialist: Auditing Interpretations of Section 336," as amended, is amended as follows:

- a. The section number "AU Section 9336" is replaced with "AI 11."
- b. The title "Using the Work of a Specialist: Auditing Interpretations of Section 336" is replaced with "Using the Work of a Specialist: Auditing Interpretations of AS 1210."
- c. In the first sentence of paragraph .04, the reference to "Section 336, *Using the Work of a Specialist*, paragraph .06" is replaced with "Paragraph .06 of AS 1210, *Using the Work of a Specialist*."
- d. In the second sentence of paragraph .11, the reference to "Section 336.13" is replaced with "AS 1210.13."
- e. In the fourth sentence of paragraph .15, the reference to "Paragraph 6 of Auditing Standard No. 15" is replaced with "Paragraph .06 of AS 1105."
- f. In the second sentence of paragraph .17, the reference to "section 336.09" is replaced with "AS 1210.09."
- g. In paragraph .21:
 - In footnote 14, the reference to "section 336.13" is replaced with "AS 1210.13."
 - In the third sentence, the reference to "section 508, *Reports on Audited Financial Statements*, paragraphs .35 through .60" is

replaced with "paragraphs .35 through .60 of AS 3101, *Reports on Audited Financial Statements*."

- In the last sentence, the reference to "section 508.22–.26 and 508.61–.63." is replaced with "AS 3101.22–.26 and AS 3101.61–.63."

AU sec. 337, "Inquiry of a Client's Lawyer Concerning Litigation, Claims, and Assessments"

SAS No. 12, "Inquiry of a Client's Lawyer Concerning Litigation, Claims, and Assessments" (AU sec. 336, "Inquiry of a Client's Lawyer Concerning Litigation, Claims, and Assessments"), as amended, is amended as follows:

- a. The section number "AU Section 337" is replaced with "AS 2505."
- b. Footnote 1 to the title of the standard is deleted.
- c. In paragraph .01, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
- d. In footnote 2 to paragraph .03:
 - The first sentence is deleted.
 - In the last sentence, the term "SAS" is replaced with "auditing standard."
- e. In footnote 4 to the subtitle before paragraph .08 ("*Inquiry of a Client's Lawyer*"), the parenthetical reference to "section 337A" is replaced with "AS 2505A."

- f. In footnote 6 to the subtitle before paragraph .12 ("*Limitations on the Scope of a Lawyer's Response*"), the parenthetical reference to "section 337C" is replaced with "AS 2505C."
- g. In the first sentence of paragraph .13, the parenthetical reference to "section 508.22 and .23" is replaced with "paragraphs .22 and .23 of AS 3101, *Reports on Audited Financial Statements*."
- h. In the last sentence of paragraph .14, the reference to "section 508.45 through .49" is replaced with "AS 3101.45 through .49."
- i. The section number "AU Section 337A" is replaced with "AS 2505A."
- j. In AU Section 337A, the paragraph number ".01" is deleted.
- k. Exhibit I, AU sec. 337B and related footnotes are deleted.
- l. The section number "AU Section 337C" is replaced with "AS 2505C."

AU sec. 9337, "Inquiry of a Client's Lawyer Concerning Litigation, Claims, and Assessments: Auditing Interpretation of Section 337"

AU sec. 9337, "Inquiry of a Client's Lawyer Concerning Litigation, Claims, and Assessments: Auditing Interpretation of Section 337," as amended, is amended as follows:

- a. The section number "AU Section 9337" is replaced with "AI 17."
- b. The title "Inquiry of a Client's Lawyer Concerning Litigation, Claims, and Assessments: Auditing Interpretations of Section 337" is replaced with "Inquiry of a Client's Lawyer Concerning Litigation, Claims, and Assessments: Auditing Interpretation of AS 2505."

- c. In the first sentence of paragraph .01, the reference to "section 337" is replaced with "AS 2505."
- d. In the first sentence of paragraph .04, the reference to "[section 337A] to section 337, *Inquiry of a Client's Lawyer Concerning Litigation, Claims, and Assessments*," is replaced with "[AS 2505A] to AS 2505."
- e. In the first sentence of paragraph .05, the reference to "Section 560.10 through .12 indicates" is replaced with "Paragraphs .10 through .12 of AS 2801, *Subsequent Events*, indicate."
- f. In the first sentence of paragraph .06, the reference to "[section 337A] to section 337, *Inquiry of a Client's Lawyer Concerning Litigation, Claims, and Assessments*," is replaced with "[AS 2505A] to AS 2505."
- g. In the first sentence of paragraph .07, the reference to "[section 337A] to section 337" is replaced with "[AS 2505A] to AS 2505."
- h. In the first sentence of paragraph .08, the reference to "Section 337, *Inquiry of a Client's Lawyer Concerning Litigation, Claims, and Assessments*, paragraph .05c," is replaced with "AS 2505.05c."
- i. In the second sentence of paragraph .09:
- The parenthetical reference to "section 337.13" is replaced with "AS 2505.13."
 - The reference to "section 337.05c" is replaced with "AS 2505.05c."

- j. In the first sentence of paragraph .10, the reference to "[section 337A] of section 337, *Inquiry of a Client's Lawyer Concerning Litigation, Claims, and Assessments*," is replaced with "[AS 2505A] of AS 2505."
- k. In paragraph .11:
- In the first sentence, the reference to "Section 337.09," is replaced with "AS 2505.09."
 - In the second sentence, the reference to "section 337" is replaced with "AS 2505."
- l. In the last sentence of footnote 1 to paragraph .13:
- The reference to "section 337" is replaced with "AS 2505."
 - The bracketed reference to "section 337C" is replaced with "AS 2505C."
- m. In footnote 2 to paragraph .14, the parenthetical reference to "sections 9337.01–.05" is replaced with "paragraphs .01–.05."
- n. In the first sentence of paragraph .15, the reference to "Section 337.06" is replaced with "AS 2505.06."
- o. In paragraph .16:
- In the first sentence, the reference to "Section 337" is replaced with "AS 2505."
 - In the second sentence:
 - The reference to "section 337.05 and .07" is replaced with "AS 2505.05 and .07."

- The reference to "section 333, *Management Representations*, paragraph .06m and n" is replaced with "paragraphs .06o and p of AS 2805, *Management Representations*."
- p. In the first sentence of paragraph .18, the reference to "Section 337, *Inquiry of a Client's Lawyer Concerning Litigation, Claims, and Assessments*, paragraph .09d(2)," is replaced with "AS 2505.09d(2)."
- q. In paragraph .19:
- In the first sentence, the reference to "[section 337C] to section 337" is replaced with "[AS 2505C] to AS 2505."
 - In the second sentence, the bracketed reference to "section 337C" is replaced with "AS 2505C."
- r. In the first sentence of paragraph .22:
- The reference to "section 337.14" is replaced with "AS 2505.14."
 - The bracketed reference to "section 337C" is replaced with "AS 2505C."
- s. In the last sentence of paragraph .23, the reference to "section 508.45 through .49" is replaced with "paragraphs .45 through .49 of AS 3101, *Reports on Audited Financial Statements*."
- t. In the first sentence of paragraph .24, the reference to "Section 337.06" is replaced with "AS 2505.06."
- u. In the first sentence of paragraph .25, the reference to "Section 337.08" is replaced with "AS 2505.08."

- v. In footnote 4 to paragraph .26, the reference to "section 337.08" is replaced with "AS 2505.08."
- w. In paragraph .32:
 - In the third sentence, the bracketed reference to "section 337C" is replaced with "AS 2505C."
 - In footnote 5, each bracketed reference to "section 337C" is replaced with "AS 2505C."

AU sec. 341, "The Auditor's Consideration of an Entity's Ability to Continue as a Going Concern"

SAS No. 59, "The Auditor's Consideration of an Entity's Ability to Continue as Going Concern" (AU sec. 341, "The Auditor's Consideration of an Entity's Ability to Continue as a Going Concern"), as amended, is amended as follows:

- a. The section number "AU Section 341" is replaced with "AS 2415."
- b. The title "The Auditor's Consideration of an Entity's Ability to Continue as a Going Concern" is replaced with "Consideration of an Entity's Ability to Continue as a Going Concern."
- c. In the references before paragraph .01, the phrase "(Supersedes section 340)" is deleted.
- d. In paragraph .01:
 - In the first sentence, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
 - In the last sentence of footnote 1, the parenthetical reference to "section 9508.33–.38" is replaced with "AI 23.33–.38."

- e. In the last sentence of paragraph .02, the reference to "Auditing Standard No. 15" is replaced with "AS 1105."
- f. In the first sentence of footnote 3 to the fifth bullet of paragraph .10, the phrase "generally accepted auditing standards" is replaced with "PCAOB auditing standards."
- g. In the last sentence of footnote 4 to paragraph .12, the parenthetical reference to "section 508" is replaced with "AS 3101."
- h. In the last sentence of paragraph .14, the reference to "section 508, *Reports on Audited Financial Statements*" is replaced with "AS 3101."
- i. In the last sentence of paragraph .15, the reference to "section 508" is replaced with "AS 3101."
- j. In the first sentence of paragraph .17A, the reference to "Paragraph 17 of Auditing Standard No. 16" is replaced with "Paragraph .17 of AS 1301."

AU sec. 9341, "The Auditor's Consideration of an Entity's Ability to Continue as a Going Concern: Auditing Interpretations of Section 341"

AU sec. 9341, "The Auditor's Consideration of an Entity's Ability to Continue as a Going Concern: Auditing Interpretations of Section 341," as amended, is amended as follows:

- a. The section number "AU Section 9341" is replaced with "AI 15."
- b. The title "The Auditor's Consideration of an Entity's Ability to Continue as a Going Concern: Auditing Interpretations of Section 341" is replaced with "Consideration of an Entity's Ability to Continue as a Going Concern: Auditing Interpretations of AS 2415."

- c. In paragraph .02:
- In footnote 2, the reference to "Section 530, *Dating of the Independent Auditor's Report*, paragraph .05" is replaced with "Paragraph .05 of AS 3110, *Dating of the Independent Auditor's Report*."
 - In the second bullet, the reference to "section 560, *Subsequent Events*, paragraph .12" is replaced with "paragraph .12 of AS 2801, *Subsequent Events*."
 - In the third bullet, the reference to "section 341, *The Auditor's Consideration of an Entity's Ability to Continue as a Going Concern*, paragraphs .06 through .11," is replaced with "paragraphs .06 through .11 of AS 2415, *Consideration of an Entity's Ability to Continue as a Going Concern*."

AU sec. 342, "Auditing Accounting Estimates"

SAS No. 57, "Auditing Accounting Estimates" (AU sec. 342, "Auditing Accounting Estimates"), as amended, is amended as follows:

- a. The section number "AU Section 342" is replaced with "AS 2501."
- b. In the first sentence of paragraph .01, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
- c. In paragraph .07c:
 - In footnote 2, the reference to "Section 411, *The Meaning of Present Fairly in Conformity With Generally Accepted Accounting Principles*" is replaced with "AS 2815, *The Meaning*

of 'Present Fairly in Conformity with Generally Accepted Accounting Principles.'"

- In footnote 3, the reference to "paragraph 31 of Auditing Standard No. 14" is replaced with "paragraph .31 of AS 2810."
- d. In paragraph .08*b*:
- In item 1, the parenthetical reference to "Auditing Standard No. 12" is replaced with "AS 2110."
 - In item 3, the parenthetical reference to "section 337" is replaced with "AS 2505."
- e. In paragraph .11*h*, the parenthetical reference to "section 336" is replaced with "AS 1210."
- f. In paragraph .14, the reference to "Paragraphs 24 through 27 of Auditing Standard No. 14, *Evaluating Audit Results*," is replaced with "AS 2810.24 through .27."

AU sec. 9342, "Auditing Accounting Estimates: Auditing Interpretations of Section 342"

AU sec. 9342, "Auditing Accounting Estimates: Auditing Interpretations of Section 342," as amended, is amended as follows:

- a. The section number "AU Section 9342" is replaced with "AI 16."
- b. The title "Auditing Accounting Estimates: Auditing Interpretations of Section 342" is replaced with "Auditing Accounting Estimates: Auditing Interpretations of AS 2501."

- c. In the first sentence of paragraph .06—the example paragraph—the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board."
- d. In the last sentence of paragraph .07, the reference to "Auditing Standard No. 17" is replaced with "AS 2701."
- e. In the last sentence of paragraph .09, the reference to "section 550" is replaced with "AS 2710."
- f. In the second flowchart of paragraph .10, "Auditing Guidance for Fair Value Information: Required and Voluntary Information":
- The reference to "paragraph 10 of Auditing Standard No. 17, *Auditing Supplemental Information Accompanying Audited Financial Statements*," is replaced with "AS 2701.10."
 - The reference to "section 550" is replaced with "AS 2710."
 - The reference to "interpretation 11 of section 623, 'Reporting on Current-Value Financial Statements That Supplement Historical Cost Financial Statements in a General-Use Presentation of Real Estate Entities'" is replaced with "AI 24, *Special Reports: Auditing Interpretations of AS 3305*, interpretation 11, 'Reporting on Current-Value Financial Statements That Supplement Historical Cost Financial Statements in a General-Use Presentation of Real Estate Entities.'"

AU sec. 350, "Audit Sampling"

SAS No. 39, "Audit Sampling" (AU sec. 350, "Audit Sampling"), as amended, is amended as follows:

- a. The section number "AU Section 350" is replaced with "AS 2315."
- b. In the references before paragraph .01, the phrase "(Supersedes Statement of Auditing Standards No. 1, sections 320A, and 320B.)" is deleted.
- c. In the last sentence of footnote 2 to paragraph .02, the reference to "Auditing Standard No. 14" is replaced with "AS 2810."
- d. In the note to paragraph .06:
 - The reference to "Auditing Standard No. 15" is replaced with "AS 1105."
 - The reference to "Auditing Standard No. 14, *Evaluating Audit Results*," is replaced with "AS 2810."
- e. In the first sentence of paragraph .07, the phrase "referred to in the third standard of field work" is deleted.
- f. In the note to paragraph .09, the reference to "Auditing Standard No. 8" is replaced with "AS 1101."
- g. In the last sentence of paragraph .11, the parenthetical reference to "section 161, *The Relationship of Generally Accepted Auditing Standards to Quality Control Standards*" is replaced with "AS 1110, *Relationship of Auditing Standards to Quality Control Standards*."
- h. In paragraph .15, the reference to "Auditing Standard No. 9" is replaced with "AS 2101."

- i. In the first sentence of paragraph .18A, the reference to "Paragraphs 8–9 of Auditing Standard No. 11" is replaced with "Paragraphs .08–.09 of AS 2105."
- j. The first sentence in paragraph .19 is deleted.
- k. In footnote 6 to paragraph .26, the reference to "Paragraphs 10 through 23 of Auditing Standard No. 14, *Evaluating Audit Results*," is replaced with "AS 2810.10 through .23."
- l. In the last sentence of paragraph .39, the reference to "Paragraphs 44 through 46 of Auditing Standard No. 13" is replaced with "Paragraphs .44 through .46 of AS 2301."
- m. In the note to paragraph .44, the reference to "Paragraph 47 of Auditing Standard No. 13, *The Auditor's Responses to the Risks of Material Misstatement*" is replaced with "AS 2301.47."

AU sec. 390, "Consideration of Omitted Procedures After the Report Date"

SAS No. 46, "Consideration of Omitted Procedures After the Report Date" (AU sec. 390, "Consideration of Omitted Procedures After the Report Date"), is amended as follows:

- a. The section number "AU Section 390" is replaced with "AS 2901."
- b. In the last sentence of paragraph .01, the reference to "section 561" is replaced with "AS 2905, *Subsequent Discovery of Facts Existing at the Date of the Auditor's Report*."
- c. In footnote 2 to paragraph .02, the reference to "section 161, *The Relationship of Generally Accepted Auditing Standards to Quality*

Control Standards, paragraph .02" is replaced with "paragraph .02 of AS 1110, *Relationship of Auditing Standards to Quality Control Standards*."

- d. In paragraph .06, the reference to "section 561.05–.09" is replaced with "AS 2905.05–.09."

AU sec. 410, "Adherence to Generally Accepted Accounting Principles"

SAS No. 1, "Codification of Auditing Standards and Procedures" (AU sec. 410, "Adherence to Generally Accepted Accounting Principles"), as amended, is rescinded.

AU sec. 9410, "Adherence to Generally Accepted Accounting Principles: Auditing Interpretations of Section 410"

AU sec. 9410, "Adherence to Generally Accepted Accounting Principles: Auditing Interpretations of Section 410," as amended, is rescinded.

AU sec. 411, "The Meaning of *Present Fairly in Conformity With Generally Accepted Accounting Principles*"

SAS No. 69, "The Meaning of *Present Fairly in Conformity With Generally Accepted Accounting Principles*" (AU sec. 411, "The Meaning of *Present Fairly in Conformity With Generally Accepted Accounting Principles*"), as amended, is amended as follows:

- a. The section number "AU Section 411" is replaced with "AS 2815."
- b. The title "The Meaning of *Present Fairly in Conformity With Generally Accepted Accounting Principles*" is replaced with "The Meaning of *'Present Fairly in Conformity with Generally Accepted Accounting Principles.'*"
- c. Footnote * to the title of the standard is deleted.

- d. In the references before paragraph .01, the phrase "(Supersedes SAS No. 5)" is deleted.
- e. In the second sentence of paragraph .01, the parenthetical reference to "section 508.08h" is replaced with "paragraph .08h of AS 3101, *Reports on Audited Financial Statements*."
- f. In paragraph .04:
- In item (c), the parenthetical reference to "paragraph 31 of Auditing Standard No. 14" is replaced with "paragraph .31 of AS 2810."
 - In item (d), the parenthetical reference to "paragraph 31 of Auditing Standard No. 14, *Evaluating Audit Results*" is replaced with "AS 2810.31."
 - In the last sentence of footnote 1:
 - The parenthetical reference to "sections 150.04" is deleted.
 - The parenthetical reference to "Auditing Standard No. 11" is replaced with "AS 2105."
 - The parenthetical reference to "508.36" is replaced with "3101.36."
- g. In the second sentence of paragraph .08:
- The reference to "Section 544, *Lack of Conformity With Generally Accepted Accounting Principles*, paragraph .04" is replaced with "Paragraph .04 of AS 3310, *Special Reports on Regulated Companies*."

- The reference to "section 623, *Special Reports*" is replaced with "AS 3305, *Special Reports*."

AU sec. 504, "Association With Financial Statements"

SAS No. 26, "Association With Financial Statements" (AU sec. 504, "Association With Financial Statements"), as amended, is amended as follows:

- a. The section number "AU Section 504" is replaced with "AS 3320."
- b. In the title, the "W" in the word "With" is changed to lower case.
- c. In the references before paragraph .01, the phrase "(Supersedes Statement on Auditing Standards No. 1, Sections 516, 517, and 518 and Statement on Auditing Standards No. 15, paragraph 13–15)" is deleted.
- d. In paragraph .01:
 - The introductory phrase "The fourth standard of reporting is:" is deleted.
 - In the last sentence, the phrase "fourth reporting standard" is replaced with "preceding paragraph."
- e. In paragraph .02:
 - In the first sentence, the phrase "the fourth reporting standard" is replaced with "paragraph .01."
 - In the last sentence, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
- f. In paragraph .04:
 - In the second sentence, the reference to "section 508" is replaced with "AS 3101."

- In the last sentence, the reference to "section 722, *Interim Financial Information*" is replaced with "AS 4105, *Reviews of Interim Financial Information*."
- g. In paragraph .05:
- Following the first sentence, the parenthetical phrase ", city and state or country," is added following "(Signature."
 - In the second sentence, the phrase "the fourth standard of reporting" is replaced with "paragraph .01."
- h. In paragraph .07:
- The parenthetical reference to "section 623.02–.10" is replaced with "paragraphs .02–.10 of AS 3305."
 - Following the second sentence, the parenthetical phrase ", city and state or country," is added following "(Signature."
- i. In paragraph .08:
- In the first sentence, the phrase "The second general standard requires that" is deleted.
 - The quotation marks included in the first sentence are deleted.
- j. In the first sentence of paragraph .09, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
- k. Following the last sentence of paragraph .10, the parenthetical phrase ", city and state or country," is added following "(Signature."

- l. In the first sentence of paragraph .15, the parenthetical reference to "section 530.06–.08" is replaced with "paragraphs .06–.08 of AS 3110, *Dating of the Independent Auditor's Report*."
- m. In paragraph .18, the phrase "applicable standards established by the American Institute of Certified Public Accountants" is replaced with "the standards of the PCAOB."
- n. In paragraph .19:
 - The parenthetical reference to "section 634" is replaced with "AS 6101."
 - Footnote * is deleted.
- o. In paragraph [.20], the parenthetical reference to "section 634" is replaced with "AS 6101."

AU sec. 9504, "Association With Financial Statements: Auditing Interpretations of Section 504"

AU sec. 9504, "Association With Financial Statements: Auditing Interpretations of Section 504," as amended, is amended as follows:

- a. The section number "AU Section 9504" is replaced with "AI 25."
- b. The title "Association With Financial Statements: Auditing Interpretations of Section 504" is replaced with "Association with Financial Statements: Auditing Interpretations of AS 3320."
- c. In paragraph .07, the reference to "section 722" is replaced with "AS 4105, *Reviews of Interim Financial Information*."
- d. In paragraph .15:

- In the first sentence, the reference to "Section 150.02" is replaced with "Paragraph .04 of AS 3101, *Reports on Audited Financial Statements*."
 - In the second sentence, the reference to "Section 504.03" is replaced with "Paragraph .03 of AS 3320, *Association with Financial Statements*."
- e. In the first sentence of paragraph .19, the reference to "Section 504" is replaced with "AS 3320."
- f. In paragraph .20:
- In the first sentence, the reference to "Section 504" is replaced with "AS 3320."
 - The third and fourth sentences are deleted.
- g. Paragraph .21 is replaced with "PCAOB Rules establish requirements regarding auditor independence."
- h. In the first sentence of paragraph .22, the reference to "Section 504.10" is replaced with "AS 3320.10."

AU sec. 508, "Reports on Audited Financial Statements"

SAS No. 58, "Reports on Audited Financial Statements" (AU sec. 508, "Reports on Audited Financial Statements"), as amended, is amended as follows:

- a. The section number "AU Section 508" is replaced with "AS 3101."
- b. Footnote * to the title of the standard is deleted.
- c. In the references before paragraph .01, the phrase "(Supersedes sections 505, 509, 542, 545, and 546)" is deleted.

- d. In paragraph .01:
- In footnote 1:
 - In the first sentence, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
 - The second sentence is deleted.
 - In the note:
 - In the second sentence:
 - The reference to "paragraphs 85–98 of PCAOB Auditing Standard No. 5" is replaced with "paragraphs .85–.98 of AS 2201."
 - The reference to "Appendix C, *Special Reporting Situations*, of PCAOB Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*" is replaced with "Appendix C, *Special Reporting Situations*, of AS 2201."
 - In the last sentence, the reference to "paragraphs 86–88 of PCAOB Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*" is replaced with "AS 2201.86–.88."
- e. In paragraph .02:

- The reference to "section 504, *Association With Financial Statements*" is replaced with "AS 3320, *Association with Financial Statements*."
 - The reference to "section 623" is replaced with "AS 3305."
- f. In paragraph .03:
- In the first sentence, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
 - The second sentence is deleted.
 - In the last sentence, the phrase "fourth reporting standard" is replaced with "requirements in paragraph .04."
- g. In paragraph .04, the introductory phrase "The fourth standard of reporting is as follows:" is deleted.
- h. In paragraph .05:
- In the first sentence, the phrase "fourth standard" is replaced with "requirements in paragraph .04."
 - In the second sentence, the phrase "the fourth reporting standard" is replaced with "paragraph .04."
 - In the third sentence, the parenthetical phrase "fourth standard of reporting" is replaced with "requirements in paragraph .04."
- i. In the last sentence of paragraph .07, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
- j. In the last sentence of footnote 3 to paragraph .08a, the phrase "section 504, *Association With Financial Statements*," is replaced with "AS 3320."

- k. In paragraph .08d:
- The phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
 - The parenthetical phrase "auditing standards generally accepted in the United States of America or U.S. generally accepted auditing standards" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
- l. In the first sentence of footnote 5 to item (3) of paragraph .08f, the reference to "Section 411, *The Meaning of Present Fairly in Conformity With Generally Accepted Accounting Principles*, paragraphs .03 and .04," is replaced with "Paragraphs .03 and .04 of AS 2815, *The Meaning of 'Present Fairly in Conformity with Generally Accepted Accounting Principles*,""
- m. Footnote 6 to paragraph .08h is deleted.
- n. Paragraph ".08k" is replaced with ".08l."
- o. Paragraph ".08j" is replaced with ".08k."
- p. Paragraph .08j is added:
- The city and state (or city and country, in the case of non-U.S. auditors) from which the auditor's report has been issued.
- q. Footnote 6A is added to the end of the added paragraph .08j:
- See* SEC Rule 2-02(a) of Regulation S-X, 17 C.F.R. § 210.2-02(a).
- r. In the first sentence of footnote 7 to paragraph .08j, the reference to "section 530" is replaced with "AS 3110."

- s. In the first example report following paragraph .08j:
- The heading "Independent Auditor's Report" above the example report is replaced with "Report of Independent Registered Public Accounting Firm."
 - In the first sentence of the second paragraph, the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
 - The phrase "[*City and State or Country*]" is added following the term "[*Signature*]."
- t. In the second example report following paragraph .08j:
- The heading "Independent Auditor's Report" above the example report is replaced with "Report of Independent Registered Public Accounting Firm."
 - In the first sentence of the second paragraph, the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
 - The phrase "[*City and State or Country*]" is added following the term "[*Signature*]."
- u. In the first sentence of footnote 11 to paragraph .11b, the reference to "Section 341, *The Auditor's Consideration of an Entity's Ability to*

Continue as a Going Concern" is replaced with "AS 2415, *Consideration of an Entity's Ability to Continue as a Going Concern*."

- v. In the last sentence of paragraph .11f, the parenthetical reference to "section 722, *Interim Financial Information*, paragraph .50" is replaced with "paragraph .50 of AS 4105, *Reviews of Interim Financial Information*."
- w. In the last sentence of paragraph .11g, the parenthetical reference to "section 558, *Required Supplementary Information*, paragraph .02" is replaced with "paragraph .02 of AS 2705, *Required Supplementary Information*."
- x. In the last sentence of paragraph .11h, the parenthetical reference to "section 550, *Other Information in Documents Containing Audited Financial Statements*, paragraph. 04" is replaced with "paragraph .04 of AS 2710, *Other Information in Documents Containing Audited Financial Statements*."
- y. In the last sentence of paragraph .12, the parenthetical reference to "section 543, *Part of Audit Performed by Other Independent Auditors*" is replaced with "AS 1205, *Part of the Audit Performed by Other Independent Auditors*."
- z. Following paragraph .13:
 - The heading "Independent Auditor's Report" above the example report is replaced with "Report of Independent Registered Public Accounting Firm."
 - In the first sentence of the second paragraph in the example report, the phrase "auditing standards generally accepted in the United

States of America" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."

- aa. In the first sentence of paragraph .17A, the reference to "PCAOB Auditing Standard No. 6" is replaced with "AS 2820."
- bb. In the first sentence of paragraph .22, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
- cc. In the third sentence of footnote 14 to paragraph .24, the reference to "section 331, *Inventories*" is replaced with "AS 2510, *Auditing Inventories*."
- dd. Following paragraph .26:
 - The heading "Independent Auditor's Report" above the example report is replaced with "Report of Independent Registered Public Accounting Firm."
 - In the first sentence of the first paragraph in the example report, the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
- ee. In the fourth sentence of paragraph .28, the reference to "section 530, *Dating of the Independent Auditor's Report*," is replaced with "AS 3110."
- ff. Following paragraph .34:
 - The heading "Independent Auditor's Report" above the example report is replaced with "Report of Independent Registered Public Accounting Firm."

- In the first sentence of the second paragraph in the example report, the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
- gg. In the first sentence of paragraph .35, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
- hh. Following paragraph .39, the heading "Independent Auditor's Report" above the example report is replaced with "Report of Independent Registered Public Accounting Firm."
- ii. In the third sentence of paragraph .41, the reference to "Statement on Auditing Standards" is replaced with "PCAOB standard."
- jj. Following paragraph .42, the heading "Independent Auditor's Report" above the example report is replaced with "Report of Independent Registered Public Accounting Firm."
- kk. Following paragraph .44, the heading "Independent Auditor's Report" above the example report is replaced with "Report of Independent Registered Public Accounting Firm."
- ll. In the last sentence of paragraph .49, the parenthetical reference to "paragraph 13 of Auditing Standard No. 14" is replaced with "paragraph .13 of AS 2810."
- mm. Following paragraph .52, the heading "Independent Auditor's Report" above the example report is replaced with "Report of Independent Registered Public Accounting Firm."

- nn. Following paragraph .60, the heading "Independent Auditor's Report" above the example report is replaced with "Report of Independent Registered Public Accounting Firm."
- oo. In the first sentence of footnote 20 to paragraph .62, the reference to "Section 504, *Association With Financial Statements*, paragraph .05" is replaced with "AS 3320.05."
- pp. Following paragraph .63:
- The heading "Independent Auditor's Report" above the example report is replaced with "Report of Independent Registered Public Accounting Firm."
 - In the second sentence of footnote 21 to the example report, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
- qq. In paragraph .65:
- In the first sentence, the phrase "The fourth standard of reporting" is replaced with "Paragraph .04."
 - In the second sentence, the phrase "the fourth reporting standard" is replaced with "paragraph .04."
 - The parenthetical reference to "section 530, *Dating of the Independent Auditor's Report*, paragraph .01" is replaced with "AS 3110.01."

- rr. In the first sentence of footnote 23 to paragraph .65, the parenthetical reference to "section 530, *Dating of the Independent Auditor's Report*, paragraphs .06 through .08" is replaced with "AS 3110.06 through .08."
- ss. In the second sentence of paragraph .66, the parenthetical reference to "paragraph 31 of Auditing Standard No. 14, *Evaluating Audit Results*" is replaced with "AS 2810.31."
- tt. Following paragraph .67:
- The heading "Independent Auditor's Report" above each example report is replaced with "Report of Independent Registered Public Accounting Firm."
 - In the first sentence of the first paragraph in the example report titled, "*Standard Report on the Current-Year Financial Statements With a Disclaimer of Opinion on the Prior-Year Statements of Income, Retained Earnings, and Cash Flows*," the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
 - In the last sentence of footnote 25 to the example report titled, "*Standard Report on the Current-Year Financial Statements With a Disclaimer of Opinion on the Prior-Year Statements of Income, Retained Earnings, and Cash Flows*," the reference to "PCAOB Auditing Standard No. 6, *Evaluating Consistency of Financial Statements*," is replaced with "AS 2820."

- uu. Following paragraph .69, the heading "Independent Auditor's Report" above the example report is replaced with "Report of Independent Registered Public Accounting Firm."
- vv. In the sixth sentence of paragraph .71, the reference to "section 543, *Part of Audit Performed by Other Independent Auditors*, paragraphs .10 through .12" is replaced with "AS 1205.10 through .12."
- ww. In the first sentence of footnote 28 to paragraph .71, the reference to "section 333" is replaced with "AS 2805."
- xx. In paragraph .73, the parenthetical reference to "section 530, *Dating of the Independent Auditor's Report*, paragraph .05" is replaced with "AS 3110.05."
- yy. Following paragraph .74, the heading "Independent Auditor's Report" above the example report is replaced with "Report of Independent Registered Public Accounting Firm."

AU sec. 9508, "Reports on Audited Financial Statements: Auditing Interpretations of Section 508"

AU sec. 9508, "Reports on Audited Financial Statements: Auditing Interpretations of Section 508," as amended, is amended as follows:

- a. The section number "AU Section 9508" is replaced with "AI 23."
- b. The title "Reports on Audited Financial Statements: Auditing Interpretations of Section 508" is replaced with "Reports on Audited Financial Statements: Auditing Interpretations of AS 3101."

- c. In the first sentence of paragraph .01, the reference to "Section 508, *Reports on Audited Financial Statements*, paragraph .24" is replaced with "Paragraph .24 of AS 3101, *Reports on Audited Financial Statements*."
- d. In paragraph .02:
- In the first sentence, the reference to "section 331, *Inventories*, paragraphs .09–.12" is replaced with "paragraphs .09–.12 of AS 2510, *Auditing Inventories*."
 - In the last sentence, the reference to "Section 331.09" is replaced with "AS 2510.09."
- e. In the first sentence of paragraph .03, the reference to "Section 331.10 and .11" is replaced with "AS 2510.10 and .11."
- f. In the first sentence of paragraph .04:
- The reference to "Section 331.12" is replaced with "AS 2510.12."
 - The reference to "section 331.09–.11" is replaced with "AS 2510.09–.11."
- g. In paragraph .36:
- In the first sentence of the second paragraph of the *Report on Single Year Financial Statements in Year of Adoption of Liquidation Basis* example report, the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."

- In the first sentence of the second paragraph of the *Report on Comparative Financial Statements in Year of Adoption of Liquidation Basis* example report, the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
- h. In the second sentence of paragraph .52, the reference to "section 508, *Reports on Audited Financial Statements*," is replaced with "AS 3101."
- i. The title of auditing interpretation 14 "Reporting on Audits Conducted in Accordance With Auditing Standards Generally Accepted in the United States of America and in Accordance With International Standards on Auditing" is replaced with "Reporting on Audits Conducted in Accordance with the Standards of the PCAOB and in Accordance with International Standards on Auditing."
- j. In paragraph .56:
 - In the first sentence:
 - The reference to "Section 508, *Reports on Audited Financial Statements*," is replaced with "AS 3101."
 - The phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
 - In the last sentence, the phrase "standards generally accepted in the United States of America" is replaced with "the standards of the PCAOB."

- k. In paragraph .57:
- In the second sentence:
 - The reference to "Section 508" is replaced with "AS 3101."
 - The phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
 - The reference to "section 508" is replaced with "AS 3101."
 - Footnote 1 is deleted.
- l. In paragraph .58:
- The phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the PCAOB."
 - The phrase "generally accepted in the United States of America" is replaced with "of the PCAOB."
- m. In the first sentence of paragraph .59:
- The first occurrence of the phrase "auditing standards generally accepted in the United States" is replaced with "the standards of the PCAOB."
 - The second occurrence of the phrase "auditing standards generally accepted in the United States of America" (found in the example paragraph) is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
- n. In paragraph .61:

- In the first sentence, the reference to "section 508, *Reports on Audited Financial Statements*, paragraph .74" is replaced with "AS 3101.74."
 - In the third sentence, the reference to "section 508" is replaced with "AS 3101."
- o. In paragraph .63:
- In the second sentence, the reference to "section 508.74" is replaced with "AS 3101.74."
 - In the last sentence, the reference to "section 561" is replaced with "AS 2905."
- p. In footnote 4 to paragraph .67:
- In the second sentence, the reference to "section 315" is replaced with "AS 2610."
 - In the last sentence, the reference to "Section 561" is replaced with "AS 2905."
- q. In the first sentence of paragraph .71, the reference to "section 508.74" is replaced with "AS 3101.74."
- r. In paragraph .74, the reference to "section 508.74" is replaced with "AS 3101.74."
- s. In the second sentence of paragraph .75, the reference to "Section 508.74" is replaced with "AS 3101.74."
- t. Auditing Interpretation 16 is deleted.
- u. Footnotes 6 and 7 to paragraph .84 are deleted.

AU sec. 530, "Dating of the Independent Auditor's Report"

SAS No. 1, "Codification of Auditing Standards and Procedures" section 530, "Dating of the Independent Auditor's Report" (AU sec. 530, "Dating of the Independent Auditor's Report"), as amended, is amended as follows:

- a. The section number "AU Section 530" is replaced with "AS 3110."
- b. In paragraph .02:
 - In the last sentence, the reference to "section 711.10–.13" is replaced with "paragraphs .10–.13 of AS 4101, *Responsibilities Regarding Filings Under Federal Securities Statutes*."
 - In footnote 1, the reference to "section 561" is replaced with "AS 2905, *Subsequent Discovery of Facts Existing at the Date of the Auditor's Report*."
 - Footnote * is deleted.
- c. In the first sentence of paragraph .03, the parenthetical reference to "section 560.03" is replaced with "paragraph .03 of AS 2801, *Subsequent Events*."
- d. In the first sentence of paragraph .04, the parenthetical reference to "section 560.05" is replaced with "AS 2801.05."
- e. In the last sentence of paragraph .05, the reference to "section 560.12" is replaced with "AS 2801.12."
- f. In paragraph .06:
 - In the fifth sentence:
 - The reference to "section 711" is replaced with "AS 4101."

- The reference to "section 508.70–.73" is replaced with "paragraphs .70–.73 of AS 3101, *Reports on Audited Financial Statements.*"
 - Footnote * is deleted.
- g. In the second sentence of paragraph .07, the reference to "section 560.08" is replaced with "AS 2801.08."
- h. In the first sentence of paragraph .08, the parenthetical reference to "section 560.05 and 560.08" is replaced with "AS 2801.05 and AS 2801.08."

AU sec. 532, "Restricting the Use of an Auditor's Report"

SAS No. 87, "Restricting the Use of an Auditor's Report" (AU sec. 532, "Restricting the Use of an Auditor's Report"), as amended, is rescinded.

AU sec. 543, "Part of Audit Performed by Other Independent Auditors"

SAS No. 1, "Codification of Auditing Standards and Procedures" section 543, "Part of Audit Performed by Other Independent Auditors" (AU sec. 543, "Part of Audit Performed by Other Independent Auditors"), as amended, is amended as follows:

- a. The section number "AU Section 543" is replaced with "AS 1205."
- b. The title "Part of Audit Performed by Other Independent Auditors" is replaced with "Part of the Audit Performed by Other Independent Auditors."
- c. In paragraph .01:
 - In footnote 1, the reference to "Section 315" is replaced with "AS 2610, *Initial Audits—Communications Between Predecessor and Successor Auditors.*"

- In the first note:
 - The reference to "paragraphs C8–C11" is replaced with "paragraphs .C8–.C11."
 - The reference to "PCAOB Auditing Standard No. 5" is replaced with "AS 2201."
- In the second note:
 - The reference to "AU sec. 543" is replaced with "AS 1205."
 - The reference to "Auditing Standard No. 10" is replaced with "AS 1201."
- d. Following paragraph .09:
 - The heading "Independent Auditor's Report" above the example report is replaced with "Report of Independent Registered Public Accounting Firm."
 - In the first sentence of the second paragraph in the example report, the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
- e. In paragraph .10b, the phrase "American Institute of Certified Public Accountants and, if appropriate," is replaced with "PCAOB and."
- f. In item (ii) of paragraph .10c, the phrase "generally accepted auditing standards promulgated by the American Institute of Certified Public Accountants" is replaced with "standards of the PCAOB."

- g. In paragraph .12, the reference to "AU sec. 543.10" is replaced with "AS 1205.10."
- h. In paragraph .12a, the reference to "paragraphs 12 and 13 of PCAOB Auditing Standard No. 3" is replaced with "paragraphs .12 and .13 of AS 1215, *Audit Documentation*."
- i. In paragraph .12c, the reference to "paragraph 8 of PCAOB Auditing Standard No. 3" is replaced with "AS 1215.08."
- j. In footnote 5 to paragraph .12:
 - The reference to "AU sec. 324" is replaced with "AS 2601, *Consideration of an Entity's Use of a Service Organization*."
 - The reference to "section 543.12" is replaced with "AS 1205.12."

AU sec. 9543, "Part of Audit Performed by Other Independent Auditors: Auditing Interpretations of Section 543"

AU sec. 9543, "Part of Audit Performed by Other Independent Auditors: Auditing Interpretations of Section 543," as amended, is amended as follows:

- a. The section number "AU Section 9543" is replaced with "AI 10."
- b. The title "Part of Audit Performed by Other Independent Auditors: Auditing Interpretations of Section 543" is replaced with "Part of the Audit Performed by Other Independent Auditors: Auditing Interpretations of AS 1205."
- c. In the first sentence of paragraph .01, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."

- d. In the first sentence of footnote 2 to paragraph .01, the reference to "section 543" is replaced with "AS 1205, *Part of the Audit Performed by Other Independent Auditors*."
- e. In paragraph .02:
- In the first sentence, the reference to "Section 543, *Part of Audit Performed by Other Independent Auditors*, paragraph .10," is replaced with "AS 1205.10."
 - In the last sentence, the reference to "Section 543.10c(iv)" is replaced with "AS 1205.10c(iv)."
- f. In paragraph .04:
- In the first sentence, the reference to "Section 543, *Part of Audit Performed by Other Independent Auditors*," is replaced with "AS 1205."
 - In the second sentence, the reference to "Section 543.03" is replaced with "AS 1205.03."
- g. In paragraph .05:
- In the first sentence, the phrase "Section 334, *Related Parties*, states that there may be inquiry of the principal auditor regarding related parties." is deleted.
 - In the second sentence:
 - The phrase "In addition," is deleted.
 - The "b" in "before" is capitalized.

- h. In footnote 3 to paragraph .11, the reference to "section 9543.04–.07" is replaced with "paragraphs .04–.07."
- i. In paragraph .15, the reference to "section 9543.11" is replaced with "paragraph .11."
- j. In footnote 5 to paragraph .17, the reference to "section 561" is replaced with "AS 2905."
- k. In paragraph .18:
 - In the first sentence, the reference to "section 543" is replaced with "AS 1205."
 - In the last sentence, the reference to "section 543.12" is replaced with "AS 1205.12."
- l. In the last sentence of paragraph .19, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."

AU sec. 544, "Lack of Conformity With Generally Accepted Accounting Principles"

SAS No. 1, "Codification of Auditing Standards and Procedures" section 544, "Lack of Conformity With Generally Accepted Accounting Principles" (AU sec. 544, "Lack of Conformity With Generally Accepted Accounting Principles"), as amended, is amended as follows:

- a. The section number "AU Section 544" is replaced with "AS 3310."
- b. The title "Lack of Conformity With Generally Accepted Accounting Principles" is replaced with "Special Reports on Regulated Companies."
- c. In paragraph .02:

- In the third sentence, the phrase "first reporting standard" is replaced with "requirement in paragraph .08*h* of AS 3101, *Reports on Audited Financial Statements*."
 - In footnote 1, the parenthetical reference to "section 623, *Special Reports*, paragraphs .02 and .10" is replaced with "paragraphs .02 and .10 of AS 3305, *Special Reports*."
- d. In the last sentence of paragraph .04:
- The parenthetical reference to "section 508, *Reports on Audited Financial Statements*, paragraph .08" is replaced with "AS 3101.08."
 - The parenthetical reference to "section 508.35–.60" is replaced with "AS 3101.35–.60."

AU sec. 550, "Other Information in Documents Containing Audited Financial Statements"

SAS No. 8, "Other Information in Documents Containing Audited Financial Statements" (AU sec. 550, "Other Information in Documents Containing Audited Financial Statements"), as amended, is amended as follows:

- a. The section number "AU Section 550" is replaced with "AS 2710."
- b. In paragraph .03:
 - In the second sentence:
 - The parenthetical reference to "sections 634" is replaced with "AS 6101, *Letters for Underwriters and Certain Other Requesting Parties*."

- The parenthetic reference to "711" is replaced with "AS 4101, *Responsibilities Regarding Filings Under Federal Securities Statutes.*"
- Footnote [†] is deleted.
- Footnote ^{††} is deleted.
- In the last sentence:
 - The parenthetic reference to "Auditing Standard No. 17" is replaced with "AS 2701."
 - The reference to "AU sec. 623" is replaced with "AS 3305, *Special Reports.*"
- Footnote ** is deleted.

AU sec. 9550, "Other Information in Documents Containing Audited Financial Statements: Auditing Interpretations of Section 550"

AU sec. 9550, "Other Information in Documents Containing Audited Financial Statements: Auditing Interpretations of Section 550," as amended, is amended as follows:

- a. The section number "AU Section 9550" is replaced with "AI 20."
- b. The title "Other Information in Documents Containing Audited Financial Statements: Auditing Interpretations of Section 550" is replaced with "Other Information in Documents Containing Audited Financial Statements: Auditing Interpretations of AS 2710."
- c. In the first sentence of paragraph .07, the reference to "section 550, *Other Information in Documents Containing Audited Financial Statements,*

paragraph .02" is replaced with "paragraph .02 of AS 2710, *Other Information in Documents Containing Audited Financial Statements*."

- d. In paragraph .09, each reference to "section 550" is replaced with "AS 2710."
- e. In paragraph .11:
- In the second sentence, the reference to "section 550" is replaced with "AS 2710."
 - In the last sentence, the reference to "section 550.06" is replaced with "AS 2710.06."
- f. In the first sentence of paragraph .12, the reference to "section 550, *Other Information in Documents Containing Audited Financial Statements*, paragraph .02" is replaced with "AS 2710.02."
- g. In paragraph .13:
- Each reference to "section 550" is replaced with "AS 2710."
 - In the last sentence, the reference to "section 550.06" is replaced with "AS 2710.06."
- h. In paragraph .14:
- In the second sentence, the phrase "generally accepted auditing standards" is replaced with "PCAOB auditing standards."
 - In the last sentence, the reference to "section 550.06" is replaced with "AS 2710.06."
- i. In paragraph .15:

- In the first sentence, the reference to "The auditing interpretation of section 325, *Communication of Internal Control Related Matters Noted in an Audit*, titled 'Reporting on the Existence of Material Weaknesses' (section 9325.01–.07)" is replaced with "AI 12, *Communications About Control Deficiencies in an Audit of Financial Statements: Auditing Interpretations of AS 1305*, titled 'Reporting on the Existence of Material Weaknesses' (AI 12.01–.07)."
 - In the first sentence of footnote 8, the reference to "Section 325.8" is replaced with "Paragraph .08 of AS 1305, *Communications About Control Deficiencies in an Audit of Financial Statements*."
- j. In paragraph .17:
- In the first sentence, the reference to "section 550, *Other Information in Documents Containing Audited Financial Statements*" is replaced with "AS 2710."
 - In the last sentence, each reference to "section 550" is replaced with "AS 2710."
- k. In the second sentence of paragraph .18, the reference to "section 550" is replaced with "AS 2710."

AU sec. 552, "Reporting on Condensed Financial Statements and Selected Financial Data"

SAS No. 42, "Reporting on Condensed Financial Statements and Selected Financial Data" (AU sec. 552, "Reporting on Condensed Financial Statements and Selected Financial Data"), as amended, is amended as follows:

- a. The section number "AU Section 552" is replaced with "AS 3315."
- b. Footnote * to the title of the standard is deleted.
- c. In paragraph .01:
 - In footnote 1, the reference to "section 504, *Association With Financial Statements*, footnote 2" is replaced with "footnote 2 of AS 3320, *Association with Financial Statements*."
 - In the last sentence, the reference to "Auditing Standard No. 17" is replaced with "AS 2701."
- d. In paragraph .02, the reference to "section 508, *Reports on Audited Financial Statements*, paragraphs .41 through .44, section 623, *Special Reports*, or other applicable Statements on Auditing Standards" is replaced with "paragraphs .41 through .44 of AS 3101, *Reports on Audited Financial Statements*, AS 3305, *Special Reports*, or other applicable PCAOB auditing standards."
- e. In footnote 4 to paragraph .05, the parenthetical reference to "section 711, *Filings Under Federal Securities Statutes*" is replaced with "AS 4101, *Responsibilities Regarding Filings Under Federal Securities Statutes*."
- f. Following paragraph .06:

- The heading "Independent Auditor's Report" above the example report is replaced with "Report of Independent Registered Public Accounting Firm."
 - In the first sentence of the first paragraph in the example report, the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
- g. In footnote 6 to paragraph .07:
- In the second sentence, the parenthetical reference to "section 508, *Reports on Audited Financial Statements*, paragraphs .41 through .44" is replaced with "AS 3101.41 through .44."
 - The heading "Independent Auditor's Report" above the example report is replaced with "Report of Independent Registered Public Accounting Firm."
 - In the fourth sentence of the example report, the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
- h. In paragraph .08:
- In item *c* of footnote 8, the parenthetical reference to "section 722, *Interim Financial Information*, paragraph .03" is replaced with "paragraph .03 of AS 4105, *Reviews of Interim Financial Information*."

- In the example independent auditor's review report following paragraph .08:
 - In the first sentence of the second paragraph, the phrase "standards established by the American Institute of Certified Public Accountants" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
 - In the third sentence of the second paragraph, the phrase "generally accepted auditing standards" is replaced with "the standards of the Public Company Accounting Oversight Board."
 - In the first sentence of the fourth paragraph, the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board."
- i. In footnote 11 to paragraph .09, the reference to "section 623, *Special Reports*," is replaced with "AS 3305."
- j. Following paragraph .10:
 - The heading "Independent Auditor's Report" above the example report is replaced with "Report of Independent Registered Public Accounting Firm."
 - In the example report:

- In the first sentence of the second paragraph, the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
- In the first sentence of the fourth paragraph, the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board."

AU sec. 558, "Required Supplementary Information"

SAS No. 52, "Omnibus Statement on Auditing Standards—1987, Required Supplementary Information" (AU sec. 558, "Required Supplementary Information"), as amended, is amended as follows:

- a. The section number "AU Section 558" is replaced with "AS 2705."
- b. In the references before paragraph .01, the phrase "(Supersedes section 553)" is deleted.
- c. Footnote * is deleted.
- d. Footnote 1 to paragraph .01 is deleted.
- e. In paragraph .02:
 - In the first sentence, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
 - In the second sentence of footnote 2, the reference to "section 550" is replaced with "AS 2710."

- f. In the last sentence of paragraph .03, the reference to "section 550," is replaced with "AS 2710."
- g. In paragraph .04:
- In the first sentence, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
 - In the second sentence, the phrase "generally accepted auditing standards" is replaced with "PCAOB auditing standards."
- h. In paragraph .05:
- In the first sentence, the reference to "section 550" is replaced with "AS 2710."
 - In the second sentence, the reference to "Auditing Standard No. 17" is replaced with "AS 2701."
- i. In the last sentence of footnote 6 to paragraph .07*b*, the reference to "section 552, *Reporting on Condensed Financial Statements and Selected Financial Data*, paragraph .10" is replaced with "paragraph .10 of AS 3315, *Reporting on Condensed Financial Statements and Selected Financial Data*."
- j. In paragraph .07*c*, the parenthetical reference to "section 333" is replaced with "AS 2805."
- k. In paragraph .07*d*, the phrase ", interpretations, guides, or statements of position" is replaced with "or interpretations."

- l. In footnote 7 to paragraph .08, the reference to "Auditing Standard No. 17, *Auditing Supplemental Information Accompanying Audited Financial Statements*," is replaced with "AS 2701."
- m. In the second sentence of paragraph .09, the reference to "section 550.07" is replaced with "AS 2701."

AU sec. 9558, "Required Supplementary Information: Auditing Interpretations of Section 558"

AU sec. 9558, "Required Supplementary Information: Auditing Interpretations of Section 558," is amended as follows:

- a. The section number "AU Section 9558" is replaced with "AI 19."
- b. The title "Required Supplementary Information: Auditing Interpretations of Section 558" is replaced with "Required Supplementary Information: Auditing Interpretations of AS 2705."
- c. In the last sentence of paragraph .01, the reference to "section 558" is replaced with "AS 2705."
- d. In the second sentence of paragraph .02, the reference to "section 558" is replaced with "AS 2705."
- e. In the first sentence of paragraph .04, the reference to "section 558" is replaced with "AS 2705."
- f. In the first sentence of paragraph .06, the reference to "section 558" is replaced with "AS 2705."

AU sec. 560, "Subsequent Events"

SAS No. 1, "Codification of Auditing Standards and Procedures," section 560, "Subsequent Events" (AU sec. 560, "Subsequent Events"), as amended, is amended as follows:

- a. The section number "AU Section 560" is replaced with "AS 2801."
- b. In the note to paragraph .01, the reference to "paragraphs 93–97 of PCAOB Auditing Standard No. 5" is replaced with "paragraphs .93–.97 of AS 2201."
- c. In paragraph .09, the parenthetical reference to "section 508.19" is replaced with "paragraph .19 of AS 3101, *Reports on Audited Financial Statements*."
- d. In paragraph .12*d*, the parenthetical reference to "section 337" is replaced with "AS 2505, *Inquiry of a Client's Lawyer Concerning Litigation, Claims, and Assessments*."
- e. In paragraph .12*e*, the parenthetical reference to "section 333" is replaced with "AS 2805."

AU sec. 561, "Subsequent Discovery of Facts Existing at the Date of the Auditor's Report"

SAS No. 1, "Codification of Auditing Standards and Procedures," section 561, "Subsequent Discovery of Facts Existing at the Date of the Auditor's Report" (AU sec. 561, "Subsequent Discovery of Facts Existing at the Date of the Auditor's Report"), as amended, is amended as follows:

- a. The section number "AU Section 561" is replaced with "AS 2905."
- b. In paragraph .01:

- In the first sentence of footnote 1, the reference to "section 560" is replaced with "AS 2801."
 - In the note, the reference to "paragraph 98 of PCAOB Auditing Standard No. 5" is replaced with "paragraph .98 of AS 2201."
- c. In the first sentence of footnote 2 to paragraph .03, the reference to "section 711.10–.13" is replaced with "paragraphs .10–.13 of AS 4101, *Responsibilities Regarding Filings Under Federal Securities Statutes,*"

AU sec. 9561, "Subsequent Discovery of Facts Existing at the Date of the Auditor's Report: Auditing Interpretations of Section 561"

AU sec. 9561, "Subsequent Discovery of Facts Existing at the Date of the Auditor's Report: Auditing Interpretations of Section 561," is amended as follows:

- a. The section number "AU Section 9561" is replaced with "AI 22."
- b. The title "Subsequent Discovery of Facts Existing at the Date of the Auditor's Report: Auditing Interpretations of Section 561" is replaced with "Subsequent Discovery of Facts Existing at the Date of the Auditor's Report: Auditing Interpretations of AS 2905."
- c. In the second sentence of paragraph .02, the reference to "Section 561" is replaced with "AS 2905."

AU sec. 623, "Special Reports"

SAS No. 62, "Special Reports" (AU sec. 623, "Special Reports"), as amended, is amended as follows:

- a. The section number "AU Section 623" is replaced with "AS 3305."

- b. In the references before paragraph .01, the phrase "(Supersedes section 621)" is deleted.
- c. In the first sentence of paragraph .02, the phrase "Generally accepted auditing standards" is replaced with "The standards of the PCAOB."
- d. In paragraph .03:
- In the first sentence, the parenthetical reference to "section 411, *The Meaning of Present Fairly in Conformity With Generally Accepted Accounting Principles*" is replaced with "AS 2815, *The Meaning of 'Present Fairly in Conformity with Generally Accepted Accounting Principles.'*"
 - In the second sentence, the parenthetical reference to "section 411.05" is replaced with "AS 2815.05."
- e. In the last sentence of footnote 1 to paragraph .05a, the reference to "section 504, *Association With Financial Statements*" is replaced with "AS 3320, *Association with Financial Statements.*"
- f. In item (1) of paragraph .05c:
- The phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
 - The parenthetical phrase "auditing standards generally accepted in the United States of America or U.S. generally accepted auditing standards" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."

- g. In footnote 5 to paragraph .05f, the reference to "section 544, *Lack of Conformity With Generally Accepted Accounting Principles*" is replaced with "AS 3310, *Special Reports on Regulated Companies*."
- h. Paragraph ".05h" is replaced with ".05i."
- i. Paragraph .05h is added:
The city and state (or city and country, in the case of non-U.S. auditors) from which the auditor's report has been issued.
- j. Footnote 5A is added to the end of the added paragraph .05h:
See SEC Rule 2-02(a) of Regulation S-X, 17 C.F.R. § 210.2-02(a).
- k. In footnote 6 to paragraph .05h, the reference to "section 530" is replaced with "AS 3110."
- l. In paragraph .06, the parenthetical reference to "section 508, *Reports on Audited Financial Statements*, paragraph .08" is replaced with "paragraph .08 of AS 3101, *Reports on Audited Financial Statements*."
- m. Following paragraph .08:
- The heading "Independent Auditor's Report" above each example report is replaced with "Report of Independent Registered Public Accounting Firm."
 - In the first sentence of the second paragraph of each example report, the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."

- n. In the third sentence of paragraph .09, the reference to "section 411, *The Meaning of Present Fairly in Conformity With Generally Accepted Accounting Principles*, paragraph .04" is replaced with "AS 2815.04."
- o. In the last sentence of paragraph .11, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
- p. In paragraph .12:
- In the second sentence:
 - The phrase "first standard of reporting" is replaced with "requirement in AS 3101.08*h*."
 - The phrase "ten generally accepted auditing standards" is replaced with "standards of the PCAOB."
 - In the last sentence, the phrase "The first standard of reporting" is replaced with "AS 3101.08*h*."
- q. In paragraph .14, the parenthetical reference to "section 508, *Reports on Audited Financial Statements*, paragraph .64" is replaced with "AS 3101.64."
- r. In item (1) of paragraph .15*c*:
- The phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
 - The parenthetical phrase "auditing standards generally accepted in the United States of America or U.S. generally accepted auditing standards" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."

- s. In footnote 12 to paragraph .15e, the reference to "Paragraph 31" is replaced with "Paragraph .31."
- t. Paragraph ".15h" is replaced with ".15i."
- u. Paragraph .15h is added:
The city and state (or city and country, in the case of non-U.S. auditors) from which the auditor's report has been issued.
- v. Footnote 13A is added to the end of the added paragraph .15h:
See footnote 5A.
- w. In paragraph .17, the reference to "section 508, *Reports on Audited Financial Statements*, paragraph .11" is replaced with "AS 3101.11."
- x. Following paragraph .18:
- The heading "Independent Auditor's Report" above each example report is replaced with "Report of Independent Registered Public Accounting Firm."
 - In the first sentence of the second paragraph in the example report titled, "Report Relating to Accounts Receivable," the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
 - In the first sentence of the second paragraph in the example report titled, "Report Relating to Amount of Sales for the Purpose of Computing Rental," the phrase "auditing standards generally accepted in the United States of America" is replaced with "the

standards of the Public Company Accounting Oversight Board (United States)."

- In the first sentence of the second paragraph in the example report titled, "Report Relating to Royalties," the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
- In the example report titled, "Report on Profit Participation":
 - In the first sentence of the first paragraph, the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
 - In the first sentence of the second paragraph, the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board."
- In the example report titled, "Report on Federal and State Income Taxes Included in Financial Statements":
 - In the first sentence of the first paragraph, the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."

- In the first sentence of the second paragraph, the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board."
- y. In footnote 18 to paragraph .19, the reference to "section 801, *Compliance Auditing Applicable to Governmental Entities and Other Specified Recipients of Governmental Financial Assistance*" is replaced with "AS 6110, *Compliance Auditing Considerations in Audits of Recipients of Governmental Financial Assistance*."
- z. In the first sentence of paragraph .20b:
 - The phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
 - The parenthetical phrase "auditing standards generally accepted in the United States of America or U.S. generally accepted auditing standards" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
- aa. Paragraph ".20g" is replaced with ".20h."
- bb. Paragraph .20g is added:

The city and state (or city and country, in the case of non-U.S. auditors) from which the auditor's report has been issued.
- cc. Footnote 20A is added to the end of the added paragraph .20g:

See footnote 5A.
- dd. Following paragraph .21:

- The heading "Independent Auditor's Report" above each example report is replaced with "Report of Independent Registered Public Accounting Firm."
 - In the first sentence of the example report titled, "Report on Compliance With Contractual Provisions Given in a Separate Report," the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
 - In the first sentence of the example report titled, "Report on Compliance With Regulatory Requirements Given in a Separate Report When the Auditor's Report on the Financial Statements Included an Explanatory Paragraph Because of an Uncertainty," the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
- ee. In the fourth sentence of paragraph .24, the parenthetical reference is deleted.
- ff. In item (1) of paragraph .25c:
- The phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
 - The parenthetical phrase "auditing standards generally accepted in the United States of America or U.S. generally accepted auditing

standards" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."

gg. Paragraph ".25h" is replaced with ".25i."

hh. Paragraph .25h is added:

The city and state (or city and country, in the case of non-U.S. auditors) from which the auditor's report has been issued.

ii. Footnote 28A is added to the end of the added paragraph .25h:

See footnote 5A.

jj. Following paragraph .26:

- The heading "Independent Auditor's Report" above each example report is replaced with "Report of Independent Registered Public Accounting Firm."
- In the first sentence of the second paragraph of the example report titled, "Report on a Schedule of Gross Income and Certain Expenses to Meet a Regulatory Requirement and to Be Included in a Document Distributed to the General Public," the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
- In the first sentence of the second paragraph of the example report titled, "Report on a Statement of Assets Sold and Liabilities Transferred to Comply With a Contractual Agreement," the phrase "auditing standards generally accepted in the United States of

America" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."

kk. In item (1) of paragraph .29c:

- The phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
- The parenthetical phrase "auditing standards generally accepted in the United States of America or U.S. generally accepted auditing standards" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."

ll. Paragraph ".29i" is replaced with ".29j."

mm. Paragraph .29i is added:

The city and state (or city and country, in the case of non-U.S. auditors) from which the auditor's report has been issued.

nn. Footnote 33A is added to the end of the added paragraph .29i:

See footnote 5A.

oo. Following paragraph .30:

- The heading "Independent Auditor's Report" above the example report is replaced with "Report of Independent Registered Public Accounting Firm."
- In the first sentence of the second paragraph of the example report, the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."

- pp. In the last sentence of paragraph .31a, the reference to "section 508, *Reports on Audited Financial Statements*, paragraphs .16 through .18" is replaced with "AS 3101.16 through .18."
- qq. In footnote 39 to paragraph .31b, the reference to "section 341, *The Auditor's Consideration of an Entity's Ability to Continue as a Going Concern*" is replaced with "AS 2415, *Consideration of an Entity's Ability to Continue as a Going Concern*."
- rr. In the last sentence of paragraph .31c, the reference to "section 508, *Reports on Audited Financial Statements*, paragraphs .12 and .13" is replaced with "AS 3101.12 and .13."
- ss. In the last sentence of paragraph .31d, the reference to "section 508, *Reports on Audited Financial Statements*, paragraphs .68 and .69" is replaced with "AS 3101.68 and .69."

AU sec. 9623, "Special Reports: Auditing Interpretations of Section 623"

AU sec. 9623, "Special Reports: Auditing Interpretations of Section 623," as amended, is amended as follows:

- a. The section number "AU Section 9623" is replaced with "AI 24."
- b. The title "Special Reports: Auditing Interpretations of Section 623" is replaced with "Special Reports: Auditing Interpretations of AS 3305."
- c. Footnote * to paragraphs [.01–.08], is deleted.
- d. In paragraph .41, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
- e. In paragraph .42:

- In the first sentence, the reference to "Section 623.11 through .18 provides" is replaced with "Paragraphs .11 through .18 of AS 3305, *Special Reports*, provide."
- In the Illustrative report:
 - The first paragraph is deleted.
 - The phrase "City and State or Country" is added below the term "Signature."
- f. Paragraphs .43 through .46 are deleted.
- g. The last sentence of paragraph .47 is deleted.
- h. In paragraph .50, the parenthetical reference to "section 623, *Special Reports*, paragraph .08" is replaced with "AS 3305.08."
- i. In paragraph .51, each reference to "Section 623" or "section 623" is replaced with "AS 3305."
- j. Following paragraph .52:
 - The heading "Independent Auditor's Report" above the example report is replaced with "Report of Independent Registered Public Accounting Firm."
 - In the example report:
 - In the first sentence of the second paragraph, the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."

- The phrase "[*City and State or Country*]" is added below the term "[*Signature*]."
- k. In the first sentence of paragraph .53, the parenthetical reference to "section 623.08" is replaced with "AS 3305.08."
- l. In the last sentence of footnote 10 to paragraph .55:
- The reference to "section 508" is replaced with "AS 3101."
 - The phrase ", and the applicable industry audit guide" is deleted.
- m. In the first sentence of paragraph .57, the reference to "section 623, *Special Reports*, paragraph .29" is replaced with "AS 3305.29."
- n. Following paragraph .58:
- The heading "Independent Auditor's Report" above the example report is replaced with "Report of Independent Registered Public Accounting Firm."
 - In the example report in paragraph .58:
 - In the first sentence of the second paragraph, the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
 - The phrase "[*City and State or Country*]" is added below the term "[*Signature*]."
- o. In paragraph .61:
- In the first sentence, the reference to "section 623, *Special Reports*, paragraph .04)" is replaced with "AS 3305.04."

- In the second sentence, the reference to "Section 623.09" is replaced with "AS 3305.09."
 - In the last sentence, the reference to "section 411, *The Meaning of Present Fairly in Conformity With Generally Accepted Accounting Principles*, paragraph .04" is replaced with "paragraph .04 of AS 2815, *The Meaning of 'Present Fairly in Conformity with Generally Accepted Accounting Principles.'*"
- p. In paragraph .62:
- In the first sentence:
 - The reference to "Section 623.02" is replaced with "AS 3305.02."
 - The phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
 - In the last sentence:
 - The phrase "Thus, in accordance with the third standard of reporting," is deleted.
 - The quotation marks are deleted.
 - The first "i" in "informative" is capitalized.
- q. In paragraph .64:
- In the first sentence the reference to "Section 623.09 and .10" is replaced with "AS 3305.09 and .10."
 - In the last sentence, the reference to "Section 623.10" is replaced with "AS 3305.10."

- r. In the third sentence of paragraph .82, the reference to "Section 623, *Special Reports*, paragraph .22" is replaced with "AS 3305.22."
- s. In the last sentence of paragraph .83, the reference to "section 508, *Reports on Audited Financial Statements*, paragraphs .35-.44 and .58-.60" is replaced with "AS 3101.35-.44 and .58-.60."
- t. In the last sentence of paragraph .85, the reference to "section 623.22-.26" is replaced with "AS 3305.22-.26."
- u. In paragraph .86, the reference to "section 508.35-.44 and .58-.60" is replaced with "AS 3101.35-.44 and .58-.60."
- v. In paragraph .90:
- In the first sentence, the reference to "Section 623, *Special Reports*, paragraph .10" is replaced with "AS 3305.10."
 - Each reference to "section 623.10" is replaced with "AS 3305.10."

AU sec. 625, "Reports on the Application of Accounting Principles"

SAS No. 50, "Reports on the Application of Accounting Principles" (AU sec. 625, "Reports on the Application of Accounting Principles"), as amended, is amended as follows:

- a. The section number "AU Section 625" is replaced with "AS 6105."
- b. In the last sentence of footnote 1 to paragraph .01, the reference to "section 623, *Special Reports*, paragraph .04" is replaced with "paragraph .04 of AS 3305, *Special Reports*."
- c. Footnote 3 to paragraph .02 is deleted.

- d. In paragraph .08, the parenthetical reference to "section 411, *The Meaning of Present Fairly in Conformity With Generally Accepted Accounting Principles*" is replaced with "AS 2815, *The Meaning of 'Present Fairly in Conformity with Generally Accepted Accounting Principles.'*"
- e. In the last sentence of paragraph .09, the reference to "section 315, *Communications Between Predecessor and Successor Auditors*, paragraph .10" is replaced with "paragraph .10 of AS 2610, *Initial Audits—Communications Between Predecessor and Successor Auditors.*"
- f. In paragraph .10a, the phrase "applicable AICPA standards" is replaced with "the standards of the PCAOB."
- g. The first sentence of footnote 7 to paragraph .10f is deleted.
- h. In the last sentence of the paragraph following the subheading "*Introduction*" following paragraph .11, the phrase "standards established by the American Institute of Certified Public Accountants" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."

AU sec. 634, "Letters for Underwriters and Certain Other Requesting Parties"

SAS No. 72, "Letters for Underwriters and Certain Other Requesting Parties"

(AU sec. 634, "Letters for Underwriters and Certain Other Requesting Parties"), as amended, is amended as follows:

- a. The section number "AU Section 634" is replaced with "AS 6101."
- b. In the references before paragraph .01, the phrase "(Supersedes SAS No. 49)" is deleted.

- c. In footnote 3 to paragraph .03, the parenthetical reference to "section 9634.01–.09" is replaced with "paragraphs .01–.09 of AI 27, *Letters for Underwriters and Certain Other Requesting Parties: Auditing Interpretations of AS 6101.*"
- d. In paragraph .09b:
- In the first sentence, the phrase "generally accepted auditing standards" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
 - In the last sentence, the phrase "standards established by the American Institute of Certified Public Accountants" is replaced with "the standards of the Public Company Accounting Oversight Board."
- e. In paragraph .12:
- Each phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
 - In footnote 8, the parenthetical reference to "section 9711.12–.15" is replaced with "paragraphs .12–.15 of AI 26, *Responsibilities Regarding Filings Under Federal Securities Statutes: Auditing Interpretations of AS 4101.*"
 - In the first sentence of footnote 9, the reference to "section 711, *Filings Under Federal Securities Statutes*" is replaced with "AS 4101, *Responsibilities Regarding Filings Under Federal Securities Statutes.*."

- f. In the first sentence of footnote 13 to paragraph .16, the reference to "SAS No. 71 [section 722]" is replaced with "AS 4105, *Reviews of Interim Financial Information*."
- g. In the first sentence of footnote 18 to paragraph .27:
- The parenthetical reference to "section 722.50" is replaced with "AS 4105.50."
 - The reference to "section 558, *Required Supplementary Information*, paragraphs .08 through .11" is replaced with "paragraphs .08 through .11 of AS 2705, *Required Supplementary Information*."
- h. In footnote 20 to paragraph .28, the reference to "section 530, *Dating of the Independent Auditor's Report*, paragraphs .03 through .08" is replaced with "AS 3110.03 through .08."
- i. In paragraphs .29a and b, each parenthetical reference to "section 552" is replaced with "AS 3315."
- j. In paragraph .29c, the parenthetical reference to "section 722" is replaced with "AS 4105."
- k. In the fifth sentence of paragraph .29, the reference to "section 325" is replaced with "AS 1305."
- l. In paragraph .30:
- In the first sentence:
 - The reference to "section 722" is replaced with "AS 4105."

- The reference to "section 558, *Required Supplementary Information*," is replaced with "AS 2705."
 - In the second sentence:
 - The reference to "Section 722" is replaced with "AS 4105."
 - The reference to "section 558" is replaced with "AS 2705."
 - In the last sentence, the reference to "sections 722 and 558" is replaced with "AS 4105 and AS 2705."
- m. In paragraph .31, the sixth and seventh sentences are deleted.
- n. In paragraphs .35*a* and *b*, each reference to "SAS No. 71 [section 722]" is replaced with "AS 4105."
- o. In paragraph .37:
 - Each reference to "section 722" is replaced with "AS 4105."
 - In the second sentence of footnote 28, the reference to "section 722" is replaced with "AS 4105."
- p. In the first sentence of paragraph .38, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
- q. In paragraphs .39*a* and *b*, each reference to "SAS No. 71 [section 722]" is replaced with "AS 4105."
- r. In the third sentence of paragraph .42, the reference to "SAS No. 71 [section 722]" is replaced with "AS 4105."
- s. In the second bullet of paragraph .46, the reference to "SAS No. 71 [section 722]" is replaced with "AS 4105."
- t. In paragraph .59:

- In the fourth sentence, the parenthetical reference to "(see section 435, *Segment Information*)" is deleted.
 - In footnote 34, the reference to "section 558" is replaced with "AS 2705."
- u. In paragraph .64:
- Following subtitle "Example A: Typical Comfort Letter":
 - In the third sentence of the second paragraph following item 2d, the reference to "section 722" is replaced with "AS 4105, *Reviews of Interim Financial Information*."
 - In item 4a(i) of the letter in Example A:
 - The phrase "American Institute of Certified Public Accountants" is replaced with "Public Company Accounting Oversight Board (United States)."
 - The reference to "SAS No. 71, *Interim Financial Information*" is replaced with "AS 4105, *Reviews of Interim Financial Information*."
 - In the first sentence following item 4b(ii) of the letter in Example A, the phrase "generally accepted auditing standards" is replaced with "the standards of the Public Company Accounting Oversight Board."
 - In footnote 6 to item 5a(i) of the letter in Example A, the reference to "Section 722" is replaced with "AS 4105."

- Following the subtitle "Example B: Letter When a Short-Form Registration Statement Is Filed Incorporating Previously Filed Forms 10-K and 10-Q by Reference":
 - In item 4a(i) of the letter in Example B:
 - The phrase "American Institute of Certified Public Accountants" is replaced with "Public Company Accounting Oversight Board (United States)."
 - The reference to "SAS No. 71, *Interim Financial Information*" is replaced with "AS 4105, *Reviews of Interim Financial Information*."
 - In the first sentence following item 4b(ii) of the letter in Example B, the phrase "generally accepted auditing standards" is replaced with "the standards of the Public Company Accounting Oversight Board."
- In the third sentence of item 5, (following the subtitle "Example D: Comments on Pro Forma Financial Information"), the reference to "SAS No. 71 [section 722]" is replaced with "AS 4105."
- In item 8 (following the subtitle "Example E: Comments on a Financial Forecast"):
 - In the first sentence, the reference to "AICPA" is replaced with "AT section 301, *Financial Forecasts and Projections*."

- Each phrase "standards established by the American Institute of Certified Public Accountants" is replaced with "the standards of the Public Company Accounting Oversight Board."
- In the first sentence of footnote 10 to item 7 (following the subtitle "Example F: Comments on Tables, Statistics, and Other Financial Information—Complete Description of Procedures and Findings"), the reference to "section 552" is replaced with "AS 3315."
- Following the subtitle "Example L: Alternate Wording When Recent Earnings Data Are Presented in Capsule Form":
 - In the first sentence of item 13, the reference to "section 722" is replaced with "AS 4105."
 - In item 4a(i) of the letter in Example L:
 - The phrase "American Institute of Certified Public Accountants" is replaced with "Public Company Accounting Oversight Board (United States)."
 - The reference to "SAS No. 71, *Interim Financial Information*" is replaced with "AS 4105, *Reviews of Interim Financial Information*."
 - In item 4b(ii) of the letter in Example L:
 - The phrase "American Institute of Certified Public Accountants" is replaced with "Public Company Accounting Oversight Board."

- The reference to "SAS No. 71, *Interim Financial Information*," is replaced with "AS 4105."
- In the first sentence following item 4b(iii) of the letter in Example L, the phrase "generally accepted auditing standards" is replaced with "the standards of the Public Company Accounting Oversight Board."
- The subtitle "Example O: Alternate Wording When the Procedures That the Underwriter Has Requested the Accountant to Perform on Interim Financial Information Are Less Than an SAS No. 71 Review" is replaced with " Example O: Alternate Wording When the Procedures That the Underwriter Has Requested the Accountant to Perform on Interim Financial Information Are Less Than an AS 4105 Review."
- Following the subtitle "Example O: Alternate Wording When the Procedures That the Underwriter Has Requested the Accountant to Perform on Interim Financial Information Are Less Than an SAS No. 71 Review":
 - In the third sentence of item 16, the reference to "SAS No. 71 [section 722]" is replaced with "AS 4105."
 - In the first sentence following item 4c of the letter in Example O, the phrase "generally accepted auditing standards" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."

- In the second paragraph to item 6 of the letter in Example O:
 - In the first sentence:
 - The phrase "standards established by the American Institute of Certified Public Accountants" is replaced with "the standards of the Public Company Accounting Oversight Board."
 - The reference to "AICPA" is replaced with "AT section 301, *Financial Forecasts and Projections*."
 - In the last sentence, the phrase "standards established by the AICPA" is replaced with "the standards of the Public Company Accounting Oversight Board."
- Following the subtitle "Example P: A Typical Comfort Letter in a Non-1933 Act Offering, Including the Required Underwriter Representations":
 - In the third sentence of item 17, the reference to "SAS No. 71 [section 722]" is replaced with "AS 4105."
 - In the first sentence of item 6 of the letter in Example P, the phrase "generally accepted auditing standards" is replaced

with "the standards of the Public Company Accounting Oversight Board (United States)."

- In the letter following the subtitle "Example Q: Letter to a Requesting Party That Has Not Provided the Representation Letter Described in Paragraphs .06 and .07":
 - In the second paragraph, the phrase "rule 101 of the AICPA's Code of Professional Conduct, and its interpretations and rulings" is replaced with "Public Company Accounting Oversight Board Rule 3520, *Auditor Independence*."
 - In Item 6:
 - In the first sentence, the phrase "generally accepted auditing standards" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
 - In the last sentence, the phrase "standards established by the American Institute of Certified Public Accountants" is replaced with "the standards of the Public Company Accounting Oversight Board."
- Following the subtitle "Example R: Comfort Letter That Includes Reference to Examination of Annual MD&A and Review of Interim MD&A":

- In the fifth sentence of item 19, the reference to "section 722" is replaced with "AS 4105."
- In the first sentence following item 5b(ii) of the letter in Example R, the phrase "generally accepted auditing standards" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."

AU sec. 9634, "Letters for Underwriters and Certain Other Requesting Parties: Auditing Interpretations of Section 634"

AU sec. 9634, "Letters for Underwriters and Certain Other Requesting Parties: Auditing Interpretations of Section 634," as amended, is amended as follows:

- a. The section number "AU Section 9634" is replaced with "AI 27."
- b. The title "Letters for Underwriters and Certain Other Requesting Parties: Auditing Interpretations of Section 634" is replaced with "Letters for Underwriters and Certain Other Requesting Parties: Auditing Interpretations of AS 6101."
- c. In paragraph .03, the parenthetical reference to "section 634.33" is replaced with "paragraph .33 of AS 6101, *Letters for Underwriters and Certain Other Requesting Parties*."
- d. In the first sentence of paragraph .04:
 - The phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."

- The parenthetical reference to "section 550" is replaced with "AS 2710, *Other Information in Documents Containing Audited Financial Statements.*"
- e. In paragraph .05:
- In the third sentence:
 - The reference to "section 634" is replaced with "AS 6101."
 - The reference to "section 634.54-.60" is replaced with "AS 6101.54-.60."
 - In the first sentence of footnote 3, the reference to "Section 634.12" is replaced with "AS 6101.12."
 - In the fourth sentence, the reference to "section 634.55" is replaced with "AS 6101.55."
 - In the fifth sentence, the reference to "section 634.55 and .57" is replaced with "AS 6101.55 and .57."
- f. In paragraph .06, each reference to "section 634.57" or "Section 634.57" is replaced with "AS 6101.57."
- g. In the last sentence of paragraph .07, the reference to "section 634.55" is replaced with "AS 6101.55."
- h. In the last sentence of paragraph .09, the reference to "section 634.31" is replaced with "AS 6101.31."
- i. In the first sentence of paragraph .16, the reference to "Section 634, *Letters for Underwriters and Certain Other Requesting Parties*, paragraph .57," is replaced with "AS 6101.57."

- j. In the first sentence of paragraph .18, the reference to "Section 634.55" is replaced with "AS 6101.55."
- k. In the third sentence of paragraph .19, the reference to "section 634.55" is replaced with "6101.55."
- l. In paragraph .29:
 - In the first sentence, the reference to "section 634.64" is replaced with "6101.64."
 - In the last sentence of footnote 4 to the table following paragraph .29, the reference to "section 634.55" is replaced with "AS 6101.55."

AU sec. 711, "Filings Under Federal Securities Statutes"

SAS No. 37, "Filings Under Federal Securities Statutes" (AU sec. 711, "Filings Under Federal Securities Statutes"), as amended, is amended as follows:

- a. The section number "AU Section 711" is replaced with "AS 4101."
- b. The title "Filings Under Federal Securities Statutes" is replaced with "Responsibilities Regarding Filings Under Federal Securities Statutes."
- c. Footnote * to the section number of the standard is deleted.
- d. In the note to paragraph .02, the reference to "paragraphs C16–C17 of Appendix C, *Special Reporting Situations*, of PCAOB Auditing Standard No. 5" is replaced with "paragraphs .C16–.C17 of Appendix C, *Special Reporting Situations*, of AS 2201."
- e. In the fourth sentence of paragraph .10, the reference to "section 560.12" is replaced with "paragraph .12 of AS 2801, *Subsequent Events*."

- f. In the last sentence of paragraph .11, the parenthetical reference to "section 508" is replaced with "AS 3101, *Reports on Audited Financial Statements.*"
- g. In paragraph .12:
- In the first sentence, the references to "sections 560 and 561" are replaced with "AS 2801 and AS 2905, *Subsequent Discovery of Facts Existing at the Date of the Auditor's Report.*"
 - In the second sentence, the reference to "sections 530.05 and 530.07 and .08" is replaced with "paragraph .05 of AS 3110, *Dating of the Independent Auditor's Report*, and AS 3110.07 and .08."
 - In the third sentence, the reference to "section 561.08 and .09" is replaced with "AS 2905.08 and .09."
- h. In paragraph .13a:
- The reference to "section 561" is replaced with "AS 2905."
 - The parenthetical reference to "section 722.46" is replaced with "paragraph .46 of AS 4105, *Reviews of Interim Financial Information.*"

AU sec. 9711, "Filings Under Federal Securities Statutes: Auditing Interpretations of Section 711"

AU sec. 9711, "Filings Under Federal Securities Statutes: Auditing Interpretations of Section 711," as amended, is amended as follows:

- a. The section number "AU Section 9711" is replaced with "AI 26."

- b. The title "Filings Under Federal Securities Statutes: Auditing Interpretations of Section 711" is replaced with "Responsibilities Regarding Filings Under Federal Securities Statutes: Auditing Interpretations of AS 4101."
- c. In paragraph .03:
- In the first sentence, the reference to "Section 711, *Filings Under Federal Securities Statutes*, paragraph .05" is replaced with "Paragraph .05 of AS 4101, *Responsibilities Regarding Filings Under Federal Securities Statutes*."
 - In the last sentence, the parenthetical reference to "section 711.10 and .11" is replaced with "AS 4101.10 and .11."
- d. In paragraph .05, the reference to "section 711.10 and .11" is replaced with "AS 4101.10 and .11."
- e. In paragraph .09:
- In the second sentence, the parenthetical reference to "section 552, *Reporting on Condensed Financial Statements and Selected Financial Data*, paragraph .08" is replaced with "paragraph .08 of AS 3315, *Reporting on Condensed Financial Statements and Selected Financial Data*."
 - In the last sentence, the parenthetical reference to "section 711.10 and .11" is replaced with "AS 4101.10 and .11."
- f. In paragraph .10:

- In the first sentence, the reference to "section 711" is replaced with "AS 4101."
 - In the last sentence, the reference to "section 711.10 and .11" is replaced with "AS 4101.10 and .11."
- g. In the last sentence of paragraph .11, the reference to "Section 711.12 and .13" is replaced with "AS 4101.12 and .13."

AU sec. 722, "Interim Financial Information"

SAS No. 100, "Interim Financial Information" (AU sec. 722, "Interim Financial Information"), as amended, is amended as follows:

- a. The section number "AU Section 722" is replaced with "AS 4105."
- b. The title "Interim Financial Information" is replaced with "Reviews of Interim Financial Information."
- c. In the references before paragraph .01, the phrase "(Supersedes SAS No. 71)" is deleted.
- d. In the second sentence of paragraph .01:
 - The word "three" is deleted.
 - The phrase "discussed in section 150, *Generally Accepted Auditing Standards*, paragraph .02)," is deleted.
 - Footnote 1A is added following the term "standards":

See AS 1005, Independence, AS 1010, Training and Proficiency of the Independent Auditor, and AS 1015, Due Professional Care in the Performance of Work.

- e. In the first sentence of paragraph .04, the reference to "Section 315, *Communications Between Predecessor and Successor Auditors*" is replaced with "AS 2610, *Initial Audits—Communications Between Predecessor and Successor Auditors*."
- f. In footnote 5 to paragraph .05, the last sentence is deleted.
- g. In the second sentence of paragraph .07, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
- h. In the eighth bullet of paragraph .09:
- In the first sentence, the phrase "standards established by the AICPA" is replaced with "the standards of the PCAOB."
 - In the third sentence, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
- i. In the first sentence of footnote 7 to the first bullet of paragraph .11, the reference to "Paragraphs 10 through 23 of Auditing Standard No. 14" is replaced with "Paragraphs .10 through .23 of AS 2810."
- j. In the third sentence of paragraph .13, the reference to "Auditing Standard No. 12" is replaced with "AS 2110."
- k. In the last sentence of paragraph .16, the reference to "section 329" is replaced with "AS 2305."
- l. In footnote 11 to paragraph .18*b*, the parenthetical reference to "section 543, *Part of Audit Performed by Other Independent Auditors*" is replaced with "AS 1205, *Part of the Audit Performed by Other Independent Auditors*."

- m. In the last sentence of paragraph .18f, the reference to "section 550, *Other Information in Documents Containing Audited Financial Statements*, paragraphs .04 through .06)" is replaced with "paragraphs .04 through .06 of AS 2710, *Other Information in Documents Containing Audited Financial Statements*."
- n. In the first sentence of footnote 15 to paragraph .21, the reference to "section 341, *The Auditor's Consideration of an Entity's Ability to Continue as a Going Concern*, paragraph .10" is replaced with "paragraph .10 of AS 2415, *Consideration of an Entity's Ability to Continue as a Going Concern*."
- o. In footnote 16 to paragraph .24, the reference to "section 333, *Management Representations*, paragraphs .08 through .12" is replaced with "paragraphs .08 through .12 of AS 2805, *Management Representations*."
- p. In the last sentence of paragraph .30, the reference "paragraph 25 of Auditing Standard No. 16" is replaced with "paragraph .25 of AS 1301."
- q. In paragraph .32:
- The reference to "AU sec. 316" is replaced with "AS 2401."
 - The reference to "AU sec. 317" is replaced with "AS 2405."
- r. In paragraph .34:
- In the first sentence, the reference to "Auditing Standard No. 16, *Communications with Audit Committees*" is replaced with "AS 1301."

- In the fourth sentence, the reference to "paragraph 12 of Auditing Standard No. 16, *Communications with Audit Committees*" is replaced with "AS 1301.12."
- s. In the last sentence of paragraph .36, the reference to "paragraph 25 of Auditing Standard No. 16, *Communications with Audit Committees*" is replaced with "AS 1301.25."
- t. In paragraph .37d, the phrase "standards established by the AICPA" is replaced with "the standards of the PCAOB."
- u. In paragraph .37f, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
- v. Paragraph ".37i" is replaced with ".37j."
- w. Paragraph .37i is added:

The city and state (or city and country, in the case of non-U.S. auditors) from which the auditor's report has been issued.
- x. Footnote 24A is added to the end of the added paragraph .37i:

See SEC Rule 2-02(a) of Regulation S-X, 17 C.F.R. § 210.2-02(a).
- y. In footnote 25 to paragraph .37i:
 - The reference to "sections 530" is replaced with "AS 3110."
 - The reference to "560" is replaced with "AS 2801."
- z. In the Independent Accountant's Report following paragraph .38:
 - The heading "Independent Accountant's Report" above the example report is replaced with "Report of Independent Registered Public Accounting Firm."

- In the first sentence of the second paragraph, the phrase "standards established by the American Institute of Certified Public Accountants" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
 - In the third sentence of the second paragraph, the phrase "generally accepted auditing standards" is replaced with "the standards of the Public Company Accounting Oversight Board."
 - The phrase "[*City and State or Country*]" is added following the term "[*Signature*]."
- aa. In the Independent Accountant's Report following paragraph .39:
- The heading "Independent Accountant's Report" above the example report is replaced with "Report of Independent Registered Public Accounting Firm."
 - In the first sentence of the second paragraph, the phrase "standards established by the American Institute of Certified Public Accountants" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
 - In the third sentence of the second paragraph, the phrase "generally accepted auditing standards" is replaced with "the standards of the Public Company Accounting Oversight Board."
 - In the first sentence of the fourth paragraph, the phrase "auditing standards generally accepted in the United States of America" is

replaced with "the standards of the Public Company Accounting Oversight Board."

- The phrase "[*City and State or Country*]" is added following the term "[*Signature*]."
- bb. In footnote 29 to paragraph .40, the reference to "section 543, *Part of Audit Performed by Other Independent Auditors*" is replaced with "AS 1205."
- cc. In the Independent Accountant's Report following paragraph .40:
- The heading "Independent Accountant's Report" above the example report is replaced with "Report of Independent Registered Public Accounting Firm."
 - In the first sentence of the third paragraph, the phrase "standards established by the American Institute of Certified Public Accountants" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
 - In the third sentence of the third paragraph, the phrase "generally accepted auditing standards" is replaced with "the standards of the Public Company Accounting Oversight Board."
 - The phrase "[*City and State or Country*]" is added following the term "[*Signature*]."
- dd. In footnote 30 to paragraph .41, the reference to "section 508, *Reports on Audited Financial Statements*, paragraph .15" is replaced with "paragraph .15 of AS 3101, *Reports on Audited Financial Statements*."

- ee. In the first sentence of footnote 32 to paragraph .43, the reference to "section 341, *The Auditor's Consideration of an Entity's Ability to Continue as a Going Concern*, paragraph .10" is replaced with "AS 2415.10."
- ff. In the last sentence of paragraph .46, the reference to "section 561" is replaced with "AS 2905."
- gg. In the last sentence of paragraph .50d, the phrase "standards established by the American Institute of Certified Public Accountants" is replaced with "the standards of the Public Company Accounting Oversight Board."
- hh. In Appendix B, footnote 36 to bullet 16 of item B1 in paragraph .55, the reference to "section 342, *Auditing Accounting Estimates*, paragraphs .05 and .06" is replaced with "paragraphs .05 and .06 of AS 2501, *Auditing Accounting Estimates*."
- ii. In Appendix C of paragraph .56:
 - In item C2:
 - In the third sentence, the reference to "section 333" is replaced with "AS 2805."
 - The last sentence is deleted.
 - In the second sentence of item C5:
 - The reference to "section 316" is replaced with "AS 2401."
 - The phrase "related parties" is italicized.
 - The reference to "Auditing Standard No. 18" is replaced with "AS 2410."

- In the last sentence of item C6, the reference to "section 333.08" is replaced with "AS 2805.08."
- In the bracketed sentence of paragraph 15 of the second management representation letter titled "Illustrative Representation Letter for a Review of Interim Financial Information (Statements)," the reference to "*section 333, Management Representations, paragraph .17*)" is replaced with "*paragraph .17 of AS 2805, Management Representations.*"

AU sec. 801, "Compliance Auditing Considerations in Audits of Governmental Entities and Recipients of Governmental Financial Assistance"

SAS No. 74, "Compliance Auditing Considerations in Audits of Governmental Entities and Recipients of Governmental Financial Assistance" (AU sec. 801, "Compliance Auditing Considerations in Audits of Governmental Entities and Recipients of Governmental Financial Assistance"), as amended, is amended as follows:

- a. The section number "AU Section 801" is replaced with "AS 6110."
- b. The title "Compliance Auditing Considerations in Audits of Governmental Entities and Recipients of Governmental Financial Assistance" is replaced with "Compliance Auditing Considerations in Audits of Recipients of Governmental Financial Assistance."
- c. In the references before paragraph .01, the phrase "(Supersedes SAS No. 68)" is deleted.

- d. In paragraph .01, in the first sentence, the phrase "generally accepted auditing standards (GAAS)" is replaced with "the standards of the PCAOB."
- e. Footnote 5 to paragraph .02 is deleted.
- f. In paragraph .02*a*, the reference to "section 317" is replaced with "AS 2405."
- g. In the first sentence of paragraph .06:
 - The reference to "Section 317" is replaced with "AS 2405."
 - The term "GAAS" is replaced with "the standards of the PCAOB."
- h. In the first sentence of paragraph .09, the term "GAAS" is replaced with "the standards of the PCAOB."
- i. In paragraph .10*a*, the term "GAAS" is replaced with "the standards of the PCAOB."
- j. In the last sentence of paragraph .11, the term "GAAS" is replaced with "the standards of the PCAOB."
- k. Footnote 12 to paragraph .12 is deleted.
- l. Footnote 14 to paragraph .16 is deleted.
- m. In footnote 15 to paragraph .17*c*, the term "GAAS" is replaced with "the standards of the PCAOB."
- n. In the last sentence of paragraph .18, the reference to "section 350" is replaced with "AS 2315."
- o. In paragraph .22:

- In the first sentence, the term "GAAS" is replaced with "The standards of the PCAOB."
 - In the second sentence:
 - The phrase "a GAAS" is replaced with "an."
 - The phrase "in accordance with the standards of the PCAOB" is added following the term "statements."
 - The second term "GAAS" is replaced with "the standards of the PCAOB."
 - In the last sentence, the term "GAAS" is replaced with "the standards of the PCAOB."
- p. In the last sentence of paragraph .23, the reference to "section 317" is replaced with "AS 2405."

AU sec. 901, "Public Warehouses—Controls and Auditing Procedures for Goods Held"

SAS No. 1, "Codification of Auditing Standards and Procedures" (AU sec. 901, "Public Warehouses—Controls and Auditing Procedures for Goods Held"), as amended, is rescinded.

Attestation Standards

Attestation Standard No. 1, "Examination Engagements Regarding Compliance Reports of Brokers and Dealers"

Attestation Standard No. 1, "Examination Engagements Regarding Compliance Reports of Brokers and Dealers," is amended as follows:

- a. In footnote 8 to paragraph 4, the reference to "Auditing Standard No. 15" is replaced with "AS 1105."
- b. In the second note to paragraph 6, the reference to "Auditing Standard No. 3" is replaced with "AS 1215."
- c. In the first sentence of footnote 12 to paragraph 8, the reference to "Auditing Standard No. 17" is replaced with "AS 2701."
- d. In footnote 18 to paragraph 35, the reference to "Auditing Standard No. 16" is replaced with "AS 1301."
- e. In footnote 3 to paragraph C10, the reference to "AU sec. 317" is replaced with "AS 2405."

Attestation Standard No. 2, "Review Engagements Regarding Exemption Reports of Brokers and Dealers"

Attestation Standard No. 2, "Review Engagements Regarding Exemption Reports of Brokers and Dealers," is amended as follows:

- a. In the second note to paragraph 5, the reference to "Auditing Standard No. 3" is replaced with "AS 1215."
- b. In the first sentence of footnote 9 to paragraph 7, the reference to "Auditing Standard No. 17" is replaced with "AS 2701."
- c. In footnote 12 to paragraph 15, the reference to "Auditing Standard No. 16" is replaced with "AS 1301."

AT sec. 101, "Attestation Engagements"

AT sec. 101, "Attestation Engagements," as amended, is amended as follows:

- a. The following note is added at the end of paragraph .01:

Note: In connection with an engagement performed in accordance with this attestation standard, whenever the practitioner is required to make reference in a report to attestation standards established by the American Institute of Certified Public Accountants, the practitioner must instead refer to "the standards of the Public Company Accounting Oversight Board (United States)." A practitioner must also include the city and state (or city and country, in the case of non-U.S. practitioners) from which the practitioner's report has been issued.

- b. In the last sentence of paragraph .04f, the reference to "PCAOB Auditing Standard No. 4" is replaced with "AS 6115."
- c. In paragraph .91:
 - The parenthetical reference to "AU section 634" is replaced with "AS 6101."
 - The parenthetical reference to "AU section 711, *Filings Under Federal Securities Statutes*" is replaced with "AS 4101, *Responsibilities Regarding Filings Under Federal Securities Statutes*."
- d. In the last sentence of paragraph .99, the reference to "AU section 561" is replaced with "AS 2905."

AT sec. 9101, "Attest Engagements: Attest Engagements Interpretations of Section 101"

AT sec. 9101, "Attest Engagements: Attest Engagements Interpretations of Section 101," is amended as follows:

- a. In the last sentence of paragraph .12, the reference to "AU section 322, *The Auditor's Consideration of the Internal Audit Function in an Audit of Financial Statements*" is replaced with "AS 2605, *Consideration of the Internal Audit Function*."
- b. In the second bullet of paragraph .28, the reference to "AU section 722, *Interim Financial Information*" is replaced with "AS 4105, *Reviews of Interim Financial Information*."
- c. Paragraph .43 is deleted.
- d. Paragraph 44 is replaced with the following:

Illustrative letters in response to a regulatory request for access to or copies of the attest documentation related to an examination engagement performed in accordance with section 601, *Compliance Attestation*, and an agreed-upon procedures engagement performed in accordance with section 201, *Agreed-Upon Procedures Engagements*, follow.
- e. In footnote 7 to paragraph .45, the parenthetical reference to "AU section 9339.11–.15" is deleted.
- f. In footnote 12 to paragraph .46:
 - The parenthetical reference to "AU section 9339.11–.15" is deleted.
 - A comma is added after the second word "access."

AT sec. 201, "Agreed-Upon Procedures Engagements"

AT sec. 201, "Agreed-Upon Procedures Engagements," is amended as follows:

- a. The following note is added at the end of paragraph .01:

Note: In connection with an engagement performed in accordance with this attestation standard, whenever the practitioner is required to make reference in a report to attestation standards established by the American Institute of Certified Public Accountants, the practitioner must instead refer to "the standards of the Public Company Accounting Oversight Board (United States)." A practitioner must also include the city and state (or city and country, in the case of non-U.S. practitioners) from which the practitioner's report has been issued.

- b. In paragraph .02a, the reference to "AU section 623" is replaced with "AS 3305."
- c. In paragraph .02b, the reference to "AU section 801, *Compliance Auditing Considerations in Audits of Governmental Entities and Recipients of Governmental Financial Assistance*" is replaced with "AS 6110, *Compliance Auditing Considerations in Audits of Recipients of Governmental Financial Assistance*."
- d. In paragraph .02c, the reference to "AU section 324, *Service Organizations*, paragraph .58" is replaced with "paragraph .58 of AS 2601, *Consideration of an Entity's Use of a Service Organization*."
- e. In paragraph .02d, the reference to "AU section 634" is replaced with "AS 6101."
- f. In footnote 3 to paragraph .03, the reference to "AU section 623.11–.18" is replaced with "AS 3305.11–.18."

- g. In footnote 7 to paragraph .22, the reference to "AU section 322, *The Auditor's Consideration of the Internal Audit Function in an Audit of Financial Statements*" is replaced with "AS 2605, *Consideration of the Internal Audit Function*."
- h. In footnote 13 to paragraph .31k:
- In the first sentence, the reference to "AU section 504, *Association With Financial Statements*" is replaced with "AS 3320, *Association with Financial Statements*."
 - In the second sentence:
 - The reference to "AU section 504.04" is replaced with "AS 3320.04."
 - The reference to "AU section 722, *Interim Financial Information*" is replaced with "AS 4105, *Reviews of Interim Financial Information*).".
 - The reference to "AU section 504.05" is replaced with "AS 3320.05."
- i. In footnote 16 to paragraph .36, the reference to "AU section 530, *Dating of the Independent Auditor's Report*, paragraphs .06 and .07" is replaced with "paragraphs .06 and .07 of AS 3110, *Dating of the Independent Auditor's Report*."
- j. In footnote 18 to paragraph .40, the bracketed reference to "AU section 508" is replaced with "AS 3101."

AT sec. 301, "Financial Forecasts and Projections"

AT sec. 301, "Financial Forecasts and Projections," is amended as follows:

- a. The following note is added at the end of paragraph .01:

Note: In connection with an engagement performed in accordance with this attestation standard, whenever the practitioner is required to make reference in a report to attestation standards established by the American Institute of Certified Public Accountants, the practitioner must instead refer to "the standards of the Public Company Accounting Oversight Board (United States)." A practitioner must also include the city and state (or city and country, in the case of non-U.S. practitioners) from which the practitioner's report has been issued.

- b. In footnote 4 to paragraph .08e, the reference to "AU section 623" is replaced with "AS 3305."
- c. In footnote 12 to paragraph .23, the parenthetical reference to "AU section 9504.19–.22" is replaced with "paragraphs .19–.22 of AI 25, *Association with Financial Statements: Auditing Interpretations of AS 3320*."
- d. In paragraph .24:
- In footnote 13, the reference to "AU section 504, *Association With Financial Statements*" is replaced with "AS 3320, *Association with Financial Statements*."
 - In footnote 14, the reference to "AU section 552" is replaced with "AS 3315."
- e. In paragraph .48:

- In footnote 23, the reference to "AU section 504" is replaced with "AS 3320."
 - In footnote 24, the reference to "AU section 552" is replaced with "AS 3315."
- f. In footnote 26 to paragraph .52, the reference to "AU section 634" is replaced with "AS 6101."
- g. In paragraph .60:
- In footnote 29:
 - In the first sentence, the reference to "AU section 550" is replaced with "AS 2710."
 - In the second sentence:
 - The reference to "AU section 550" is replaced with "AS 2710."
 - The bracketed reference to "AU section 711, *Filings Under Federal Securities Statutes*" is replaced with "AS 4101, *Responsibilities Regarding Filings Under Federal Securities Statutes*."
 - In the last sentence, the reference to "AU section 550" is replaced with "AS 2710."
- h. In the first sentence of footnote 5 to item 11*d* of paragraph .70, Appendix C, the reference to "AU section 722, *Interim Financial Information*, paragraphs .13 through .19" is replaced with "paragraphs .13 through .19 of AS 4105, *Reviews of Interim Financial Information*."

AT sec. 401, "Reporting on Pro Forma Financial Information"

AT sec. 401, "Reporting on Pro Forma Financial Information," is amended as follows:

- a. In footnote 1 to paragraph .01:
 - In the first sentence, the reference to "AU section 634, *Letters for Underwriters and Certain Other Requesting Parties*, paragraphs .03 through .05" is replaced with "Paragraphs .03 through .05 of AS 6101, *Letters for Underwriters and Certain Other Requesting Parties*."
 - In the last sentence, the reference to "AU section 634.03" is replaced with "AS 6101.03."
- b. The following note is added at the end of paragraph .01:

Note: In connection with an engagement performed in accordance with this attestation standard, whenever the practitioner is required to make reference in a report to attestation standards established by the American Institute of Certified Public Accountants, the practitioner must instead refer to "the standards of the Public Company Accounting Oversight Board (United States)." A practitioner must also include the city and state (or city and country, in the case of non-U.S. practitioners) from which the practitioner's report has been issued.
- c. In paragraph .02, the reference to "AU section 550, *Other Information in Documents Containing Audited Financial Statements*, and AU section 711, *Filings Under Federal Securities Statutes*" is replaced with "AS

2710, *Other Information in Documents Containing Audited Financial Statements*, and AS 4101, *Responsibilities Regarding Filings Under Federal Securities Statutes*."

- d. In footnote 2 to paragraph .03:
- In the second sentence, the reference to "AU section 560, *Subsequent Events*, paragraph .05" is replaced with "paragraph .05 of AS 2801, *Subsequent Events*."
 - In the last sentence, the reference to "AU section 508, *Reports on Audited Financial Statements*, paragraph .28" is replaced with "paragraph .28 of AS 3101, *Reports on Audited Financial Statements*."
- e. In the second sentence of footnote 5 to paragraph .07b, the reference to "AU section 722, *Interim Financial Information*" is replaced with "AS 4105, *Reviews of Interim Financial Information*."

AT sec. 601, "Compliance Attestation"

AT sec. 601, "Compliance Attestation," as amended, is amended as follows:

- a. The following note is added at the end of paragraph .01:
- Note: In connection with an engagement performed in accordance with this attestation standard, whenever the practitioner is required to make reference in a report to attestation standards established by the American Institute of Certified Public Accountants, the practitioner must instead refer to "the standards of the Public Company Accounting Oversight Board (United States)." A practitioner must also include the city and state

(or city and country, in the case of non-U.S. practitioners) from which the practitioner's report has been issued.

- b. In paragraph .02:
- In item *b*, the reference to "AU section 623, *Special Reports*, paragraphs .19 through .21" is replaced with "paragraphs .19 through .21 of AS 3305, *Special Reports*."
 - In item *c*, the reference to "AU section 801, *Compliance Auditing Considerations in Audits of Governmental Entities and Recipients of Governmental Financial Assistance*" is replaced with "AS 6110, *Compliance Auditing Considerations in Audits of Recipients of Governmental Financial Assistance*."
 - In item *d*, the reference to "AU section 634" is replaced with "AS 6101."
- c. In footnote 5 to paragraph .19, the reference to "AU section 322, *The Auditor's Consideration of the Internal Audit Function in an Audit of Financial Statements*" is replaced with "AS 2605, *Consideration of the Internal Audit Function*."
- d. In the second sentence of paragraph .33, the reference to "AU section 316A, *Consideration of Fraud in a Financial Statement Audit*, paragraphs .16 through .19" is replaced with "AS 2401, *Consideration of Fraud in a Financial Statement Audit*."
- e. In the last sentence of paragraph .43, the reference to "AU section 336" is replaced with "AS 1210."

- f. In the last sentence of paragraph .44, the reference to "AU section 322, *The Auditor's Consideration of the Internal Audit Function in an Audit of Financial Statements*" is replaced with "AS 2605, *Consideration of the Internal Audit Function*."
- g. In the second sentence of paragraph .47, the reference to "AU section 325, *Communication of Internal Control Related Matters Noted in an Audit*" is replaced with "AS 1305, *Communications About Control Deficiencies in an Audit of Financial Statements*."
- h. In the last sentence of paragraph .48, the reference to "AU section 350" is replaced with "AS 2315."
- i. In the first sentence of paragraph .50, the reference to "AU section 560" is replaced with "AS 2801."
- j. In footnote 22 to paragraph .68, the reference to "AU section 333, *Management Representations*, paragraph .09" is replaced with "Paragraph .09 of AS 2805, *Management Representations*."

AT sec. 701, "Management's Discussion and Analysis"

AT sec. 701, "Management's Discussion and Analysis," is amended as follows:

- a. The following note is added at the end of paragraph .01:

Note: In connection with an engagement performed in accordance with this attestation standard, whenever the practitioner is required to make reference in a report to attestation standards established by the American Institute of Certified Public Accountants or auditing standards generally accepted in the United States of America, the practitioner must instead

refer to "the standards of the Public Company Accounting Oversight Board (United States)." A practitioner must also include the city and state (or city and country, in the case of non-U.S. practitioners) from which the practitioner's report has been issued.

- b. In the last sentence of footnote 6 to paragraph .02:
- The reference to "Statement on Auditing Standards (SAS) No. 71" is deleted.
 - The parenthetical reference to "AU section 722, *Interim Financial Information*" is replaced with "AS 4105, *Reviews of Interim Financial Information*."
- c. In footnote 7 to paragraph .02, the reference to "AU section 634" is replaced with "AS 6101."
- d. In paragraph .11a, the reference to "AU section 722, *Interim Financial Information*," is replaced with "AS 4105."
- e. In item (2) of paragraph .14a, the reference to "AU section 722" is replaced with "AS 4105."
- f. In footnote 16 to paragraph .20:
- In the first sentence, the reference to "AU section 329, *Analytical Procedures*" is replaced with "AS 2305, *Substantive Analytical Procedures*."
 - In the last sentence, the reference to "AU section 329" is replaced with "AS 2305."
- g. The first sentence of paragraph .39 is deleted.

- h. Footnote 18 to paragraph .44 is deleted.
- i. In paragraph .47:
- In the third sentence, the reference to "AU section 336" is replaced with "AS 1210."
 - In the last sentence, the reference to "AU section 311, *Planning and Supervision*" is replaced with "AS 1201, *Supervision of the Audit Engagement*."
- j. In the last sentence of paragraph .48, the reference to "AU section 322, *The Auditor's Consideration of the Internal Audit Function in an Audit of Financial Statements*" is replaced with "AS 2605, *Consideration of the Internal Audit Function*."
- k. In the last sentence of paragraph .58:
- The reference to "AU section 325, *Communication of Internal Control Related Matters Noted in an Audit*" is replaced with "AS 1305, *Communications About Control Deficiencies in an Audit of Financial Statements*."
 - The reference to "AU section 380, *Communication With Audit Committees*" is replaced with "AS 1301, *Communications with Audit Committees*."
- l. In footnote 24 to paragraph .66:
- In the second sentence, the reference to "AU section 561" is replaced with "AS 2905."

- In the last sentence, the reference to "AU section 711, *Filings Under Federal Securities Statutes*" is replaced with "AS 4101, *Responsibilities Regarding Filings Under Federal Securities Statutes.*"
- m. In footnote 25 to paragraph .66c, the reference to "AU section 337" is replaced with "AS 2505."
- n. In the first sentence of paragraph .102, the reference to "AU section 315, *Communications Between Predecessor and Successor Audits*" is replaced with "AS 2610, *Initial Audits—Communications Between Predecessor and Successor Audits.*"
- o. In paragraph .106:
- In the second sentence, the reference to "SAS No. 8" is replaced with "AS 2710."
 - In the last sentence, the reference to "AU section 711, *Filings Under Federal Securities Statutes,*" is replaced with "AS 4101."
- p. In footnote 30 to paragraph .107, the reference to "AU section 550, *Information in Documents Containing Audited Financial Statements,*" is replaced with "AS 2710."
- q. In the last sentence of paragraph .108, the reference to "AU section 317, *Illegal Acts*, paragraphs .17, .22, and .23)" is replaced with "paragraphs .17, .22, and .23 of AS 2405, *Illegal Acts by Clients.*"
- r. In the last sentence of paragraph .109, the reference to "AU section 316" is replaced with "AS 2401."

- s. In footnote 31 to paragraph .110:
- In the first sentence, the reference to "AU section 333, *Management Representations*, paragraph .09" is replaced with "Paragraph .09 of AS 2805, *Management Representations*."
 - In the second sentence, the reference to "AU section 711.10" is replaced with "AS 4101.10."
- t. In the title of Appendix D:
- The reference to "SAS No. 8" is replaced with "AS 2710."
 - Footnote * is deleted.
- u. In the table in paragraph .117, the column heading "SAS No. 8" is replaced with "AS 2710."

Quality Control Standards

QC sec. 20, "System of Quality Control for a CPA Firm's Accounting and Auditing Practice"

QC section ("sec.") 20, "System of Quality Control for a CPA Firm's Accounting and Auditing Practice," is amended as follows:

- a. In the first sentence of paragraph .10, the reference to "AU section 220" is replaced with "AS 1005."
- b. In footnote 7 to paragraph .10, the reference to "AU section 220.02" is replaced with "AS 1005.02."
- c. In the last sentence of paragraph .18, the reference to "PCAOB Auditing Standard No. 7" is replaced with "AS 1220."

Ethics and Independence Standards

ET sec. 101, "Independence"

ET sec. 101, "Independence," is amended as follows:

- a. The note in paragraph .05 is deleted.

ET sec. 102, "Integrity and Objectivity"

ET sec. 102, "Integrity and Objectivity," is amended as follows:

- a. In footnote 1 to paragraph .05, the reference to "paragraph 5.b. of Auditing Standard No. 10, *Supervision of the Audit Engagement*, and paragraph 12.d. of Auditing Standard No. 3, *Audit Documentation*" is replaced with "paragraph .05b of AS 1201, *Supervision of the Audit Engagement*, and paragraph .12d of AS 1215, *Audit Documentation*."

II. Board's Statement of the Purpose of, and Statutory Basis for, the Proposed Rules

In its filing with the Commission, the Board included statements concerning the purpose of, and basis for, the proposed rules and discussed comments it received on the proposed rules. The text of these statements may be examined at the places specified in Item IV below. The Board has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of these statements. In addition, the Board is requesting that the Commission approve the proposed rules, pursuant to Section 103(a)(3)(C) of the Sarbanes-Oxley Act, for application to audits of emerging growth companies ("EGCs"), as that term is defined in Section 3(a)(80) of the Securities Exchange Act of 1934 ("Exchange Act"). The Board's request is set forth in section D.

A. Board's Statement of the Purpose of, and Statutory Basis for, the Proposed Rules

- (a) Purpose

Introduction

The Board is reorganizing its auditing standards using a topical structure and a single, integrated numbering system. To implement this reorganization, the Board is adopting amendments to its auditing standards and rules and is also rescinding certain auditing standards that are no longer necessary under the reorganization. These amendments do not impose new requirements on auditors or change the substance of the requirements for performing and reporting on audits under PCAOB standards. Specifically, the amendments to implement the reorganization include updates to the section numbers, cross references, and titles of certain standards. Other related amendments include, among others, removing standards that are no longer necessary, replacing references to generally accepted auditing standards, and updating certain PCAOB rules to reflect the reorganized auditing standards.

The new organizational structure is intended to improve the usability of the Board's standards, including helping users navigate the standards more easily. To facilitate navigation, the standards are organized into a logical structure by topic areas that generally follow the flow of the audit process. For example, auditing standards that apply to procedures performed near the completion of the audit are arranged in the same area. The reorganization also uses a numbering convention that is different from conventions used by other standard setters, which should help to avoid the potential for confusion between the standards of the Board and those of other standard setters.

Background and the Need for Improvement

In April 2003, the Board adopted, on an interim, transitional basis, the generally accepted auditing standards, originally issued by the Auditing Standards Board ("ASB") of the American Institute of Certified Public Accountants ("AICPA"), that were in

existence at the time.² When the Board adopted those auditing standards, it continued to use the topical organization and reference numbers ("AU sections") in the ASB's then-existing codification of its standards.³ Auditing standards issued by the Board ("AS standards") were not codified or otherwise organized by topic, but were numbered in sequential order based upon when they were issued. Thus far, the Board has issued 18 auditing standards (AS Nos. 1–18), which have superseded 12 interim auditing standards and amended the majority of the remaining interim auditing standards to varying degrees. As a result, the Board's auditing standards are organized using two separate numbering systems: (i) the numbering system used by the ASB when the Board adopted the interim standards and (ii) the numbering system used by the Board for the standards it has issued.

The Board undertook a project to consider the reorganization of the Board's auditing standards. In 2013, the Board proposed to reorganize its auditing standards using a single, integrated numbering system and a topical structure that generally follows the flow of the audit process ("original proposal").⁴ The proposed reorganization was intended to enhance the usability of the standards, help users navigate the standards more easily (for example, by helping users find the relevant standard for a particular area of the audit), help avoid potential confusion between the Board's standards and the standards of the International Auditing and Assurance Standards Board ("IAASB") or the ASB, and

² See *Establishment of Interim Professional Auditing Standards*, PCAOB Release No. 2003-006 (Apr. 18, 2003) (adopting Rule 3200T, *Interim Auditing Standards*).

³ Since 2003, the ASB has modified the organizational structure of its standards as part of its Clarity Project.

⁴ See *Proposed Framework for Reorganization of PCAOB Auditing Standards and Related Amendments to PCAOB Auditing Standards and Rules*, PCAOB Release 2013-002 (March 26, 2013).

provide a structure for updating PCAOB standards in the future. The original proposal also included amendments to rescind certain interim auditing standards that the Board believed were no longer necessary.

In May 2014, the Board issued a supplemental request for comment ("supplemental request") on the original proposal.⁵ The supplemental request included proposed line-by-line amendments to PCAOB auditing standards and rules necessary to implement the proposed reorganization, along with certain changes to the reorganization as presented in the original proposal.⁶ The supplemental request also reopened the comment period on the original proposal to seek further comment on matters discussed in the original proposal, as well as on the implementing amendments in the supplemental request.

The Reorganization

After considering the suggestions from commenters on the original proposal and supplemental request, the Board is adopting amendments to reorganize the standards substantially as proposed, with some refinements as described below.

Under the reorganization, the individual standards will be grouped into the following topical categories:

⁵ See *Supplemental Request for Comment: Proposed Framework for Reorganization of PCAOB Auditing Standards and Related Amendments to PCAOB Auditing Standards and Rules*, PCAOB Release 2014-001 (May 7, 2014).

⁶ At the same time, the Board released on its website an online demonstration version that presented the existing auditing standards as they would look if reorganized according to the proposed reorganization. The demonstration version of the reorganized auditing standards can be accessed at <http://pcaobus.org/Rules/Rulemaking/Pages/Docket040.aspx>.

- *General Auditing Standards*—Standards on broad auditing principles, concepts, activities, and communications;
- *Audit Procedures*—Standards for planning and performing audit procedures and for obtaining audit evidence;
- *Auditor Reporting*—Standards for auditors' reports;
- *Matters Relating to Filings Under Federal Securities Laws*—Standards on certain auditor responsibilities relating to SEC filings for securities offerings and reviews of interim financial information; and
- *Other Matters Associated with Audits*—Standards for other work performed in conjunction with an audit of an issuer or of a broker or dealer.

Within each category are subcategories to further organize similar topics, such as standards related to auditor communications in the "General Auditing Standards" category. This section includes an illustration of the reorganization, including the categories and subcategories for PCAOB auditing standards. The integrated referencing system uses an "AS" prefix to identify the auditing standards, which is consistent with common practice for describing standards issued by the Board (for example, "AS No. 7" for the standard on engagement quality review).

Each standard is assigned a unique section number, based on a four-digit numbering system.⁷ Using a four-digit system facilitates the grouping of auditing

⁷ Each standard retains its current paragraph numbers, but the paragraph number format of the standards issued by the Board has been changed to match the format of the paragraph numbers of its other auditing standards. Each paragraph is numbered ".01," ".02," etc. For example, the reference for the first paragraph of the standard on audit planning will be "AS 2101.01."

standards into logical categories and subcategories by topic and avoids potential confusion with the standards of the IAASB or the ASB.⁸

The topical organization also provides a structure for future updates to PCAOB auditing standards. For example, future auditing standards will be issued as new or replacement sections and paragraphs within the new structure.

Changes to PCAOB Standards and Rules

Item I presents the amendments to PCAOB standards and rules to implement the reorganization of the PCAOB's auditing standards and other related amendments. These amendments are technical changes that include rescinding certain interim auditing standards that the Board believes are no longer necessary and eliminating certain inoperative language or references. The changes do not impose new requirements on auditors or change the substance of the requirements for performing and reporting on audits under PCAOB standards.

Changes to PCAOB Standards

The amendments primarily update section numbers, update cross-references among standards using a new numbering system, and change the titles of certain standards, as described below. For example, for AU sec. 324, *Service Organizations*, the amendments replace "AU sec." with "AS" and "324" with "2601." The title of this standard is changed to "Consideration of an Entity's Use of a Service Organization." As

⁸ After the Board adopted the standards issued by the ASB, the ASB undertook a project to clarify its auditing standards that resulted in, among other things, a renumbering and reorganization of their standards. Consequently, the PCAOB's interim auditing standard AU section ("sec.") 230, *Due Professional Care in the Performance of Work*, for example, described the auditor's responsibility for applying due professional care in planning and performing audits, whereas the ASB standard with the same number now relates to audit documentation.

described above, the paragraph numbers within the standard remain the same. For example, AU sec. 324.05 becomes AS 2601.05.

Other amendments rescind certain interim standards and remove or update certain terms and phrases in the standards, such as references to generally accepted auditing standards ("GAAS"). Those changes are discussed in the following paragraphs.

Interim Auditing Standards to be Rescinded

As proposed, the Board is rescinding the following interim standards:⁹

- AU sec. 150, *Generally Accepted Auditing Standards*
- AU sec. 201, *Nature of the General Standards*
- AU sec. 410, *Adherence to Generally Accepted Accounting Principles*
- AU sec. 532, *Restricting the Use of an Auditor's Report*
- AU sec. 901, *Public Warehouses—Controls and Auditing Procedures for Goods Held*

Interpretive Publications

Among other things, AU sec. 150 described the auditor's responsibilities regarding interpretive publications, which consist of auditing interpretations of the interim auditing standards, appendices to the interim auditing standards, auditing guidance included in AICPA Audit and Accounting Guides, and AICPA auditing Statements of Position.¹⁰

⁹ The original proposal also discussed why the Board proposed to rescind the standards and why AU sec. 534, *Reporting on Financial Statements Prepared for Use in Other Countries*, would not appear in the reorganized PCAOB auditing standards.

¹⁰ See AU sec. 150.06. Pursuant to PCAOB Rule 3200T, the auditor's responsibilities regarding interpretive publications relate to the publications described in

The Board proposed to retain almost all¹¹ of the AICPA auditing interpretations and to present the auditing interpretations separately from the auditing standards on the Board's website in a manner similar to PCAOB guidance. As discussed in the supplemental request, the proposed amendments numbered the interpretations consecutively using a two-digit section number that followed an "AI" prefix and used title language in the form of "Auditing Interpretations of AS xxxx." The auditing interpretations will be presented on the guidance page of the Board's website, consistent with their presentation in the online demonstration version that accompanied the supplemental request. Because the Board proposed to retain the auditing interpretations, the Board similarly proposed to retain the existing requirement that auditors be aware of and consider the auditing interpretations.¹²

The Board is adopting the organizational structure and numbering of the auditing interpretations as proposed. The Board also proposed to retain almost all of the appendices¹³ to the interim auditing standards and to continue presenting those

AU sec. 150.06 that were in existence as of April 16, 2003, to the extent not amended or superseded by the Board.

¹¹ As discussed in the original proposal, the Board proposed to not retain auditing interpretations related to standards that will not be in the reorganization, specifically, the interpretations of AU sec. 410 and AU sec. 534. Also, the Board proposed to remove interpretation 16 (paragraphs .76–.84) of AU sec. 9508, *Reports on Audited Financial Statements: Auditing Interpretations of Section 508*, which does not relate to audits of issuers, brokers, or dealers.

¹² The Board proposed to add this requirement to AS 1001, *Responsibilities and Functions of the Independent Auditor*.

¹³ The Board proposed to delete the appendices that contain paragraphs .86 and .87 of AU sec. 316, *Consideration of Fraud in a Financial Statement Audit*, which provide amendments to AU sec. 230, *Due Professional Care in the Performance of Work*, and AU sec. 333, *Management Representations*, respectively, because these amendments already are reflected in the standards themselves.

appendices together with their related auditing standards in the same manner that the appendices to Board-issued standards are presented.¹⁴ In addition, the Board proposed to retain the American Bar Association's *Statement of Policy Regarding Lawyers' Responses to Auditors' Requests for Information*, currently included as Exhibit II of AU sec. 337, *Inquiry of a Client's Lawyer Concerning Litigation, Claims, and Assessments*.¹⁵ The Board received no specific comments on these matters. The Board is retaining the interim standards' appendices and Exhibit II of AU sec. 337 in the reorganized standards as proposed.

The Board also proposed and is adopting amendments to remove references to AICPA Audit and Accounting Guides and AICPA auditing Statements of Position because the guides referenced in PCAOB standards are outdated.¹⁶

Other Changes to PCAOB Standards

In the supplemental request, the Board proposed amendments to replace references to GAAS throughout the auditing standards with references to the standards of the PCAOB or PCAOB auditing standards and, accordingly, to supersede Auditing

¹⁴ Appendices to Board-issued standards are an integral part of those standards. See *Auditing Standards Related to the Auditor's Assessment of and Response to Risk and Related Amendments to PCAOB Standards*, PCAOB Release No. 2010-004, at A10-3 (August 5, 2010).

¹⁵ The Board also proposed to delete the exhibit that includes AU sec. 316.88 as it provides guidance to management regarding antifraud programs and controls. In addition, the Board proposed to delete Exhibit I of AU sec. 337 because it merely presents excerpts of Financial Accounting Standard Board ("FASB") Statement No. 5, *Accounting for Contingencies*, which are set forth in the FASB's Accounting Standards Codification.

¹⁶ AICPA Audit and Accounting Guides and auditing Statements of Position referenced in PCAOB standards are the editions of those publications as in existence on April 16, 2003.

Standard No. 1, *References in Auditors' Reports to the Standards of the Public Company Accounting Oversight Board*. Commenters generally supported these changes.

Auditing Standard No. 1 provides that whenever the auditor is required by existing standards to reference GAAS in a report, the auditor must instead refer to "the standards of the Public Company Accounting Oversight Board (United States)." Auditing Standard No. 1 also includes a requirement for the report to include the city and state (or city and country) of the auditor. Because Auditing Standard No. 1 also applies to reports issued in accordance with the PCAOB's attestation standards, the Board proposed similar amendments to update GAAS references and to include the city and state (or city and country) in the interim attestation standards. The Board is adopting the amendments and superseding Auditing Standard No. 1 as proposed.

The Board also proposed to eliminate certain inoperative language in auditing standards and interpretations and to eliminate inoperative references to AICPA standards or rules. For example, the Board proposed to remove references to provisions of the AICPA Code of Professional Conduct or ethics rules that were not adopted as interim standards of the PCAOB and to replace references to AICPA standards with references to PCAOB standards, where appropriate.¹⁷ As part of this effort the Board also proposed to

¹⁷ For example, the Board proposed to delete from AS 1005, *Independence*, and AS 2605, *Consideration of the Internal Audit Function*, references to AICPA independence requirements that were never adopted by the Board. Similar types of changes were made to AS 2705, *Required Supplementary Information*, AS 6101, *Letters for Underwriters and Certain Other Requesting Parties*, AS 6105, *Reports on the Application of Accounting Principles*, AI 24, *Special Reports: Auditing Interpretations of AS 3305*, and AI 25, *Association with Financial Statements: Auditing Interpretations of AS 3320*.

remove references to superseded standards.¹⁸ The Board is adopting the amendments as proposed except for the proposed amendments to interpretation 4 of AT sec. 9101, *Attest Engagements: Attest Engagements Interpretations of Section 101*, which addresses letters to regulators when they request access to or copies of attestation documentation. This interpretation includes illustrative letters preceded by introductory paragraphs that discuss the use of such letters. The introductory paragraphs include a reference to a superseded auditing standard and auditing interpretation. The proposed amendments would have removed the introductory paragraphs, leaving only the illustrative letters to this interpretation. Commenters stated that the introductory paragraphs are necessary to provide context to the illustrative letters. The Board has revised the amendments to include a paragraph that introduces the illustrative letters while eliminating the superseded references.

Changes to PCAOB Rules

In conjunction with the reorganization of PCAOB auditing standards, the Board proposed to amend PCAOB Rule 3200T, which requires auditors to comply with the Board's interim auditing standards, to remove (i) the reference to AU sec. 150, which, as discussed above, would not be included in the reorganized standards, and (ii) terms such as "interim auditing standards" and "generally accepted auditing standards." Those terms are not relevant under the proposed reorganization and could be confusing to some users

¹⁸ For example, the Board proposed to remove references to superseded standards in AS 3305, *Special Reports*, AS 4105, *Reviews of Interim Financial Information*, AI 10, *Part of the Audit Performed by Other Independent Auditors: Auditing Interpretations of AS 1205*, AI 23, *Reports on Audited Financial Statements: Auditing Interpretations of AS 3101*, AI 24, *Special Reports: Auditing Interpretations of AS 3305*, AT Section 701, *Management's Discussion and Analysis*, AT Section 9101, *Attest Engagements: Attest Engagements Interpretations of Section 101*, and ET Section 101, *Independence*.

of the standards. In addition, the Board would make the rule a permanent rule rather than a temporary rule and, therefore, would remove the word "Interim" from the title of the rule.¹⁹ The amended rule, as proposed, would require compliance with all PCAOB auditing standards.

The Board received no comments on the proposed amendments to Rule 3200T and is adopting them as proposed. These changes do not modify the auditor's existing responsibilities for complying with PCAOB auditing standards. Instead, the changes update Rule 3200T so that it describes, in one rule, the auditor's responsibilities for complying with all of the auditing standards included in the reorganization—those that the Board adopted as interim standards in 2003 and those that the Board has adopted since.

Additional Amendments for Auditing Standard No. 18

The Board has adopted certain additional amendments beyond those included in the original proposal or supplemental request. Specifically, on June 10, 2014, after the supplemental request, the Board adopted Auditing Standard No. 18, *Related Parties*, amendments to certain PCAOB auditing standards regarding significant unusual transactions, and certain other amendments to PCAOB auditing standards.²⁰ The Board is adopting additional amendments to incorporate Auditing Standard No. 18 and the other

¹⁹ The Board also proposed a conforming amendment to Rule 3101, *Certain Terms Used in Auditing and Related Professional Practice Standards*, as described in Item I. The Board received no comments on that amendment and is adopting it as proposed. The amendment does not change the meaning or scope of that rule.

²⁰ See *Auditing Standard No. 18—Related Parties, Amendments to Certain PCAOB Auditing Standards Regarding Significant Unusual Transactions, and Other Amendments to PCAOB Auditing Standards*, PCAOB Release No. 2014-002 (June 10, 2014).

amendments into the reorganized auditing standards.²¹ Notably, these amendments, like the other adopted amendments, are technical in nature and do not substantively affect the requirements in PCAOB standards or rules.

Illustration of the Reorganized PCAOB Auditing Standards

General Auditing Standards

1000 General Principles and Responsibilities

1001	Responsibilities and Functions of the Independent Auditor
1005	Independence
1010	Training and Proficiency of the Independent Auditor
1015	Due Professional Care in the Performance of Work

1100 General Concepts

1101	Audit Risk
1105	Audit Evidence
1110	Relationship of Auditing Standards to Quality Control Standards ²²

1200 General Activities

1201	Supervision of the Audit Engagement
1205	Part of the Audit Performed by Other Independent Auditors
1210	Using the Work of a Specialist
1215	Audit Documentation

²¹ Separately, the Board also is making a technical amendment to AS 2610.09 (formerly AU sec. 315.09) to consolidate the bullet points in the paragraph, and AS 2705.09 (formerly AU sec 558.09) to update an outdated reference. Item I includes these amendments.

²² AU sec. 161 is entitled, *The Relationship of Generally Accepted Auditing Standards to Quality Control Standards*. The Board is amending the title of this standard to make it more consistent in style with other standards without changing its substance.

1220	Engagement Quality Review
1300	<i>Auditor Communications</i>
1301	Communications with Audit Committees
1305	Communications About Control Deficiencies in an Audit of Financial Statements

Audit Procedures

2100	<i>Audit Planning and Risk Assessment</i>
2101	Audit Planning
2105	Consideration of Materiality in Planning and Performing an Audit
2110	Identifying and Assessing Risks of Material Misstatement
2200	<i>Auditing Internal Control Over Financial Reporting</i>
2201	An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements
2300	<i>Audit Procedures in Response to Risks—Nature, Timing, and Extent</i>
2301	The Auditor's Responses to the Risks of Material Misstatement
2305	Substantive Analytical Procedures
2310	The Confirmation Process
2315	Audit Sampling
2400	<i>Audit Procedures for Specific Aspects of the Audit</i>
2401	Consideration of Fraud in a Financial Statement Audit
2405	Illegal Acts by Clients
2410	Related Parties
2415	Consideration of an Entity's Ability to Continue as a Going Concern ²³

²³ AU sec. 341 is entitled, *The Auditor's Consideration of an Entity's Ability to Continue as a Going Concern*. The Board is amending the title of this standard to make it more consistent in style with other standards without changing its substance.

2500	<i>Audit Procedures for Certain Accounts or Disclosures</i>
2501	Auditing Accounting Estimates
2502	Auditing Fair Value Measurements and Disclosures
2503	Auditing Derivative Instruments, Hedging Activities, and Investments in Securities
2505	Inquiry of a Client's Lawyer Concerning Litigation, Claims, and Assessments
2510	Auditing Inventories ²⁴
2600	<i>Special Topics</i>
2601	Consideration of an Entity's Use of a Service Organization ²⁵
2605	Consideration of the Internal Audit Function ²⁶
2610	Initial Audits—Communications Between Predecessor and Successor Auditors ²⁷
2700	<i>Auditor's Responsibilities Regarding Supplemental and Other Information</i>
2701	Auditing Supplemental Information Accompanying Audited Financial Statements
2705	Required Supplementary Information

²⁴ AU sec. 331 is entitled, *Inventories*. The Board is amending the title of this standard to make it more consistent in style with other standards without changing its substance.

²⁵ AU sec. 324 is entitled, *Service Organizations*. The Board is amending the title of this standard to make it more consistent in style with other standards without changing its substance.

²⁶ AU sec. 322 is entitled, *The Auditor's Consideration of the Internal Audit Function in an Audit of Financial Statements*. The Board is amending the title of this standard to make it more consistent in style with other standards without changing its substance.

²⁷ AU sec. 315 is entitled, *Communications Between Predecessor and Successor Auditors*. The Board is amending the title of this standard to clarify the subject of the standard without changing its substance. Additionally, this standard addresses audits of financial statements that have been audited previously.

2710	Other Information in Documents Containing Audited Financial Statements ²⁸
2800	<i>Concluding Audit Procedures</i>
2801	Subsequent Events
2805	Management Representations
2810	Evaluating Audit Results
2815	The Meaning of "Present Fairly in Conformity with Generally Accepted Accounting Principles"
2820	Evaluating Consistency of Financial Statements
2900	<i>Post-Audit Matters</i>
2901	Consideration of Omitted Procedures After the Report Date
2905	Subsequent Discovery of Facts Existing at the Date of the Auditor's Report

Auditor Reporting

3100	<i>Reporting on Audits of Financial Statements</i>
3101	Reports on Audited Financial Statements ²⁹
3110	Dating of the Independent Auditor's Report
3200	<i>Reserved</i>

²⁸ The Board has proposed a new auditing standard, *The Auditor's Responsibilities Regarding Other Information in Certain Documents Containing Audited Financial Statements and the Related Auditor's Report*. See PCAOB Release No. 2013-005 (August 13, 2013). If adopted by the Board and approved by the SEC, that proposed standard would become AS 2710.

²⁹ The Board has proposed a new auditing standard, *The Auditor's Report on an Audit of Financial Statements When the Auditor Expresses an Unqualified Opinion*. See *Proposed Auditing Standards—The Auditor's Report on an Audit of Financial Statements When the Auditor Expresses an Unqualified Opinion; The Auditor's Responsibilities Regarding Other Information in Certain Documents Containing Audited Financial Statements and the Related Auditor's Report; and Related Amendments to PCAOB Standards*, PCAOB Release No. 2013-005 (August 13, 2013). If adopted by the Board and approved by the SEC, that proposed standard would substantially amend AS 3101.

3300 *Other Reporting Topics*

3305 Special Reports

3310 Special Reports on Regulated Companies³⁰

3315 Reporting on Condensed Financial Statements and Selected Financial Data

3320 Association with Financial Statements

Matters Relating to Filings Under Federal Securities Laws

4101 Responsibilities Regarding Filings Under Federal Securities Statutes³¹

4105 Reviews of Interim Financial Information³²

5000 *Reserved*

Other Matters Associated with Audits

6101 Letters for Underwriters and Certain Other Requesting Parties

6105 Reports on the Application of Accounting Principles

6110 Compliance Auditing Considerations in Audits of Recipients of Governmental Financial Assistance³³

6115 Reporting on Whether a Previously Reported Material Weakness Continues to Exist

³⁰ AU sec. 544 is entitled, *Lack of Conformity With Generally Accepted Accounting Principles*. The Board is amending the title of this standard to clarify the subject of the standard without changing its substance.

³¹ AU sec. 711 is entitled, *Filings Under Federal Securities Statutes*. The Board is amending the title of this standard to clarify the subject of the standard without changing its substance.

³² AU sec. 722 is entitled, *Interim Financial Information*. The Board is amending the title of this standard to clarify the subject of the standard without changing its substance.

³³ AU sec. 801 is entitled, *Compliance Auditing Considerations in Audits of Governmental Entities and Recipients of Governmental Financial Assistance*. The Board is amending the title of this standard to clarify the subject of the standard without changing its substance.

Comparison of Existing PCAOB Auditing Standards to Reorganization of PCAOB Auditing Standards

The following presents the existing PCAOB auditing standards ("AS No." or "AU sec.") along with their respective AS reference under the adopted reorganization of PCAOB auditing standards.

Standards that note "Rescind" in the AS Reference column are existing standards that the Board is rescinding in conjunction with the reorganization.

PCAOB Reference (AU section or AS No.)	Current Title	AS Reference
AS No. 1	References in Auditors' Reports to the Standards of the Public Company Accounting Oversight Board	Supersede ³⁴
AS No. 3	Audit Documentation	1215
AS No. 4	Reporting on Whether a Previously Reported Material Weakness Continues to Exist	6115
AS No. 5	An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements	2201
AS No. 6	Evaluating Consistency of Financial Statements	2820
AS No. 7	Engagement Quality Review	1220
AS No. 8	Audit Risk	1101
AS No. 9	Audit Planning	2101
AS No. 10	Supervision of the Audit Engagement	1201
AS No. 11	Consideration of Materiality in Planning and Performing an Audit	2105

³⁴ Auditing Standard No. 1 is superseded as a result of the amendments made to other standards.

PCAOB Reference (AU section or AS No.)	Current Title	AS Reference
AS No. 12	Identifying and Assessing Risks of Material Misstatement	2110
AS No. 13	The Auditor's Responses to the Risks of Material Misstatement	2301
AS No. 14	Evaluating Audit Results	2810
AS No. 15	Audit Evidence	1105
AS No. 16	Communications with Audit Committees	1301
AS No. 17	Auditing Supplemental Information Accompanying Audited Financial Statements	2701
AS No. 18	Related Parties	2410
AU sec. 110	Responsibilities and Functions of the Independent Auditor	1001
AU sec. 150	Generally Accepted Auditing Standards	Rescind
AU sec. 161	The Relationship of Generally Accepted Auditing Standards to Quality Control Standards	1110
AU sec. 201	Nature of the General Standards	Rescind
AU sec. 210	Training and Proficiency of the Independent Auditor	1010
AU sec. 220	Independence	1005
AU sec. 230	Due Professional Care in the Performance of Work	1015
AU sec. 315	Communications Between Predecessor and Successor Auditors	2610
AU sec. 316	Consideration of Fraud in a Financial Statement Audit	2401
AU sec. 317	Illegal Acts by Clients	2405
AU sec. 322	The Auditor's Consideration of the Internal Audit Function	2605

PCAOB Reference (AU section or AS No.)	Current Title	AS Reference
	in an Audit of Financial Statements	
AU sec. 324	Service Organizations	2601
AU sec. 325	Communications About Control Deficiencies in an Audit of Financial Statements	1305
AU sec. 328	Auditing Fair Value Measurements and Disclosures	2502
AU sec. 329	Substantive Analytical Procedures	2305
AU sec. 330	The Confirmation Process	2310
AU sec. 331	Inventories	2510
AU sec. 332	Auditing Derivative Instruments, Hedging Activities, and Investments in Securities	2503
AU sec. 333	Management Representations	2805
AU sec. 336	Using the Work of a Specialist	1210
AU sec. 337	Inquiry of a Client's Lawyer Concerning Litigation, Claims, and Assessments	2505
AU sec. 341	The Auditor's Consideration of an Entity's Ability to Continue as a Going Concern	2415
AU sec. 342	Auditing Accounting Estimates	2501
AU sec. 350	Audit Sampling	2315
AU sec. 390	Consideration of Omitted Procedures After the Report Date	2901
AU sec. 410	Adherence to Generally Accepted Accounting Principles	Rescind
AU sec. 411	The Meaning of Present Fairly in Conformity With Generally Accepted Accounting Principles	2815
AU sec. 504	Association With Financial Statements	3320

PCAOB Reference (AU section or AS No.)	Current Title	AS Reference
AU sec. 508	Reports on Audited Financial Statements	3101
AU sec. 530	Dating of the Independent Auditor's Report	3110
AU sec. 532	Restricting the Use of an Auditor's Report	Rescind
AU sec. 534	Reporting on Financial Statements Prepared for Use in Other Countries	Not Included
AU sec. 543	Part of Audit Performed by Other Independent Auditors	1205
AU sec. 544	Lack of Conformity With Generally Accepted Accounting Principles	3310
AU sec. 550	Other Information in Documents Containing Audited Financial Statements	2710
AU sec. 552	Reporting on Condensed Financial Statements and Selected Financial Data	3315
AU sec. 558	Required Supplementary Information	2705
AU sec. 560	Subsequent Events	2801
AU sec. 561	Subsequent Discovery of Facts Existing at the Date of the Auditor's Report	2905
AU sec. 623	Special Reports	3305
AU sec. 625	Reports on the Application of Accounting Principles	6105
AU sec. 634	Letters for Underwriters and Certain Other Requesting Parties	6101
AU sec. 711	Filings Under Federal Securities Statutes	4101
AU sec. 722	Interim Financial Information	4105
AU sec. 801	Compliance Auditing Considerations in Audits of Governmental Entities and Recipients of Governmental	6110

PCAOB Reference (AU section or AS No.)	Current Title	AS Reference
	Financial Assistance	
AU sec. 901	Public Warehouses—Controls and Auditing Procedures for Goods Held	Rescind

Comparison of the Reorganization of PCAOB Auditing Standards to Existing PCAOB Auditing Standards and the Standards of the International Auditing and Assurance Standards Board and Auditing Standards Board

The following presents the adopted reorganization of PCAOB auditing standards ("AS") along with their references in existing PCAOB auditing standards and the analogous standards of the International Auditing and Assurance Standards Board ("IAASB") and the Auditing Standards Board of the American Institute of Certified Public Accountants ("ASB").

AS Reference	Title	PCAOB Reference (AU section or AS No.)	Analogous IAASB Standard (ISA)	Analogous ASB Standard (AU-C)
1001	Responsibilities and Functions of the Independent Auditor	AU sec. 110	200 ³⁵	200
1005	Independence	AU sec. 220	200	200
1010	Training and Proficiency of the Independent Auditor	AU sec. 210	200	200
1015	Due Professional Care in the	AU sec. 230	200	200

³⁵ The responsibilities, functions, training, and proficiency of the independent auditor; independence requirements; exercising due professional care; and audit risk are included in multiple PCAOB standards (AS 1001, 1005, 1010, 1015, and 1101, respectively) but are included in one IAASB standard (ISA 200) and one ASB standard (AU-C 200).

AS Reference	Title	PCAOB Reference (AU section or AS No.)	Analogous IAASB Standard (ISA)	Analogous ASB Standard (AU-C)
	Performance of Work			
1101	Audit Risk	AS No. 8	200	200
1105	Audit Evidence	AS No. 15	500	500
1110	Relationship of Auditing Standards to Quality Control Standards	AU sec. 161	220 ³⁶	220
1201	Supervision of the Audit Engagement	AS No. 10	220	220
1205	Part of the Audit Performed by Other Independent Auditors	AU sec. 543	600	600
1210	Using the Work of a Specialist	AU sec. 336	500, 620	500, 620
1215	Audit Documentation	AS No. 3	230	230
1220	Engagement Quality Review	AS No. 7	220	220
1301	Communications with Audit Committees	AS No. 16	210, 260 ³⁷	210, 260
1305	Communications About Control Deficiencies in an Audit of Financial Statements	AU sec. 325	265	265

³⁶ The relationship of auditing standards to quality control standards, supervision of the audit engagement, and engagement quality review are covered in separate PCAOB standards (AS 1110, 1201, and 1220, respectively) but are included in one IAASB standard (ISA 220) and one ASB standard (AU-C 220).

³⁷ Under PCAOB standards, agreeing to the terms of an audit and communications with audit committees are covered in one standard, whereas those subjects are covered by separate standards under IAASB standards (ISA 210 and 260, respectively) and ASB standards (AU-C 210 and 260, respectively).

AS Reference	Title	PCAOB Reference (AU section or AS No.)	Analogous IAASB Standard (ISA)	Analogous ASB Standard (AU-C)
2101	Audit Planning	AS No. 9	300	300
2105	Consideration of Materiality in Planning and Performing an Audit	AS No. 11	320	320
2110	Identifying and Assessing Risks of Material Misstatement	AS No. 12	315	315
2201	An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements	AS No. 5	N/A ³⁸	AT 501
2301	The Auditor's Responses to the Risks of Material Misstatement	AS No. 13	330	330
2305	Substantive Analytical Procedures	AU sec. 329	520 ³⁹	520
2310	The Confirmation Process	AU sec. 330	505	505
2315	Audit Sampling	AU sec. 350	530	530
2401	Consideration of Fraud in a Financial Statement Audit	AU sec. 316	240	240
2405	Illegal Acts by Clients	AU sec. 317	250	250

³⁸ The PCAOB has a standard for auditing internal control over financial reporting when auditing financial statements. The IAASB does not have a standard on auditing internal control over financial reporting, and the ASB addresses that subject in its attestation standards (AT 501).

³⁹ Under PCAOB standards, substantive analytical procedures are covered in a separate standard (AS 2305) and analytical procedures performed in the overall review are included in the standard on evaluating audit results (AS 2810), whereas those subjects are both included in one IAASB standard (ISA 520) and one ASB standard (AU-C 520).

AS Reference	Title	PCAOB Reference (AU section or AS No.)	Analogous IAASB Standard (ISA)	Analogous ASB Standard (AU-C)
2410	Related Parties	AS No. 18	550	550
2415	Consideration of an Entity's Ability to Continue as a Going Concern	AU sec. 341	570	570
2501	Auditing Accounting Estimates	AU sec. 342	540 ⁴⁰	540
2502	Auditing Fair Value Measurements and Disclosures	AU sec. 328	540	540
2503	Auditing Derivative Instruments, Hedging Activities, and Investments in Securities	AU sec. 332	N/A ⁴¹	501
2505	Inquiry of a Client's Lawyer Concerning Litigation, Claims, and Assessments	AU sec. 337	501 ⁴²	501

⁴⁰ The PCAOB has separate standards for auditing accounting estimates (AS 2501) and auditing fair value measurements and disclosures (AS 2502), whereas the IAASB and ASB standards each have one standard on auditing accounting estimates including fair value estimates and disclosures (ISA 540 and AU-C 540, respectively).

⁴¹ The PCAOB has a separate standard for auditing derivative instruments, hedging activities, and investments in securities (AS 2503). In ASB standards, that subject is included in the standard on specific considerations regarding audit evidence (AU-C 501). The IAASB has a practice note on auditing financial instruments but does not have a standard on the subject.

⁴² The PCAOB has a separate standard on inquiry of a client's lawyers (AS 2505). In IAASB and ASB standards, inquiry of a client's lawyers is included in the standard on specific considerations regarding audit evidence (ISA 501 and AU-C 501, respectively).

AS Reference	Title	PCAOB Reference (AU section or AS No.)	Analogous IAASB Standard (ISA)	Analogous ASB Standard (AU-C)
2510	Auditing Inventories	AU sec. 331	501 ⁴³	501
2601	Consideration of an Entity's Use of a Service Organization	AU sec. 324	402	402
2605	Consideration of the Internal Audit Function	AU sec. 322	610	610
2610	Initial Audits— Communications Between Predecessor and Successor Auditors	AU sec. 315	510	510
2701	Auditing Supplemental Information Accompanying Audited Financial Statements	AS No. 17	N/A	725
2705	Required Supplementary Information	AU sec. 558	N/A	730
2710	Other Information in Documents Containing Audited Financial Statements	AU sec. 550	720	720
2801	Subsequent Events	AU sec. 560	560 ⁴⁴	560
2805	Management Representations	AU sec. 333	580	580
2810	Evaluating Audit Results	AS No. 14	240, 330, 450, 500,	240, 330, 450, 500, 520

⁴³ The PCAOB has a separate standard on auditing inventories (AS 2510). In IAASB and ASB standards, auditing inventories is included in the standard on specific considerations regarding audit evidence (ISA 501 and AU-C 501, respectively).

⁴⁴ In PCAOB standards, the subjects of subsequent events and subsequent discovery of facts existing at the report date are covered by separate standards (AS 2801 and 2905, respectively). In IAASB and ASB standards, those subjects are included in the standard on subsequent events (ISA 560 and AU-C 560, respectively).

AS Reference	Title	PCAOB Reference (AU section or AS No.)	Analogous IAASB Standard (ISA)	Analogous ASB Standard (AU-C)
			520 ⁴⁵	
2815	The Meaning of "Present Fairly in Conformity with Generally Accepted Accounting Principles"	AU sec. 411	700 ⁴⁶	700
2820	Evaluating Consistency of Financial Statements	AS No. 6	N/A	708
2901	Consideration of Omitted Procedures After the Report Date	AU sec. 390	N/A	585
2905	Subsequent Discovery of Facts Existing at the Date of the Auditor's Report	AU sec. 561	560	560
3101	Reports on Audited Financial Statements	AU sec. 508	700, 705, 706, 710	700, 705, 706

⁴⁵ In PCAOB standards, the subject of evaluating audit results is covered in one standard (AS 2810). In IAASB and ASB standards, various topics related to evaluating audit results are covered in multiple standards, particularly, the standards related to the auditor's responsibilities regarding fraud, the auditor's responses to assessed risks, evaluation of misstatements, audit evidence, and analytical procedures (ISA 240, 330, 450, 500, and 520 and AU-C 240, 330, 450, 500, and 520, respectively).

⁴⁶ The PCAOB has separate standards on the subjects of present fairly in conformity with generally accepted accounting principles (AS 2815) and reporting on audited financial statements, including emphasis paragraphs, departures from the standard opinion, and reporting on comparative statements (AS 3101). In IAASB and ASB standards, the subject of presenting fairly is included in the standard on forming an opinion and reporting on audited financial statements (ISA 700 and AU-C 700, respectively), but there are separate standards for emphasis paragraphs and departures from the standard opinion (ISA 705 and 706, respectively, and AU-C 705 and 706, respectively). In IAASB standards, reporting on comparative financial statements also is covered in a separate standard (ISA 710), whereas that subject is included in the ASB standard on forming an opinion and reporting on audited financial statements (AU-C 700).

AS Reference	Title	PCAOB Reference (AU section or AS No.)	Analogous IAASB Standard (ISA)	Analogous ASB Standard (AU-C)
3110	Dating of the Independent Auditor's Report	AU sec. 530	560, 700 ⁴⁷	560, 700
3305	Special Reports	AU sec. 623	800, 805 ⁴⁸	800, 805, 806
3310	Special Reports on Regulated Companies	AU sec. 544	210 ⁴⁹	800
3315	Reporting on Condensed Financial Statements and Selected Financial Data	AU sec. 552	810	810
3320	Association with Financial Statements	AU sec. 504	N/A	Withdrawn by ASB
4101	Responsibilities Regarding Filings Under Federal	AU sec. 711	N/A	925

⁴⁷ Under PCAOB standards, the subject of dating the independent auditor's report is covered in a single standard (AS 3110). Under IAASB and ASB standards, the standard requirement for dating the auditor's report is covered in the reporting standard (ISA 700 and AU-C 700, respectively), and the subject of dating the auditor's report when there is a subsequent discovery of facts is covered in the subsequent events standard (ISA 560 and AU-C 560, respectively).

⁴⁸ Under PCAOB standards, financial statements prepared in accordance with special purpose frameworks and reporting on specified elements, accounts or items of a financial statement are covered in one standard (AS 3305). Under IAASB and ASB standards, those subjects are covered by separate standards (ISA 800 and 805, respectively) and ASB standards (AU-C 800 and 805, respectively). Reporting on compliance with contractual agreements or regulatory requirements in connection with audited financial statements also is covered by the PCAOB standard, whereas that subject is not covered by the IAASB standards and is covered by a separate ASB standard (AU-C 806).

⁴⁹ Under PCAOB standards, the subject of reporting on financial statements prepared in accordance with a regulatory basis of accounting is covered in a separate standard (AS 3310). That subject is covered in the IAASB standard on agreeing to the terms of audit engagements (ISA 210) and in the ASB standard on financial statements prepared in accordance with special purpose frameworks (AU-C 800).

AS Reference	Title	PCAOB Reference (AU section or AS No.)	Analogous IAASB Standard (ISA)	Analogous ASB Standard (AU-C)
	Securities Statutes			
4105	Reviews of Interim Financial Information	AU sec. 722	ISRE 2410 ⁵⁰	930
6101	Letters for Underwriters and Certain Other Requesting Parties	AU sec. 634	N/A	920
6105	Reports on the Application of Accounting Principles	AU sec. 625	N/A	915
6110	Compliance Auditing Considerations in Audits of Recipients of Governmental Financial Assistance	AU sec. 801	N/A	935
6115	Reporting on Whether a Previously Reported Material Weakness Continues to Exist	AS No. 4	N/A	N/A

(b) Statutory Basis

The statutory basis for the proposed rules is Title I of the Act.

B. Board's Statement on Burden on Competition

Not applicable. The Board's consideration of the economic impacts of the proposed rules is discussed in section D.

C. Board's Statement on Comments on the Proposed Rules Received from Members, Participants or Others

⁵⁰ In PCAOB standards, the subject of conducting a review of interim financial information is covered in AS 4105. Under IAASB standards, that subject is covered in their review standards (International Standard on Review Engagements 2410). Reviewing interim financial information is covered by the ASB standards in AU-C 930.

The Board initially released the proposed rules for public comment on March 26, 2013, in PCAOB Release No. 2013-002. The original proposal was discussed with members of the academic community at the PCAOB's Academic Conference on April 26, 2013 and with the PCAOB's Standing Advisory Group ("SAG") on May 15, 2013. The Board received 19 comment letters on the original proposal.

On May 7, 2014, the Board released a supplemental request for comment on the proposed reorganization in PCAOB Release No. 2014-001. In conjunction with issuing the supplemental request, the Board also released on its website a demonstration version of the reorganized auditing standards to facilitate review and comment on the proposed amendments. The online demonstration version presented the existing auditing standards as they would look if reorganized according to the proposed amendments included in the supplemental request. The Board received 7 comment letters on the supplemental request.

The Board has carefully considered all comments received. The Board's response to the comments it received and the changes made to the rules in response to the comments received are discussed below.

Comments on the Proposed Approach for Reorganizing PCAOB Auditing Standards

Commenters generally supported the proposed reorganization of PCAOB auditing standards. Commenters that supported the Board's use of a distinguishable organizational structure generally supported the category and subcategory approach to reorganizing the auditing standards and the use of a four-digit numbering system.

The Board has made certain refinements to the reorganization that are consistent with comments received. Those changes include: moving the subcategory "Auditing Internal Control Over Financial Reporting" and its related standard to follow the

subcategory "Audit Planning and Risk Assessment";⁵¹ moving Auditing Standard No. 4, *Reporting on Whether a Previously Reported Material Weakness Continues to Exist*, to the "Other Matters Associated with Audits" category;⁵² changing the title of existing standard AU sec. 331, *Inventories*, to "Auditing Inventories";⁵³ and expanding the numbering interval between standards to allow more flexibility for future standard setting.⁵⁴

⁵¹ The illustration of the reorganized auditing standards presented above reflects the movement of the subcategory "Auditing Internal Control Over Financial Reporting" and its related standard after the subcategory "Audit Planning and Risk Assessment."

⁵² The illustration of the reorganized auditing standards presented above reflects the amendments to move this standard to the category "Other Matters Associated with Audits."

⁵³ In addition to this name change, the illustration of the reorganized auditing standards presented above reflects the amendments to change the auditing standard titles to make them more consistent in style with other standards or to clarify the subject of the standard. These changes include: (i) renaming subcategory 2700 as "Auditor's Responsibilities Regarding Supplemental and Other Information" (from "Auditor's Responsibilities Regarding Supplementary and Other Information") to be consistent with the title of AS 2701, *Auditing Supplemental Information Accompanying Audited Financial Statements*, and (ii) changing the reference number of AS 3105, *Dating of the Independent Auditor's Report*, to AS 3110 to make room if the proposed auditing standard, *The Auditor's Report on an Audit of Financial Statements When the Auditor Expresses an Unqualified Opinion*, is adopted by the Board.

⁵⁴ The supplemental request included a refinement to generally expand the numbering interval within the subcategories from a four-digit number structure using consecutive numbering to using increments of five. This change allows for more flexibility for future standards. However, the amendments do not change the intervals between AS 2501, *Auditing Accounting Estimates*, AS 2502, *Auditing Fair Value Measurements and Disclosures*, and AS 2503, *Auditing Derivative Instruments, Hedging Activities, and Investments in Securities*, as the Board has a standard-setting project that is, among other things, considering a combined standard to include the topics addressed by these standards. As part of that project, the Board will decide which topics, if any, to combine, which topics will be maintained as separate standards, and whether the numbering of these standards should be modified.

Some commenters suggested other changes to certain categories and subcategories. For example, some commenters suggested renaming subcategory 2200 "Audit Procedures in Response to Risks—Nature, Timing, and Extent" as "Audit Evidence" and eliminating subcategories 2300 ("Audit Procedures for Specific Aspects of the Audit") and 2400 ("Audit Procedures for Certain Accounts or Disclosures"). Those commenters also suggested moving the auditing standards under those subcategories into the retitled subcategory because such standards relate to obtaining audit evidence. However, those commenters did not suggest moving other standards that also involve obtaining audit evidence, such as the standard on identifying and assessing risks. Revising the titles of certain categories and subcategories to be more general, thereby encompassing more standards, would make the reorganized standards more difficult to navigate and would not follow the audit process as closely as the proposed reorganization. Therefore these changes were not made.

The Board also received comments that suggested moving individual standards to different categories. Some commenters suggested moving AU sec. 336, *Using the Work of a Specialist*, and AU sec. 543, *Part of Audit Performed by Other Independent Auditors*, from the "General Auditing Standards" category to the "Audit Procedures" category as these standards include specific auditing procedures. Another commenter suggested keeping these standards within the general category but moving them into a new subcategory titled "Using the Work of Others." These changes were not made. These standards were intentionally placed near Auditing Standard No. 10, *Supervision of the Audit Engagement*, because, in certain situations, other auditors and auditors' specialists already are required to be supervised pursuant to that supervision standard. Also, some

commenters suggested moving one or more of the following standards from the "Audit Procedures" category to the "Auditor Reporting" category as these standards include aspects related to reporting on the financial statements: (i) Auditing Standard No. 17, *Auditing Supplemental Information Accompanying Audited Financial Statements*; (ii) AU sec. 558, *Required Supplementary Information*; and (iii) Auditing Standard No. 6, *Evaluating Consistency of Financial Statements*. However, moving these standards to the reporting section of the reorganization might lead auditors to overlook performance requirements in those standards. Thus, those three standards remain in the "Audit Procedures" category.

Comments on Rescinding Certain Interim Auditing Standards

Some commenters suggested retaining AU sec. 532, noting that auditors sometimes need to restrict the use of their reports, and expressed a concern that rescinding AU sec. 532 might be perceived as precluding auditors from restricting the use of those reports. The commenters cited examples of specific situations in which the use of audit reports should be restricted and indicated that auditors look to AU sec. 532 for the applicable reporting language. The Board observed that the examples cited by the commenters related to situations that were already addressed by other PCAOB standards or rules.⁵⁵ Accordingly, retaining AU sec. 532 is unnecessary in those situations.

⁵⁵ Specifically, commenters cited situations covered by AU sec. 325, *Communications About Control Deficiencies in an Audit of Financial Statements*, and AU sec. 623, *Special Reports*, which address use restrictions in those situations. One commenter identified PCAOB Rule 3524, *Audit Committee Pre-approval of Certain Tax Services*, Rule 3525, *Audit Committee Pre-approval of Non-audit Services Related to Internal Control Over Financial Reporting*, and Rule 3526, *Communication with Audit Committees Concerning Independence*. That commenter acknowledged, however, that those communications are not reports that are covered by AU sec. 532, which applies to audit reports that are the "by-product" of an audit.

Commenters also cited Auditing Standard No. 16, *Communications with Audit Committees*, but that standard, by its terms, does not require the auditor to restrict the use of audit committee communications. Since the comments received did not identify a specific need for retaining AU sec. 532, the Board asked in the supplemental request for examples of situations that support keeping this standard.

Some commenters also raised questions regarding restricting the use of audit committee communications under Auditing Standard No. 16. Specifically, commenters observed that footnote 41 of Auditing Standard No. 16 cites AU sec. 532 and that AU sec. 532, as amended, lists audit committee communications pursuant to Auditing Standard No. 16 as "by-product" reports whose use should be restricted.⁵⁶ However, even in the absence of AU sec. 532, nothing precludes auditors from restricting the use of communications to audit committees under Auditing Standard No. 16.⁵⁷ Therefore, the Board is rescinding AU sec. 532 as proposed.

The Board also received comments about retaining or rescinding other interim auditing standards. One commenter suggested retaining AU sec. 901 and combining it with AU sec. 331, *Inventories*. As discussed in the original proposal, AU sec. 901 reports the conclusions of a 1966 study of the AICPA Committee on Auditing Procedure on the

⁵⁶ See paragraphs .07 and .11 of AU sec. 532. AU sec. 532.07 also listed reports issued pursuant to AU sec. 325 and AU sec. 623 as by-product reports.

⁵⁷ If an auditor decides to restrict the use of certain reports to a company's audit committee, he or she may consider the direction provided by other standards that address restricting the use of reports, such as AS 1305.06 (formerly AU sec. 325.6). That standard requires that the auditor's written communication to the audit committee include a statement that the communication is intended solely for the information and use of the board of directors, audit committee, management, and others within the organization. It further provides that when there are requirements established by governmental authorities to furnish such written communications, specific reference to such regulatory authorities may be made.

accountability of warehousemen for goods stored in public warehouses. AU sec. 901 is unnecessary because the specific auditing requirements regarding inventory held in public warehouses are set forth in AU sec. 331. Therefore, the Board is rescinding this standard as proposed.

A commenter suggested rescinding AU sec. 625, *Reports on the Application of Accounting Principles*, AU sec. 801, *Compliance Auditing Considerations in Audits of Governmental Entities and Recipients of Governmental Financial Assistance*, and AU sec. 544, *Lack of Conformity with Generally Accepted Accounting Principles*. Another commenter expressed support for retaining AU sec. 625. The Board is not rescinding these standards at this time because they cover situations that may be related to audits of issuers.

Comments on Interpretive Publications

Some commenters suggested that the PCAOB retain the practice of presenting interpretations with the related auditing standards along with adding other Board-issued guidance. Another commenter suggested a numbering convention analogous to the existing auditing interpretations, specifically, using a "9" prefix before the standard number. The Board is adopting the organizational structure and numbering of the auditing interpretations as proposed. It is important to distinguish standards from auditing interpretations and guidance because, among other reasons, an auditor's responsibility related to auditing standards differs from the auditor's responsibility regarding auditing interpretations and other interpretive publications. The Board is also adopting the numbering convention as presented in the supplemental request. The titles of the interpretations (along with the hyperlinks) identify the corresponding standards, which

should help auditors and other users associate the interpretations with their related standards. The Board will continue to assess the need to update the guidance in the auditing interpretations.

The Board proposed to remove from PCAOB auditing standards references to AICPA Audit and Accounting Guides and AICPA auditing Statements of Position. Commenters responded that auditors historically have used audit and accounting guides in their audits of companies in specialized industries, and they offered a variety of suggestions about how the Board should treat them, such as retaining the existing references in PCAOB standards, acknowledging the usefulness of current editions of the guides, or replacing them with the Board's own specialized industry guidance.

The Board is adopting the amendments to remove references to AICPA Audit and Accounting Guides and AICPA auditing Statements of Position because the guides referenced in PCAOB standards are outdated.⁵⁸ While auditors might consider more recent editions of audit and accounting guides or other materials to be useful reference materials—for example, for information about specialized industries—the auditor's responsibility is to comply with PCAOB auditing and related professional practice standards. In connection with its oversight activities, the PCAOB will continue to consider developing guidance on the application of PCAOB standards when the need arises.

Comments on Amendments to Illustrative Auditor's Reports

⁵⁸ AICPA Audit and Accounting Guides and auditing Statements of Position referenced in PCAOB standards are the editions of those publications as in existence on April 16, 2003.

As described above, the Board proposed amendments to update the illustrative auditor's reports within the interim standards with the requirements in Auditing Standard No. 1 and thus supersede the respective auditing standard. Although the Board received no comments on its proposal to supersede Auditing Standard No. 1, one commenter suggested that the title of illustrative auditor's reports in the PCAOB's standards also be revised to reflect the title used in Auditing Standard No. 1's illustrative reports (that is, change the title of the illustrative reports to "Report of Independent Registered Public Accounting Firm"). The Board is adopting the amendments and superseding Auditing Standard No. 1 as proposed and, as suggested, is adding amendments to change the title of illustrated reports included in the standards. The amendments do not change the requirements for the content of the auditor's report.⁵⁹

Comments on Amendments to Remove References to Superseded Standards

As discussed above, the Board received comments on its amendments to remove references to a superseded auditing standard and auditing interpretation in interpretation 4 of AT sec. 9101, which includes illustrative letters to regulators when they request access to or copies of attestation documentation. Commenters indicated that the proposed amendments caused the interpretation to lack context because the amendments removed the introductory paragraphs to the illustrative letters. Therefore, the amendments as adopted by the Board include a paragraph that introduces the illustrative letters while eliminating the superseded references.

Comments on the Effective Date

⁵⁹ For example, the amendments would not preclude an unregistered firm that applies PCAOB standards from omitting "Registered" from the title of its report.

The original proposal requested commenters to provide factors the Board should consider in determining the effective date. Factors provided by commenters, among other things, included providing sufficient time for firms to update their methodologies, reference materials, and practice aids and to train staff. One commenter, an accounting firm, also suggested using a single transition date as opposed to a date dependent on the year end of an issuer, broker, or dealer as from that firm's perspective a single date would facilitate a more efficient transition to the reorganization.

After considering the comments received and the timing of the adoption of the reorganization, the Board has determined that the accompanying reorganization and related amendments will be effective, subject to SEC approval, as of December 31, 2016. If the adopted amendments accompanying this release are approved by the SEC, nothing precludes auditors and others from using and referencing the reorganized standards before the effective date, as the amendments do not substantively change the standards' requirements.

Other Comments

The Board received other comments that are not directly related to the amendments. Some comments generally related to possible other enhancements to the Board's standards or the presentation of standards on the PCAOB website, in many cases consistent with potential enhancements discussed in the original proposal and supplemental request. In general, these suggested enhancements involved:

- Updating outdated references to generally accepted accounting principles ("GAAP") within the auditing standards;
- Reorganizing PCAOB guidance into an integrated topical structure;

- Adding links on the website from the auditing standards to related guidance; and
- Adding features to the Board's standards on the website, such as converting cross-references into hyperlinks.

The Board plans to address GAAP references in its standards in the context of future standard-setting activities because updating these references could involve substantive changes to the auditing standards that are outside the near-term scope of this project.

Also, the Board plans to consider ways to enhance the usability of PCAOB guidance.

Additionally, the Board continues to consider opportunities for improving its website.⁶⁰

The Board also received comments advocating other actions besides reorganizing PCAOB auditing standards as described in the original proposal. For example, some of those commenters suggested full convergence with the IAASB or ASB standards or adopting the standards of the IAASB or ASB and adding incremental requirements for the auditor to perform when conducting an audit of an issuer. As the Board has explained previously:

[B]ecause the Board's standards must be consistent with the Board's statutory mandate, differences will continue to exist between the Board's standards and the standards of the IAASB and ASB e.g., when the Board decides to retain an existing requirement in PCAOB standards that is not included in IAASB or ASB standards. Also, certain differences are often necessary for the Board's standards

⁶⁰ The Board updates its website to reflect changes to the Board rules and standards that are approved by the SEC. Accordingly, if the amendments are approved by the SEC, the PCAOB would update its website to reflect the auditing standards as reorganized.

to be consistent with relevant provisions of the federal securities laws or other existing standards or rules of the Board. Also, the Board's standards-setting activities are informed by and developed to some degree, in response to observations from its oversight activities.⁶¹

Nevertheless, the PCAOB continues to consider carefully the work of the IAASB and ASB in PCAOB standard-setting projects. Additionally, the Board will consider the organization and content of individual standards during the course of future standard-setting projects.

For a discussion on comments received on the cost and benefits of the reorganization, see section D.

D. Economic Considerations and Application to Audits of Emerging Growth Companies

This section discusses economic considerations related to the reorganization, specifically, the need for rulemaking, alternatives considered, description of the baseline, and consideration of benefits and costs. It also discusses considerations related to audits of EGCs and audits of brokers and dealers.

Need for Rulemaking

As discussed in more detail in section A, the reorganization creates a standardized organizational structure of PCAOB auditing standards to enhance the usability of the standards, including helping users navigate the standards more easily. This could help auditors, for example, find more easily the relevant requirements in PCAOB standards for a particular area of the audit, which could facilitate compliance with PCAOB standards.

⁶¹ See PCAOB Release 2010-004, at A10-91–A10-92.

The reorganization also could help avoid potential confusion between the Board's standards and the recently reorganized standards of the ASB, if the same AU section reference was used for different standards covering different topics.

In addition, the reorganization would provide a structure for updating PCAOB standards in the future.

Commenters generally supported the reorganization of PCAOB auditing standards.

Consideration of Alternatives

In the original proposal, the Board outlined three alternatives to the proposed approach⁶² for reorganizing the standards:

1. Continue issuing sequentially numbered standards until all of the interim standards are replaced;
2. Retain the organizational structure of the existing interim standards and assign section numbers to Board-issued standards that would fit into the existing organizational structure; or
3. Adopt the organizational structure of another auditing standard setter, such as the IAASB.

The first alternative would eventually result in a single structure and would avoid the potential confusion between PCAOB auditing standards and the standards of other standard setters. However, this alternative would take years for users to receive its benefits, and, under this approach, the standards would be more difficult to navigate than a topical system.

⁶² The Board proposed the approach described in section A because it addresses more fully the reasons for the reorganization.

The second alternative would provide little benefit to users because it has few categories and is less intuitive than an organized structure that follows the flow of the audit process. In addition, as the ASB continues to use a three-digit system to reference its standards, the potential for confusion between the standards of the Board and the standards of the AICPA, as previously discussed in section A, would remain.

The third alternative could be confusing to users if PCAOB standards and IAASB standards used the same section numbers for standards that address different topics. Similar issues would arise if the PCAOB adopted the organizational structure of the clarified ASB standards.

Other commenters suggested that the PCAOB collaborate with other standard setters to develop a unified framework for auditing standards or to develop a codification of the auditing standards in a manner similar to the approach taken by the FASB with its accounting standards.⁶³ Another commenter suggested that the Board limit time spent on this project and instead focus its efforts on other matters on the Board's standard-setting agenda. The Board's reorganization of the auditing standards provides immediate benefits to users, such as making standards easier to navigate and establishing a structure for future updates of the standards. Thus, the Board decided to proceed with this project.

As previously discussed, the majority of commenters were in favor of the Board using a distinguishable organizational structure. Those commenters supported the organization as proposed or offered suggestions to the proposed reorganization such as changes to the titles, categorization, or sequence of existing standards and guidance. The

⁶³ For example, this approach might apply an Area, Topic, Subtopic, and Section structure.

Board has made some refinements to the organizational structure and amendments presented in the original proposal and supplemental request, as discussed above.

Baseline

The existing organizational structure of PCAOB auditing standards is described in section A as consisting of sequentially numbered AS standards and AU sections representing the remaining interim standards that the Board has not superseded. The Board believes this current organizational structure is generally reflected in references made in firm methodologies, commercially published guidance, and other technology tools, and therefore constitutes the baseline against which impacts can be considered.

Consideration of Benefits and Costs

The reorganization of PCAOB auditing standards involves amendments that do not impose additional requirements on auditors or substantively change the requirements of PCAOB standards. Thus, the reorganization is not expected to affect the manner in which audits are performed and reported under PCAOB standards.

As discussed previously, benefits of the reorganization stem from a single, integrated organizational structure for PCAOB auditing standards that is easier for auditors and others to use. Among other things, this could help auditors find more easily the relevant requirements in PCAOB standards for a particular area of the audit, which could facilitate compliance with PCAOB standards. It also could help avoid the potential for confusion between PCAOB standards and ASB standards.

As discussed in the original proposal, the primary incremental costs of the changes related to the reorganization would be costs to registered firms of updating references within firm methodologies, related reference materials, and practice aids to

reflect the new citations to PCAOB auditing standards, as well as training on the new organizational structure. The adopted reorganization is likely to have less cost than approaches suggested by some commenters—for example, a unified framework or FASB-like codification—that would involve substantial redrafting of PCAOB auditing standards and therefore the potential for more extensive modifications to registered firms' methodologies and related materials.

Comments on potential benefits and costs of the proposal generally were consistent with these views. Commenters who advocated using the IAASB or ASB organizational structure or working with other standard setters to develop a unified organizational structure cited additional costs associated with supporting compliance with two different sets of auditing standards. However, the costs cited by the commenters stem principally from differences in the standards themselves rather than how they are organized. Furthermore, the reorganization involves changing the titles, categorization, or sequence of existing standards and guidance; it does not create a new set of auditing standards. In addition, reorganizing the standards to make them easier to navigate should help users of the standards compare PCAOB standards to IAASB and ASB standards.

Application to Audits of Emerging Growth Companies

The Board does not anticipate that the preceding economic considerations would be different for audits of EGCs, as defined by the Jumpstart Our Business Startups Act of 2012 ("JOBS Act").⁶⁴ Pursuant to Section 104 of the JOBS Act, any rules adopted by the

⁶⁴ See Section 101 of the JOBS Act. As of September 30, 2014, based on the PCAOB's research, 1,726 SEC registrants have identified themselves as EGCs in SEC filings. These companies operate in diverse industries with Standard Industrial Classification codes such as pharmaceutical preparations, blank checks, real estate investment trusts, prepackaged software services, business services, metal mining, and

Board subsequent to April 5, 2012, do not apply to the audits of EGCs (as defined in Section 3(a)(80) of the Exchange Act) unless the SEC "determines that the application of such additional requirements is necessary or appropriate in the public interest, after considering the protection of investors and whether the action will promote efficiency, competition, and capital formation."⁶⁵

As discussed previously, the reorganization of PCAOB auditing standards would involve amendments that do not impose additional requirements on auditors or change substantively the requirements of PCAOB standards. Thus, the reorganization, including the amendments, is not expected to affect the manner in which audits are performed and reported under PCAOB standards, including audits of EGCs. The Board sought comment on the effect, if any, the reorganization would have specifically on audits of EGCs. Commenters indicated that they were not aware of any costs that would be specific to audits of EGCs when compared to costs of non-EGC audits.

Accordingly and pursuant to the above discussion, the PCAOB requests that the Commission determine that it is necessary or appropriate in the public interest, after considering the protection of investors and whether the action will promote efficiency, competition, and capital formation, to apply these amendments to audits of EGCs.

computer processing/data preparations services. For EGCs in which audited financial statements were available, those companies reported assets ranging from zero to approximately \$13.0 billion, with an average and median of \$199.0 million and approximately \$2.4 million, respectively. The companies reported revenue ranging from zero to approximately \$993.5 million, with an average and median of \$59.8 million and \$21 thousand, respectively. Approximately 44 percent of the companies were audited by accounting firms that issued audit reports for more than 100 public company audit clients, and the remainder of the companies were audited by firms that issued audit reports for 100 or fewer public company audit clients.

⁶⁵ See JOBS Act, Pub. L. No. 112-106, § 104.

Audits of Brokers and Dealers

Section 982 of the Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank Act")⁶⁶ expanded the authority of the Board to oversee the audits of brokers and dealers that are required under SEC rules. On July 30, 2013, the SEC amended its rules, including SEC Rule 17a-5 under the Exchange Act, to require, among other things, that audits of brokers' and dealers' financial statements and examinations of reports regarding compliance with SEC requirements be performed in accordance with the standards of the PCAOB, effective for fiscal years ending on or after June 1, 2014.⁶⁷ Commenters agreed with the Board's view that the reorganization is appropriate for all audits, including audits of brokers and dealers.

III. Date of Effectiveness of the Proposed Rules and Timing for Commission Action

Within 45 days of the date of publication of this notice in the Federal Register or within such longer period (i) as the Commission may designate up to 90 days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the Board consents, the Commission will:

- (A) by order approve or disapprove such proposed rules; or
- (B) institute proceedings to determine whether the proposed rules should be disapproved.

⁶⁶ Pub. L. No. 111-203, 124 Stat. 1376 (July 21, 2010).

⁶⁷ See SEC, *Broker-Dealer Reports*, Securities Exchange Act of 1934 Release No. 70073 (July 30, 2013), 78 Federal Register 51910 (August 21, 2013), which includes the final rules.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rules are consistent with the requirements of Title I of the Act. Comments may be submitted by any of the following methods:

Electronic comments:

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/pcaob.shtml>); or
- Send an e-mail to rule-comments@sec.gov. Please include File Number PCAOB-2015-01 on the subject line.

Paper comments:

- Send paper comments in triplicate to Brent J. Fields, Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File Number PCAOB-2015-01. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet website

(<http://www.sec.gov/rules/pcaob.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rules that are filed with the Commission, and all written communications relating to the proposed rules between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Room, 100 F Street, NE, Washington, DC

20549-1090, on official business days between the hours of 10:00 a.m. and 3:00 p.m.

Copies of such filing will also be available for inspection and copying at the principal office of the PCAOB. All comments received will be posted without change; we do not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number PCAOB-2015-01 and should be submitted on or before [insert 21 days from publication in the Federal Register].

By the Commission.

Brent J. Fields
Secretary



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PROPOSED FRAMEWORK FOR
REORGANIZATION OF PCAOB AUDITING
STANDARDS

AND RELATED AMENDMENTS TO PCAOB
AUDITING STANDARDS AND RULES

)
) PCAOB Release No. 2013-002
) March 26, 2013
)
) PCAOB Rulemaking
) Docket Matter No. 40
)
)
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Summary: The Public Company Accounting Oversight Board ("PCAOB" or "Board") is proposing a framework for reorganizing the existing interim and PCAOB-issued auditing standards into a topical structure with a single integrated numbering system. In addition, the PCAOB is proposing certain conforming amendments to Rule 3101, *Certain Terms Used in Auditing and Related Professional Practice Standards*, and Rule 3200T, *Interim Auditing Standards*. The Board also is proposing certain related amendments to the PCAOB auditing standards and proposing to rescind certain interim auditing standards that the Board believes are no longer necessary under the proposed reorganization.

Public
Comment: Interested persons may submit written comments to the Board. Such comments should be sent to the Office of the Secretary, PCAOB, 1666 K Street, N.W., Washington, D.C. 20006-2803. Comments also may be submitted via e-mail to comments@pcaobus.org or through the Board's website at www.pcaobus.org. All comments should refer to PCAOB Rulemaking Docket Matter No. 40 in the subject or reference line and should be received by the Board no later than 5:00 PM EDT on May 28, 2013.

Board
Contacts: Keith Wilson, Deputy Chief Auditor (202/207-9134, wilsonk@pcaobus.org); Robert Ravas, Assistant Chief Auditor (202/591-4306, ravasr@pcaobus.org); and Kimberly Kolar, Assistant Chief Auditor (202/207-9345, kolark@pcaobus.org).

* * * * *

I. Introduction

In April 2003, the Board issued Rule 3200T, which adopted, on an interim transitional basis, generally accepted auditing standards^{1/} of the Auditing Standards Board ("ASB") of the American Institute of Certified Public Accountants ("AICPA") that were in existence on April 16, 2003.^{2/} For those "interim auditing standards," the Board retained the organization and reference numbers ("AU" sections) used in the ASB's pre-existing codification of its standards.

Since the adoption of the interim auditing standards, the Board has issued 16 new standards that, collectively, have superseded 10 interim standards and amended the majority of the remaining auditing standards to varying degrees. The standards issued by the Board have been numbered sequentially based on the order in which they were issued (AS Nos. 1-16).

Consequently, the Board's existing auditing standards consist of sequentially numbered standards issued by the Board ("the AS standards") and the AU sections representing the remaining interim standards that the Board has not superseded.

To enhance the usability of the Board's auditing standards, the Board is proposing to reorganize its existing auditing standards into a topical structure with a single integrated numbering system. The proposed reorganization is intended to present the standards in a logical order that generally follows the flow of the audit process.

The proposed reorganization also is intended to help users navigate the standards more easily, for example, to find the relevant standard for a particular area of the audit. It also would help avoid potential confusion between the Board's standards and the recently reorganized standards of the ASB,^{3/} if the same AU section reference

^{1/} In Rule 3200T, the term "generally accepted auditing standards" refers to generally accepted auditing standards as described by Auditing Standards Board ("ASB") Statement on Auditing Standards No. 95, *Generally Accepted Auditing Standards*.

^{2/} *Establishment of Interim Professional Auditing Standards*, PCAOB Release No. 2003-006 (Apr. 18, 2003).

^{3/} The ASB updated the organization of its auditing standards through its Clarity Project. Additional information on the ASB's Clarity Project is available on the AICPA's website at <http://www.aicpa.org/interestareas/frc/auditattest/pages/improvingclarityasbstandards.aspx>. In addition to redrafting the auditing standards, the ASB reorganized its standards to

is used for different standards covering different topics.^{4/} In addition, the proposed reorganization framework is intended to provide a structure for updating PCAOB standards in the future.

The proposed reorganization of PCAOB auditing standards would involve reordering and renumbering existing standards in their entirety, without redrafting the auditing standards or making substantive changes to the requirements of the standards. Also, in conjunction with the proposed reorganization of PCAOB auditing standards, the Board is proposing to rescind certain auditing standards that it believes are no longer necessary under the proposed reorganization.^{5/} Implementation of the proposed reorganization of PCAOB auditing standards would require a number of amendments, for example, to update the reference numbers and cross references to reflect the new section numbers and to remove references to rescinded standards. Section III of this release describes these changes and other amendments related to the proposed reorganization. The changes to PCAOB auditing standards resulting from the proposed reorganization are not expected to impose new requirements on auditors or substantively change the requirements of PCAOB standards.

The Board is seeking comment on its proposed framework for reorganizing PCAOB auditing standards. After the Board considers comments on this proposal, the Board intends to release and seek comment on all of the amendments necessary to implement the reorganization of the auditing standards. The Board will continue to

generally conform to the organization of the International Standards on Auditing issued by the International Auditing and Assurance Standards Board ("IAASB").

^{4/} For example, the PCAOB's interim auditing standard AU sec. 230, *Due Professional Care in the Performance of Work*, describes the auditor's responsibilities for applying due professional care in planning and performing audits, whereas, the ASB's auditing standard with the same reference number relates to audit documentation.

^{5/} The proposed reorganization also would address "interpretive publications," as described in AU sec. 150, *Generally Accepted Auditing Standards*, that is, AICPA auditing interpretations, appendices to the AICPA Statements on Auditing Standards ("SASs"), auditing guidance in AICPA audit and accounting guides, and AICPA auditing Statements of Position. The effects of the proposed reorganization on the "interpretive publications" are discussed in Section III.A of this release.

review and consider changes to individual standards in separate standard-setting projects.^{6/}

II. Proposed Approach and Consideration of Alternatives

A. Proposed Framework for Reorganization of PCAOB Auditing Standards

Under this proposal, all PCAOB auditing standards would be reorganized into a topical structure, with the topics grouped into the following categories:

- *General Auditing Standards* – Standards on broad auditing principles, concepts, activities, and communications;
- *Audit Procedures* – Standards for planning and performing audit procedures and obtaining audit evidence;
- *Auditor Reporting* – Standards for auditors' reports;
- *Matters Relating to Filings under Federal Securities Laws* – Standards on certain auditor responsibilities relating to SEC filings for securities offerings and reviews of interim financial information; and
- *Other Matters Associated with Audits* – Standards for other work performed in conjunction with an audit of an issuer or a broker or dealer.^{7/}

Within each category are subcategories to further organize similar topics, such as standards related to auditor communications in the General Auditing Standards category. Appendix 1 to this release illustrates the proposed reorganization framework, including the categories and subcategories for PCAOB auditing standards.

The integrated referencing system would use an "AS" prefix to identify the auditing standards, which is consistent with common practice for describing standards issued by the Board (for example, "AS No. 7" for the standard on engagement quality review).

Each standard would be assigned a unique section number, based on a four-digit numbering system. Using a four-digit system would facilitate the grouping of auditing

^{6/} The Board's standard-setting agenda is available at <http://pcaobus.org/Standards/Pages/default.aspx>.

^{7/} The proposed framework also has a section reserved for standards on new types of audit engagements, in the event that such standards become necessary.

standards into logical categories and subcategories by topic and would avoid potential confusion with the standards of the IAASB or ASB.^{8/} If the proposed reorganization is adopted, future auditing standards would be issued as new or replacement sections and paragraphs within the new framework.

Although the proposed framework for reorganization of PCAOB auditing standards would not mirror the organizational structure of the standards of the IAASB, the reorganized structure could facilitate comparison of PCAOB and IAASB standards.^{9/} For example, both the IAASB standards and the proposed reorganization of PCAOB auditing standards begin with general standards, followed by standards for audit procedures and auditor reporting. Many of the differences between the proposed reorganization of PCAOB auditing standards and the organizational structure of the IAASB's standards generally relate to the content of the standards themselves rather than the arrangement of the standards. For example, the topics in multiple PCAOB standards might be covered in one IAASB standard or vice-versa.

B. Consideration of Alternatives

The Board considered a number of alternative approaches in developing its proposal for the reorganization of its auditing standards.

One alternative was to continue issuing sequentially numbered standards until all of the interim standards were replaced. The Board considered this approach but is proposing a topical structure because a chronologically based numbering system would be more difficult to navigate than a topical system. Also, under this alternative, it could take years for users to receive the benefits from the reorganization.

A second alternative was to retain the organizational structure of the existing interim standards and assign section numbers to the Board-issued standards that would fit into the existing organizational structure. This approach was not proposed because the interim standards' organizational structure is based on certain general, field work, and reporting standards (the "10 standards"), many of which have been superseded, as

^{8/} Each standard would retain its current paragraph numbers, but the paragraph number format of the standards issued by the Board would be changed to match the format of the paragraph numbers of its other auditing standards. Under the proposed reorganized auditing standards, each paragraph would be numbered ".01," ".02," etc. For example, the reference for the first paragraph of the standard on audit planning would be "AS 2101.01."

^{9/} See Appendix 3 for a comparison of the proposed framework for reorganization to the organizational structure of IAASB and ASB standards.

further discussed in Section III.A of this release.^{10/} Also, this approach could be confusing to users if PCAOB standards and ASB standards used the same AU section numbers for standards that address different topics.

A third alternative was to adopt the organizational structure of another standard-setter, such as the IAASB. While this approach might appear to make it easy for users to compare PCAOB standards to IAASB standards, there are a number of potential drawbacks that could make this approach less desirable than the proposed reorganization. Applying IAASB section numbers to existing PCAOB standards could be confusing to users if PCAOB standards and IAASB standards used the same section numbers for standards that address different topics. For example, Auditing Standard No. 14, *Evaluating Audit Results*, addresses both (a) performing analytical procedures as part of the overall review and (b) consideration of identified misstatements as the audit progresses, which are separately described by the IAASB in International Standard on Auditing ("ISA") 520, *Analytical Procedures*, and ISA 450, *Evaluation of Misstatements Identified during the Audit*, respectively. Similar issues would arise if the PCAOB adopted the organizational structure of the recently revised ASB standards.

To avoid such potential confusion, it would be necessary to substantially revise PCAOB auditing standards so that each section of the PCAOB auditing standards covered the same topics as the analogous IAASB or ASB standards. For example, Auditing Standard No. 14 would need to be eliminated and its content assimilated into four other standards before a new organizational structure was implemented.

In addition, the organization and topical content of some standards issued by the Board was intentionally designed to drive changes in the practices of auditors. Revising the content of PCAOB standards as described in the preceding paragraph could result in reversing those efforts and potentially nullifying the benefits they were intended to achieve. For example, the Board's "risk assessment standards" seek to emphasize the auditor's responsibilities for consideration of fraud throughout the whole audit process by incorporating requirements for identifying and responding to the risks of material misstatement due to fraud ("fraud risks") and evaluating audit results into the various risk assessment standards, rather than segregating them into a separate section.^{11/} Incorporating these requirements emphasizes that the auditor's responsibilities for assessing and responding to fraud risks are an integral part of the audit process rather than a separate, parallel process. Because the IAASB and ASB have fully separate

^{10/} See AU sec. 150.02.

^{11/} See *Auditing Standards Related to the Auditor's Assessment of and Response to Risk and Related Amendments to PCAOB Standards*, PCAOB Release No. 2010-004 (Aug. 5, 2010).

standards on fraud, the PCAOB would need to revise the content of the risk assessment standards to conform to the IAASB and ASB standards if the Board used either of those frameworks for organizing its own standards. Thus, this alternative could eliminate improvements in the Board's standards.

The proposed framework for reorganization of PCAOB auditing standards is intended to strike an appropriate balance between achieving comparability to the organization of the standards of the IAASB and ASB and ease of navigation in the near term and beyond.^{12/}

Appendix 3 presents a comparison of the proposed framework for reorganization of PCAOB auditing standards to the organizational structure of existing PCAOB standards and the standards of the IAASB and ASB.

III. Summary of Proposed Changes to PCAOB Standards and Rule 3200

Implementing the proposed reorganization of PCAOB auditing standards would require amendments to PCAOB auditing standards and rules.^{13/} These amendments are not expected to impose additional requirements on auditors or substantively change the requirements of PCAOB standards. This section discusses the types of amendments necessary to implement the proposed reorganization of PCAOB auditing standards, including the proposed amendments to PCAOB standards and rules presented in Appendix 4.^{14/}

^{12/} More generally, the PCAOB will continue to consider the work of the IAASB and ASB in the PCAOB's standard-setting projects. Although the PCAOB may seek to eliminate unnecessary differences from the standards of the IAASB and ASB, the PCAOB does not necessarily seek to mirror those standards because PCAOB standards must reflect the requirements of the U.S. federal securities laws and rules. See PCAOB Release No. 2010-004 at A10-91-A10-92.

^{13/} The scope of the proposed reorganization is limited to reordering and renumbering standards in their entirety and related changes, as discussed in this section of the release. Further technical changes to update the auditing standards will be considered in future standard-setting projects.

^{14/} As discussed in Section VI of this release, the Board plans to issue a subsequent proposing release containing all of amendments necessary to implement the proposed reorganization of the auditing standards.

A. Proposed Changes to PCAOB Standards

As discussed previously, implementing the proposed reorganization of PCAOB auditing standards would require making certain changes to its auditing standards, including changes to update the section numbers and cross references for the new numbering system. In addition, the Board is proposing to change the titles of certain standards to more accurately reflect the content of those standards.^{15/}

Also, in conjunction with the reorganization of the auditing standards, the Board is proposing to rescind the following interim auditing standards, which the Board believes are no longer necessary for the reasons discussed below:^{16/}

- AU sec. 150, *Generally Accepted Auditing Standards*
- AU sec. 201, *Nature of the General Standards*
- AU sec. 410, *Adherence to Generally Accepted Accounting Principles*^{17/}
- AU sec. 532, *Restricting the Use of an Auditor's Report*
- AU sec. 901, *Public Warehouses – Controls and Auditing Procedures for Goods Held*

^{15/} Appendix 1 to this release identifies the proposed title changes to individual standards.

^{16/} AU sec. 534, *Reporting on Financial Statements Prepared for Use in Other Countries*, also would not appear in the reorganized PCAOB auditing standards. AU sec. 534 establishes requirements for situations in which an independent auditor practicing in the United States is engaged to report on the financial statements of a company in the United States that have been prepared in conformity with accounting principles generally accepted in another country for use outside the United States. Thus, AU sec. 534 and its related auditing interpretation, AU sec. 9534, *Reporting on Financial Statements Prepared for Use in Other Countries: Auditing Interpretations of Section 534*, have no application to "the preparation or issuance of any audit report," as that phrase is used in Rule 3200T, so AU sec. 534 was not among the interim standards that the Board adopted.

^{17/} If AU sec. 410 is rescinded, the related auditing interpretation, AU sec. 9410, *Adherence to Generally Accepted Accounting Principles: Auditing Interpretations of Section 410*, also would be rescinded.

Appendix 4 presents the proposed amendments to remove those standards and delete cross references to those standards.

1. *AU sec. 150*

The interim standard AU sec. 150 states that an independent auditor plans, conducts, and reports the results of an audit in accordance with generally accepted auditing standards ("GAAS") and sets forth the 10 standards that were the organizing framework for the ASB's auditing standards. AU sec. 150 also describes the auditor's responsibilities with respect to the ASB's Statements on Auditing Standards ("SASs"), "interpretive publications," and other auditing literature.

Since the Board's adoption of the interim auditing standards, subsequent rulemaking activities of the Board have superseded, in effect, most of the specific provisions of AU sec. 150. For example, PCAOB Rule 3100, *Compliance with Auditing and Related Professional Practice Standards*, and Rule 3101 set forth the responsibilities of registered firms and their associated persons for complying with PCAOB standards, which, in effect, replaced paragraphs .03 and .04 of AU sec. 150. Also, Board-issued standards have superseded, in effect, all of the field work standards and two of the four reporting standards within the 10 standards by superseding the SASs to which those field work and reporting standards applied.^{18/} The remaining general and reporting standards^{19/} are repeated in other interim standards besides AU sec. 150.^{20/} Section III.A.6 of this release discusses the effects of the proposed reorganization on the "interpretive publications."

^{18/} Specifically, Auditing Standard No. 9, *Audit Planning*, Auditing Standard No. 10, *Supervision of the Audit Engagement*, Auditing Standard No. 12, *Identifying and Assessing Risks of Material Misstatement*, and Auditing Standard No. 15, *Audit Evidence*, superseded the interim auditing standards related to the standards of field work. Likewise, Auditing Standard No. 6, *Evaluating Consistency of Financial Statements*, and Auditing Standard No. 14 superseded the interim auditing standards related to the second and third standards of reporting, respectively.

^{19/} The general standards are repeated in AU sec. 210, *Training and Proficiency of the Independent Auditor*, AU sec. 220, *Independence*, and AU sec. 230, *Due Professional Care in the Performance of Work*. The first and fourth standards of reporting are repeated in AU sec 508, *Reports on Audited Financial Statements*.

^{20/} To the extent any of the 10 standards are included in sections of the reorganized auditing standards, the text of the standard would be retained but the section would be amended so that the standards are no longer characterized as one of the general or reporting standards. See Appendix 4 for the proposed amendments.

2. *AU sec. 201*

AU sec. 201 consists of one paragraph that describes the primary characteristics of the general standards within the 10 standards. AU sec. 201 does not impose any requirements on the auditor. This standard does not appear to be needed in the proposed PCAOB reorganized auditing standards.

3. *AU sec. 410*

AU sec. 410 restates the first and fourth standards of reporting within the 10 standards. AU sec. 410 appears to be unnecessary because the requirements related to those reporting standards are already covered in AU sec. 508.

4. *AU sec. 532*

AU sec. 532 describes the auditor's general responsibilities regarding restricting the use of reports. This standard appears to be unnecessary because the requirements for restricting the use of specific reports are already covered in the individual standards for the respective reports, such as the internal control communications covered in AU sec. 325, *Communications About Control Deficiencies in an Audit of Financial Statements*.

5. *AU sec. 901*

AU sec. 901 reports the conclusions of a 1966 study of the AICPA Committee on Auditing Procedure on the accountability of warehousemen for goods stored in public warehouses. AU sec. 901 appears to be unnecessary because the specific auditing requirements regarding inventory held in public warehouses are set forth in AU sec. 331, *Inventories*.

6. *AICPA "Auditing Interpretations" and Other "Interpretive Publications"*

When the Board adopted the interim auditing standards, the AICPA presented its auditing standards in a codification framework together with the related "auditing interpretations" issued by its ASB ("auditing interpretations"). However, AU sec. 150.05 states that auditing interpretations are not auditing standards. The auditor's responsibilities with respect to auditing interpretations under AU sec. 150 are, as a practical matter, similar to those for PCAOB guidance. Under AU sec. 150.06, the auditor has a responsibility to be aware of and consider the auditing interpretations in

determining how to comply appropriately with the related auditing standard(s) in the circumstances described therein.^{21/}

The Board proposes to retain substantially all^{22/} of the AICPA auditing interpretations and to present the auditing interpretations separately from the auditing standards on the Board's website in a manner similar to PCAOB guidance.^{23/} The Board does not intend to change the auditor's responsibilities, including those regarding auditing interpretations, through the reorganization of its auditing standards. Accordingly, although the Board is proposing to rescind AU sec. 150, it is proposing to retain the existing requirement to be aware of and consider the auditing interpretations.^{24/}

^{21/} Like the AICPA auditing interpretations, PCAOB guidance documents are not auditing standards. Rather, PCAOB guidance provides auditors with insight into how the Board or staff (depending on who issues the guidance) understands and administers the auditing standards. While auditors are not required by a Board rule to consider PCAOB guidance, an auditor who fails to do so may lack important information and, as a result, runs a risk of violating the standard that the Board or staff has interpreted.

^{22/} As discussed previously, the Board intends to not retain auditing interpretations related to standards that will not be in the proposed reorganization, specifically, the interpretations of AU sec. 410 and AU sec. 534. Also, the Board intends to not retain interpretation 16 of AU sec. 508 (AU secs. 9508.76-.84), which does not relate to audits of issuers.

^{23/} See <http://pcaobus.org/Standards/Pages/Guidance.aspx>.

^{24/} The Board proposes to retain the requirement as a provision of AS 1001 (which currently is AU sec. 110, *Responsibilities and Functions of the Independent Auditor*). The remaining interpretive publications identified in AU sec. 150 – AICPA Audit and Accounting Guides and auditing Statements of Position, as in existence on April 16, 2003 – are outdated, so auditors are no longer expected to be aware of and consider them. The Board is proposing to amend its standards to (1) remove references to AICPA Audit and Accounting Guides and AICPA auditing Statements of Position and (2) reduce the scope of the "be aware of and consider" requirement to apply only to "auditing interpretations," that is, the publications entitled "Auditing Interpretation" issued by the AICPA's Auditing Standards Board as in existence on April 16, 2003, and in effect.

In addition, the Board proposes to retain substantially all of the appendices^{25/} to the SASs, another form of "interpretive publication" under AU sec. 150. The Board also proposes to continue presenting those appendices together with the related auditing standards like the presentation of appendices to Board-issued standards.^{26/} Appendices to the SASs generally consist of examples and illustrations of matters covered in the related standards and do not, themselves, impose requirements. For example, an appendix in AU sec. 316.85 presents examples of fraud risk factors to assist auditors in identifying and assessing fraud risks.^{27/}

7. *Amendments Related to Auditing Standard No. 1*

Auditing Standard No. 1, *References in Auditors' Reports to the Standards of the Public Company Accounting Oversight Board*, was issued to implement certain changes to auditors' reports when the Board adopted the interim standards. Specifically, the standard requires reports issued under PCAOB standards to reference standards of the PCAOB rather than generally accepted auditing standards. In conjunction with the proposed reorganization, the Board is proposing amendments to this standard to remove references to the interim standards and delete certain paragraphs that are historical in nature and no longer necessary.

B. Amendments to PCAOB Rule

PCAOB Rule 3200T, *Interim Auditing Standards*, requires auditors to comply with the Board's interim auditing standards. Originally adopted in 2003 in conjunction with the adoption of the interim auditing standards, the rule states:

In connection with the preparation or issuance of any audit report, a registered public accounting firm, and its associated persons, shall comply with generally accepted auditing standards, as described in the AICPA

^{25/} The Board is proposing to delete certain SAS appendices and exhibits that the Board believes are redundant or otherwise not necessary, as described in Appendix 1 of this release.

^{26/} Appendices to Board-issued standards are an integral part of those standards. See PCAOB Release 2003-025 at 3 and PCAOB Release 2010-004 at A10-3.

^{27/} In addition, the Board proposes to retain the American Bar Association's Statement of Policy Regarding Lawyers' Responses to Auditors' Requests for Information, currently included as Exhibit II of AU sec. 337, *Inquiry of a Client's Lawyer Concerning Litigation, Claims, and Assessments*.

Auditing Standards Board's Statement of Auditing Standards No. 95, as in existence on April 16, 2003 (Codification of Statements on Auditing Standards, AU § 150 (AICPA 2002)), to the extent not superseded or amended by the Board.

The Board is proposing amendments to update Rule 3200T to reflect the changes made in the proposed reorganization. The proposed changes would not modify the auditor's existing responsibilities for complying with PCAOB auditing standards. Instead, the proposed changes would update Rule 3200T so that it would describe, in one rule, the auditor's responsibilities for complying with all of the auditing standards included in the proposed framework – those that the Board adopted as interim standards in 2003 and those that the Board has adopted since.

Specifically, the proposed changes to PCAOB Rule 3200T would revise that rule to state:

In connection with the preparation or issuance of any audit report, a registered public accounting firm and its associated persons shall comply with all auditing standards adopted by the Board and approved by the SEC, including, to the extent not superseded or amended by the Board, AICPA Statements on Auditing Standards as in existence on April 16, 2003.

The amended rule, as proposed, would cover all PCAOB auditing standards. The Board also would update the text of the amended rule to remove (1) the reference to AU sec. 150, which would not be included in the reorganized standards, and (2) terms such as "interim auditing standards" and "generally accepted auditing standards." Those terms are not relevant under the proposed reorganization and could be confusing to some users of the standards. In addition, the Board would make the rule a permanent rule rather than a temporary rule and, therefore, would remove the word "Interim" from the title of rule.^{28/}

The Board intends to continue reviewing its existing standards, including those AICPA auditing standards adopted in 2003, as part of its standard-setting activities.

^{28/} The Board also is proposing a conforming amendment to Rule 3101, *Certain Terms Used in Auditing and Related Professional Practice Standards*, as described in Appendix 4. The proposed amendment would not change the meaning or scope of Rule 3101.

IV. Economic Considerations and Application to Audits of Emerging Growth Companies

It is anticipated that the primary costs of the proposed changes related to the reorganization would be one-time costs to registered firms of updating references within firm methodologies, related reference materials, and practice aids to reflect the new citations to PCAOB auditing standards. The implementation costs of the proposed reorganization might be offset over time because the logical, easier to use organizational structure of the reorganized standards could enable auditors to save time in researching the standards and maintaining their methodologies and guidance as individual standards are updated. The proposed reorganization is likely to have less cost than alternatives discussed in Section II.B. of this release that would involve substantial redrafting of PCAOB auditing standards and therefore, the potential for more extensive modifications to registered firms' methodologies and related materials.

The Board does not anticipate that these cost considerations would be different for audits of emerging growth companies ("EGCs"), as defined by the Jumpstart Our Business Startups Act ("JOBS Act").^{29/} Pursuant to Section 104 of the JOBS Act, any rules adopted by the Board subsequent to April 5, 2012, do not apply to the audits of EGCs (as defined in Section 3(a)(80) of the Exchange Act) unless the SEC "determines that the application of such additional requirements is necessary or appropriate in the public interest, after considering the protection of investors, and whether the action will promote efficiency, competition, and capital formation."^{30/}

^{29/} See Section 101 of the JOBS Act. As of November 15, 2012, based on the PCAOB's research, 579 entities have identified themselves as EGCs in SEC filings. These entities operate in diverse industries with Standard Industrial Classification codes such as blank checks, pharmaceutical preparations, prepackaged software services, real estate investment trusts, and computer processing/data preparations services. The entities reported assets ranging from zero to approximately \$13 billion, with an average and median of \$122.1 million and approximately \$0.2 million, respectively. The entities reported revenue ranging from zero to approximately \$973.7 million, with an average and median of \$53.7 million and zero, respectively. Approximately 52% of the entities identified themselves as "development stage entities" in their financial statements. Approximately 31% of the entities were audited by accounting firms that have issued audit reports for more than 100 public company audit clients, and the remainder were audited by firms that have issued audit reports for 100 or fewer public company audit clients.

^{30/} Pub. L. No. 112-106 (April 5, 2012). See Section 103(a)(3)(C) of the Sarbanes-Oxley Act of 2002, (15 U.S.C. 7213(a)(3)), as added by Section 104 of the JOBS Act.

As discussed in Section III of this release, the proposed reorganization of PCAOB auditing standards would involve amendments that are not expected to impose additional requirements on auditors or substantively change the requirements of PCAOB standards. Thus, the proposed reorganization is not expected to affect the conduct of or reporting on audits under PCAOB standards, including audits of EGCs. Nonetheless, the Board is in the initial stages of considering its proposed reorganization and is soliciting the views of commenters on whether there are any issues relating to EGCs – including issues relating to efficiency, competition, and capital formation – that the Board should be aware of in considering the reorganization of its auditing standards.

V. Audits of Brokers and Dealers

Section 982 of the Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank Act")^{31/} gave the Board oversight of the audits of brokers and dealers registered with the SEC. In September 2010, the Commission issued interpretive guidance clarifying that the references in Commission rules and staff guidance and in the federal securities laws to GAAS or to specific standards under GAAS, as they relate to nonissuer brokers or dealers, should continue to be understood to mean the auditing and attestation standards established by the AICPA, but noted that it intended to revisit this interpretation in connection with a SEC rulemaking project to update the audit and attestation requirements for brokers and dealers in light of the Dodd-Frank Act.^{32/}

On June 15, 2011, the SEC proposed to amend its rules, including SEC Rule 17a-5 under the Exchange Act, to require, among other things, that audits of brokers' and dealers' financial statements and examinations of reports regarding compliance with SEC requirements be performed in accordance with the standards of the PCAOB.^{33/} If the SEC adopts its proposed amendments to SEC Rule 17a-5 or provides other direction that auditors of brokers and dealers are to comply with PCAOB professional standards, the Board's auditing, attestation, quality control, and, where applicable, independence standards would then apply to audits of brokers and dealers, as required by Section 17 of the Exchange Act and SEC Rule 17a-5.^{34/} Thus, the

^{31/} Pub. L. No. 111-203, 124 Stat. 1376 (July 21, 2010).

^{32/} SEC, *Commission Guidance Regarding Auditing, Attestation, and Related Professional Practice Standards Related to Brokers and Dealers*, Exchange Act Release No. 62991 (Sept. 24, 2010).

^{33/} SEC, *Broker-Dealer Reports*, Exchange Act Release No. 64676 (June 15, 2011).

^{34/} 17 C.F.R. § 240.17a-5.

PCAOB's standards, as proposed to be reorganized, would be applicable for all audits, including audits of brokers and dealers.

The Board is seeking comment from auditors, brokers and dealers, and others about whether there are issues specific to brokers and dealers that the Board should be aware of in considering the reorganization of its standards.

VI. Next Steps

The Board will consider comments on this proposal and potential changes to the reorganization framework and related amendments. Then, the Board intends to release and seek public comment on all of the amendments necessary to implement the reorganization of the auditing standards, along with a functioning online version of the proposed reorganized auditing standards.^{35/}

The Board also intends to explore additional steps to make its standards easier to use and navigate, such as, enhancing its website to help users locate standards using reference numbers under either the reorganization or the prior organizational structure, or to select a PCAOB standard and identify the analogous standard of the IAASB or ASB.^{36/} The Board seeks comments on additional ways to improve the ease-of-use and navigation of its standards and related guidance on its website.

In the future, the Board expects to undertake additional projects to address the organizational structure of the Board's other professional practice standards (that is, quality control, attestation, and ethics and independence).

The Board will continue to review and consider changes to the content of individual standards in separate standard-setting projects.

^{35/} During this period, the auditing standards, in their current form, would remain in effect.

^{36/} The Board is not proposing to codify its standards in a manner similar to the Financial Accounting Standards Board ("FASB") codification, for example, to apply an Area, Topic, Subtopic, and Section structure. Also, the Board is not planning at this time to develop a new platform for its standards like the FASB Codification Research System.

VII. Questions

1. Is the proposed framework for reorganizing PCAOB auditing standards appropriate and an improvement over the existing structure of the PCAOB auditing standards? Are there ways to improve the proposed reorganization framework?
2. Would the proposed reorganization described in this release help users navigate the standards more easily, help avoid potential confusion between the Board's standards and the standards of the ASB, and provide a structure for updating PCAOB standards in the future? Are there other potential benefits the Board should be aware of in considering its proposed reorganization?
3. Are the categories and subcategories of auditing standards in the proposed reorganization framework appropriate and an improvement over the existing organizational structure of PCAOB auditing standards?
4. Is it appropriate to rescind the auditing standards and related auditing interpretations discussed in Section III.A of this release as part of the proposed reorganization? Are any of those standards or auditing interpretations still necessary to fully describe the auditor's responsibilities for audits under PCAOB standards? Are there other standards or auditing interpretations that should be rescinded?
5. Would the framework for reorganizing PCAOB auditing standards have any consequences that are not addressed in this release? If so, what are those consequences?
6. Are there other costs besides those discussed in this release that the Board should consider? Would initial costs be offset over time, as discussed in this release?
7. Are there any considerations relating to efficiency, competition, and capital formation with respect to audits of EGCs that the Board should take into account in considering the proposed reorganization?
8. Are there costs or other considerations relating to audits of EGCs that the Board should be aware of in considering its proposed reorganization?
9. Does the proposed reorganization raise issues specific to audits of brokers and dealers that the Board should consider?



10. Should the Board limit the scope of the auditing standards reorganization to reordering and renumbering standards in their entirety and related changes as discussed in this release? If not, why not? Are there other related technical changes to the wording or organization of individual standards that should be considered, either as part of the proposed reorganization or a subsequent project, such as eliminating references to generally accepted auditing standards or outdated references to accounting standards?
11. What factors should the Board consider in determining the effective date of the auditing standards reorganization?

VIII. Opportunity for Public Comment

The Board will seek comment on the proposed framework for reorganization of PCAOB auditing standards and related amendments for a 60-day period. Interested persons are encouraged to submit their views to the Board. Written comments should be sent to the Office of the Secretary, PCAOB, 1666 K Street, N.W., Washington, D.C. 20006-2803. Comments also may be submitted by e-mail to comments@pcaobus.org or through the Board's website at www.pcaobus.org. All comments should refer to PCAOB Rulemaking Docket Matter No. 40 on the subject or reference line and should be received by the Board no later than 5:00 PM EDT on May 28, 2013.

* * *

On the 26th day of March, in the year 2013, the foregoing was, in accordance with the bylaws of the Public Company Accounting Oversight Board,

ADOPTED BY THE BOARD.

/s/ Phoebe W. Brown

Phoebe W. Brown

Secretary

March 26, 2013



APPENDIX 1 – Proposed Framework for Reorganization of PCAOB Auditing Standards

APPENDIX 2 – Comparison of Existing PCAOB Auditing Standards to Proposed Framework for Reorganization of PCAOB Auditing Standards

APPENDIX 3 – Comparison of Proposed Framework for Reorganization of PCAOB Auditing Standards to Existing PCAOB Auditing Standards and the Standards of the International Auditing and Assurance Standards Board and Auditing Standards Board

APPENDIX 4 – Proposed Amendments to Rules 3101 and 3200T and PCAOB Auditing Standards

Appendix 1 - Proposed Framework for Reorganization of PCAOB Auditing Standards

General Auditing Standards

- 1000 General Principles and Responsibilities
 1001 Responsibilities and Functions of the Independent Auditor
 1010 Training and Proficiency of the Independent Auditor
 1011 Independence
 1012 Due Professional Care in the Performance of Work
- 1100 General Concepts
 1101 Audit Risk
 1102 Audit Evidence
 1103 Relationship of Auditing Standards to Quality Control Standards^{1/}
- 1200 General Activities
 1201 Supervision of the Audit Engagement
 1202 Part of Audit Performed by Other Independent Auditors
 1203 Using the Work of a Specialist
 1210 Audit Documentation
 1220 Engagement Quality Review
- 1300 Auditor Communications
 1301 Communications with Audit Committees
 1302 Communications about Control Deficiencies in an Audit of Financial Statements

Audit Procedures

- 2100 Audit Planning and Risk Assessment
 2101 Audit Planning
 2102 Consideration of Materiality in Planning and Performing an Audit
 2103 Identifying and Assessing Risks of Material Misstatement
- 2200 Audit Procedures in Response to Risks—Nature, Timing, and Extent
 2201 The Auditor's Responses to the Risks of Material Misstatement
 2202 Substantive Analytical Procedures
 2203 The Confirmation Process
 2204 Audit Sampling

^{1/} AU sec. 161 is currently entitled, *The Relationship of Generally Accepted Auditing Standards to Quality Control Standards*. The Board proposes to amend the title of this standard without changing the substance of the standard.

- 2300 *Auditing Internal Control Over Financial Reporting*
2301 An Audit of Internal Control Over Financial Reporting That Is Integrated with
An Audit of Financial Statements
2302 Reporting on Whether a Previously Reported Material Weakness Continues
to Exist
- 2400 *Audit Procedures for Specific Aspects of the Audit*
2401 Consideration of Fraud in a Financial Statement Audit^{2/}
2402 Illegal Acts by Clients
2403 Related Parties
2404 The Auditor's Consideration of an Entity's Ability to Continue as a Going
Concern
- 2500 *Audit Procedures for Certain Accounts or Disclosures*
2501 Auditing Accounting Estimates
2502 Auditing Fair Value Measurements and Disclosures
2503 Auditing Derivative Instruments, Hedging Activities, and Investments in
Securities
2504 Inquiry of a Client's Lawyer Concerning Litigation, Claims, and Assessments^{3/}
2505 Inventories
- 2600 *Special Topics*
2601 Service Organizations
2602 The Auditor's Consideration of the Internal Audit Function in an Audit of
Financial Statements
2603 Communications Between Predecessor and Successor Auditors
- 2700 *Auditor's Responsibilities Regarding Other Information*
2701 Reporting on Information Accompanying the Basic Financial Statements in
Auditor-Submitted Documents^{4/}

^{2/} The proposed reorganization would delete AU secs. 316.86 and .87, which provide amendments to AU secs. 230 and 333, respectively, that already are reflected in those standards. In addition, the proposed reorganization would delete AU sec. 316.88, which is an exhibit that provides guidance to management regarding antifraud programs and controls.

^{3/} The proposed reorganization would delete AU sec. 337B. Such an exhibit does not appear necessary because it merely presents excerpts of Financial Accounting Standards Board ("FASB") Statement No. 5, *Accounting for Contingencies*. The applicable requirements in U.S. generally accepted accounting principles are set forth in the FASB's *Accounting Standards Codification*.

^{4/} The Board has proposed a new auditing standard, *Auditing Supplemental Information Accompanying Audited Financial Statements*. See PCAOB Release No.

- 2702 Unaudited Supplementary Information Included in Audited Financial Statements^{5/}
- 2703 Other Information in Documents Containing Audited Financial Statements
- 2800 Concluding Audit Procedures
- 2801 Subsequent Events
- 2802 Management Representations
- 2803 Evaluating Audit Results
- 2804 The Meaning of Present Fairly in Conformity With Generally Accepted Accounting Principles
- 2805 Evaluating Consistency of Financial Statements
- 2900 Post-Audit Matters
- 2901 Consideration of Omitted Procedures After the Report Date
- 2902 Subsequent Discovery of Facts Existing at the Date of the Auditor's Report

Auditor Reporting

- 3100 Reporting on Audits of Financial Statements
- 3101 Reports on Audited Financial Statements
- 3105 References in Auditors' Reports to the Standards of the Public Company Accounting Oversight Board
- 3110 Dating of the Independent Auditor's Report
- 3200 Reserved
- 3300 Other Reporting Topics
- 3301 Association With Financial Statements
- 3310 Special Reports
- 3311 Special Reports on Regulated Companies^{6/}
- 3312 Reporting on Condensed Financial Statements and Selected Financial Data

2011-05 (July 12, 2011). If adopted by the Board and approved by the SEC, that proposed standard would replace this section and change its title.

^{5/} AU sec. 558 is currently entitled, *Required Supplementary Information*. The Board proposes to amend the title of this standard to distinguish it more clearly from proposed AS 2701, without changing the substance of the standard.

^{6/} AU sec. 544 is currently entitled, *Lack of Conformity With Generally Accepted Accounting Principles*. The Board proposes to amend the title of this standard to clarify the subject of the standard without changing its substance.

Matters Relating to Filings under Federal Securities Laws

- 4101 Responsibilities Regarding Filings under Federal Securities Statutes^{7/}
- 4102 Reviews of Interim Financial Information^{8/}
- 5000 *Reserved*

Other Matters Associated with Audits

- 6101 Letters for Underwriters and Certain Other Requesting Parties
- 6102 Reports on the Application of Accounting Principles
- 6103 Compliance Auditing Considerations in Audits of Recipients of Governmental Financial Assistance^{9/}

^{7/} AU sec. 711 is currently entitled, *Filings Under Federal Securities Statutes*. The Board proposes to amend the title of this standard to clarify the subject of the standard without changing its substance.

^{8/} AU sec. 722 is currently entitled, *Interim Financial Information*. The Board proposes to amend the title of this standard to clarify the subject of the standard without changing its substance.

^{9/} AU sec. 801 is currently entitled, *Compliance Auditing Considerations in Audits of Governmental Entities and Recipients of Governmental Financial Assistance*. The Board proposes to amend the title of this standard to clarify the subject of the standard without changing its substance.



Appendix 2 – Comparison of Existing PCAOB Auditing Standards to Proposed Framework for Reorganization of PCAOB Auditing Standards

This appendix presents the existing PCAOB auditing standards ("AS No. or AU sec.") along with their respective AS references under the proposed framework for reorganization of PCAOB auditing standards.

Standards that note "Rescind" in the Proposed AS Reference column are existing standards that the Board proposes to rescind in conjunction with this proposed reorganization.

Current AS No. or AU sec.	Title	Proposed AS Reference
AS No. 1	References in Auditors' Reports to the Standards of the Public Company Accounting Oversight Board	3105
AS No. 3	Audit Documentation	1210
AS No. 4	Reporting on Whether a Previously Reported Material Weakness Continues to Exist	2302
AS No. 5	An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements	2301
AS No. 6	Evaluating Consistency of Financial Statements	2805
AS No. 7	Engagement Quality Review	1220
AS No. 8	Audit Risk	1101
AS No. 9	Audit Planning	2101
AS No. 10	Supervision of the Audit Engagement	1201
AS No. 11	Consideration of Materiality in Planning and Performing an Audit	2102

Current AS No. or AU sec.	Title	Proposed AS Reference
AS No. 12	Identifying and Assessing Risks of Material Misstatement	2103
AS No. 13	The Auditor's Responses to the Risks of Material Misstatement	2201
AS No. 14	Evaluating Audit Results	2803
AS No. 15	Audit Evidence	1102
AS No. 16	Communications with Audit Committees	1301
AU sec. 110	Responsibilities and Functions of the Independent Auditor	1001
AU sec. 150	Generally Accepted Auditing Standards	Rescind
AU sec. 161	The Relationship of Generally Accepted Auditing Standards to Quality Control Standards ^{1/}	1103
AU sec. 201	Nature of the General Standards	Rescind
AU sec. 210	Training and Proficiency of the Independent Auditor	1010
AU sec. 220	Independence	1011
AU sec. 230	Due Professional Care in the Performance of Work	1012
AU sec. 315	Communications Between Predecessor and Successor Auditors	2603

^{1/} The Board proposes to amend the title of this standard to *Relationship of Auditing Standards to Quality Control Standards*, to clarify the subject of the standard without changing its substance.

Current AS No. or AU sec.	Title	Proposed AS Reference
AU sec. 316	Consideration of Fraud in a Financial Statement Audit ^{2/}	2401
AU sec. 317	Illegal Acts by Clients	2402
AU sec. 322	The Auditor's Consideration of the Internal Audit Function in an Audit of Financial Statements	2602
AU sec. 324	Service Organizations	2601
AU sec. 325	Communications About Control Deficiencies in an Audit of Financial Statements	1302
AU sec. 328	Auditing Fair Value Measurements and Disclosures	2502
AU sec. 329	Substantive Analytical Procedures	2202
AU sec. 330	The Confirmation Process	2203
AU sec. 331	Inventories	2505
AU sec. 332	Auditing Derivative Instruments, Hedging Activities, and Investments in Securities	2503
AU sec. 333	Management Representations	2802
AU sec. 334	Related Parties	2403
AU sec. 336	Using the Work of a Specialist	1203

^{2/} The proposed reorganization would delete AU secs. 316.86 and .87, which provide amendments to AU secs. 230 and 333, respectively, that already are reflected in these standards. In addition, the proposed reorganization would delete AU sec. 316.88, which is an exhibit that provides guidance to management regarding antifraud programs and controls.

Current AS No. or AU sec.	Title	Proposed AS Reference
AU sec. 337	Inquiry of a Client's Lawyer Concerning Litigation, Claims, and Assessments ^{3/}	2504
AU sec. 341	The Auditor's Consideration of an Entity's Ability to Continue as a Going Concern	2404
AU sec. 342	Auditing Accounting Estimates	2501
AU sec. 350	Audit Sampling	2204
AU sec. 390	Consideration of Omitted Procedures After the Report Date	2901
AU sec. 410	Adherence to Generally accepted Accounting Principles	Rescind
AU sec. 411	The Meaning of Present Fairly in Conformity with Generally Accepted Accounting Principles	2804
AU sec. 504	Association With Financial Statements	3301
AU sec. 508	Reports on Audited Financial Statements	3101
AU sec. 530	Dating of the Independent Auditor's Report	3110
AU sec. 532	Restricting the Use of an Auditor's Report	Rescind

^{3/} The proposed reorganization would delete AU sec. 337B. Such an exhibit does not appear necessary because it merely presents excerpts of the Financial Accounting Standards Board ("FASB") Statement No. 5, *Accounting for Contingencies*. The applicable requirements in U.S. generally accepted accounting principles are set forth in the FASB's *Accounting Standards Codification*.



Current AS No. or AU sec.	Title	Proposed AS Reference
AU sec. 534	Reporting on Financial Statements Prepared for Use in Other Countries	Not Included ^{4/}
AU sec. 543	Part of Audit Performed by Other Independent Auditors	1202
AU sec. 544	Lack of Conformity with Generally Accepted Accounting Principles ^{5/}	3311
AU sec. 550	Other Information in Documents Containing Audited Financial Statements	2703
AU sec. 551	Reporting on Information Accompanying the Basic Financial Statements in Auditor-Submitted Documents ^{6/}	2701
AU sec. 552	Reporting on Condensed Financial Statements and Selected Financial Data	3312
AU sec. 558	Required Supplementary Information ^{7/}	2702

^{4/} This standard would not be included in the proposed reorganization, as it does not apply to the audit of an issuer or broker or dealer.

^{5/} The Board proposes to amend the title of this standard to *Special Reports on Regulated Companies*, which would clarify the subject of the standard without changing its substance.

^{6/} The Board has proposed a new auditing standard, *Auditing Supplemental Information Accompanying Audited Financial Statements*. See PCAOB Release No. 2011-05 (July 12, 2011). If adopted by the Board and approved by the SEC, that proposed standard would replace this section and change its title.

^{7/} The Board proposes to amend the title of this standard to *Unaudited Supplementary Information Included in Audited Financial Statements*, to clarify the subject of the standard and distinguish it more clearly from proposed AS 2701.



Current AS No. or AU sec.	Title	Proposed AS Reference
AU sec. 560	Subsequent Events	2801
AU sec. 561	Subsequent Discovery of Facts Existing at the Date of the Auditor's Report	2902
AU sec. 623	Special Reports	3310
AU sec. 625	Reports on the Application of Accounting Principles	6102
AU sec. 634	Letters for Underwriters and Certain Other Requesting Parties	6101
AU sec. 711	Filings Under Federal Securities Statutes ^{8/}	4101
AU sec. 722	Interim Financial Information ^{9/}	4102
AU sec. 801	Compliance Auditing Considerations in Audits of Governmental Entities and Recipients of Governmental Financial Assistance ^{10/}	6103
AU sec. 901	Public Warehouses – Controls and Auditing Procedures for Goods Held	Rescind

^{8/} The Board proposes to amend the title of this standard to *Responsibilities Regarding Filings under Federal Securities Statutes*, to clarify the subject of the standard without changing its substance.

^{9/} The Board proposes to amend the title of this standard to *Reviews of Interim Financial Information*, to clarify the subject of the standard without changing its substance.

^{10/} The Board proposes to amend the title of this standard to *Compliance Auditing Considerations in Audits of Recipients of Governmental Financial Assistance*, to clarify the subject of the standard without changing its substance.

Appendix 3 – Comparison of Proposed Framework for Reorganization of PCAOB Auditing Standards to Existing PCAOB Auditing Standards and the Standards of the International Auditing and Assurance Standards Board and Auditing Standards Board

This appendix presents the proposed framework for reorganization of PCAOB auditing standards ("AS") along with their current references in existing PCAOB auditing standards and the analogous standards of the International Auditing and Assurance Standards Board ("IAASB") and the Auditing Standards Board of the American Institute of Certified Public Accountants ("ASB").

Proposed AS Reference	Title	Current PCAOB Reference (AU section or AS No.)	Analogous IAASB Standard (ISA)	Analogous ASB Standard (AU-C)
1001	Responsibilities and Functions of the Independent Auditor	AU sec. 110	200 ^{1/}	200
1010	Training and Proficiency of the Independent Auditor	AU sec. 210	200	200
1011	Independence	AU sec. 220	200	200
1012	Due Professional Care in the Performance of Work	AU sec. 230	200	200
1101	Audit Risk	AS No. 8	200	200
1102	Audit Evidence	AS No. 15	500	500

^{1/} The responsibilities, functions, training, and proficiency of the independent auditor; independence requirements; exercising due professional care; and audit risk are included in multiple PCAOB standards (AS 1001, 1010, 1011, 1012, and 1101, respectively) but are included in one IAASB standard (ISA 200) and one ASB standard (AU-C 200).

Proposed AS Reference	Title	Current PCAOB Reference (AU section or AS No.)	Analogous IAASB Standard (ISA)	Analogous ASB Standard (AU-C)
1103	Relationship of Auditing Standards to Quality Control Standards	AU sec. 161 ^{2/}	220 ^{3/}	220
1201	Supervision of the Audit Engagement	AS No. 10	220	220
1202	Part of Audit Performed by Other Independent Auditors	AU sec. 543	600	600
1203	Using the Work of a Specialist	AU sec. 336	620	620
1210	Audit Documentation	AS No. 3	230	230
1220	Engagement Quality Review	AS No. 7	220	220
1301	Communications with Audit Committees	AS No. 16	210, 260 ^{4/}	210, 260
1302	Communications about Control Deficiencies in an Audit of	AU sec. 325	265	265

^{2/} AU sec. 161 is currently entitled, *The Relationship of Generally Accepted Auditing Standards to Quality Control Standards*. The Board proposes to amend the title of this standard without changing the substance of the standard.

^{3/} The relationship of auditing standards to quality control standards, supervision of the audit engagement, and engagement quality review are covered in separate PCAOB standards (AS 1103, 1201, and 1220, respectively) but are included in one IAASB standard (ISA 220) and one ASB standard (AU-C 220).

^{4/} Under PCAOB standards, agreeing to the terms of an audit and communications with audit committees are covered in one standard, whereas those subjects are covered by separate standards under IAASB standards (ISA 210 and 260, respectively) and ASB standards (AU-C 210 and 260, respectively).

Proposed AS Reference	Title	Current PCAOB Reference (AU section or AS No.)	Analogous IAASB Standard (ISA)	Analogous ASB Standard (AU-C)
	Financial Statements			
2101	Audit Planning	AS No. 9	300	300
2102	Consideration of Materiality in Planning and Performing an Audit	AS No. 11	320	320
2103	Identifying and Assessing Risks of Material Misstatement	AS No. 12	315	315
2201	The Auditor's Responses to the Risks of Material Misstatement	AS No. 13	330	330
2202	Substantive Analytical Procedures	AU sec. 329	520 ^{5/}	520
2203	The Confirmation Process	AU sec. 330	505	505
2204	Audit Sampling	AU sec. 350	530	530
2301	An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements	AS No. 5	N/A ^{6/}	AT 501

^{5/} Under PCAOB standards, substantive analytical procedures are covered in a separate standard (AS 2202) and analytical procedures performed in the overall review are included in the standard on evaluating audit results (AS 2803), whereas those subjects are both included in one IAASB standard (ISA 520) and one ASB standard (AU-C 520).

^{6/} The PCAOB has a standard for auditing internal control over financial reporting when auditing financial statements. The IAASB does not have a standard on auditing internal control over financial reporting, and the ASB addresses that subject in its attestation standards (AT 501).

Proposed AS Reference	Title	Current PCAOB Reference (AU section or AS No.)	Analogous IAASB Standard (ISA)	Analogous ASB Standard (AU-C)
2302	Reporting on Whether a Previously Reported Material Weakness Continues to Exist	AS No. 4	N/A	N/A
2401	Consideration of Fraud in a Financial Statement Audit	AU sec. 316 ^{7/}	240	240
2402	Illegal Acts by Clients	AU sec. 317	250	250
2403	Related Parties	AU sec. 334	550	550
2404	The Auditor's Consideration of an Entity's Ability to Continue as a Going Concern	AU sec. 341	570	570
2501	Auditing Accounting Estimates	AU sec. 342	540 ^{8/}	540
2502	Auditing Fair Value Measurements and Disclosures	AU sec. 328	540	540

^{7/} The proposed reorganization would delete AU secs. 316.86 and .87, which provide amendments to AU secs. 230 and 333, respectively, that already are reflected in those standards. In addition, the proposed reorganization would delete AU sec. 316.88, which is an exhibit that provides guidance to management regarding antifraud programs and controls.

^{8/} PCAOB standards have separate standards for auditing accounting estimates (AS 2501) and auditing fair value measurements and disclosures (AS 2502), whereas the IAASB and ASB standards each have one standard on auditing accounting estimates including fair value estimates and disclosures (ISA 540 and AU-C 540, respectively).

Proposed AS Reference	Title	Current PCAOB Reference (AU section or AS No.)	Analogous IAASB Standard (ISA)	Analogous ASB Standard (AU-C)
2503	Auditing Derivative Instruments, Hedging Activities, and Investments in Securities	AU sec. 332	N/A ^{9/}	501
2504	Inquiry of a Client's Lawyer Concerning Litigation, Claims, and Assessments	AU sec. 337 ^{10/}	501 ^{11/}	501
2505	Inventories	AU sec. 331	501 ^{12/}	501
2601	Service Organizations	AU sec. 324	402	402
2602	The Auditor's Consideration of the Internal Audit Function in an Audit of Financial Statements	AU sec. 322	610	610

^{9/} The PCAOB has a separate standard for auditing derivative instruments, hedging activities, and investments in securities (AS 2503). In ASB standards, that subject is included in the standard on specific consideration regarding audit evidence (AU-C 501). The IAASB has a practice note on auditing financial instruments but does not have a standard on the subject.

^{10/} The proposed reorganization would delete AU sec. 337B. Such an exhibit does not appear necessary because it merely presents excerpts of Financial Accounting Standards Board ("FASB") Statement No. 5, *Accounting for Contingencies*. The applicable requirements in U.S. generally accepted accounting principles are set forth in the FASB's *Accounting Standards Codification*.

^{11/} The PCAOB has separate standards on inquiry of a client's lawyers (AS 2504) and auditing inventories (AS 2505). In IAASB and ASB standards, those subjects are included in the standard on specific consideration regarding audit evidence (ISA 501 and AU-C 501, respectively).

^{12/} *Id.*

Proposed AS Reference	Title	Current PCAOB Reference (AU section or AS No.)	Analogous IAASB Standard (ISA)	Analogous ASB Standard (AU-C)
2603	Communications Between Predecessor and Successor Auditors	AU sec. 315	510	510
2701	Reporting on Information Accompanying the Basic Financial Statements in Auditor-Submitted Documents	AU sec. 551 ^{13/}	N/A	725
2702	Unaudited Supplementary Information Included in Audited Financial Statements	AU sec. 558 ^{14/}	N/A	730
2703	Other Information in Documents Containing Audited Financial Statements	AU sec. 550	720	720
2801	Subsequent Events	AU sec. 560	560 ^{15/}	560
2802	Management Representations	AU sec. 333	580	580

^{13/} The Board has proposed a new auditing standard, *Auditing Supplemental Information Accompanying Audited Financial Statements*. See PCAOB Release No. 2011-05 (July 12, 2011). If adopted by the Board and approved by the SEC, that proposed standard would replace this section and change its title.

^{14/} AU sec. 558 is currently entitled, *Required Supplementary Information*. The Board proposes to amend the title of this standard to distinguish it more clearly from proposed AS 2701, without changing the substance of the standard.

^{15/} In PCAOB standards, the subjects of subsequent events and subsequent discovery of facts existing at the report date are covered by separate standards (AS 2801 and 2902, respectively). In IAASB and ASB standards, those subjects are included in the standard on subsequent events (ISA 560 and AU-C 560, respectively).

Proposed AS Reference	Title	Current PCAOB Reference (AU section or AS No.)	Analogous IAASB Standard (ISA)	Analogous ASB Standard (AU-C)
2803	Evaluating Audit Results	AS No. 14	240, 330, 450, 520 ^{16/}	240, 330, 450, 520
2804	The Meaning of Present Fairly in Conformity With Generally Accepted Accounting Principles	AU sec. 411	700 ^{17/}	700
2805	Evaluating Consistency of Financial Statements	AS No. 6	N/A	708
2901	Consideration of Omitted Procedures After the Report Date	AU sec. 390	N/A	585
2902	Subsequent Discovery of Facts Existing at the Date of the	AU sec. 561	560	560

^{16/} In PCAOB standards, the subject of evaluating audit results is covered in one standard (AS 2803). In IAASB and ASB standards, various topics related to evaluating audit results are covered in multiple standards, particularly, the standards related to the auditor's responsibilities regarding fraud, the auditor's responses to assessed risks, evaluation of misstatements, and analytical procedures (ISA 240, 330, 450, and 520 and AU-C 240, 330, 450, and 520, respectively).

^{17/} In PCAOB standards, there are separate standards on the subjects of present fairly in conformity with generally accepted accounting principles (AS 2804) and reporting on audited financial statements, including emphasis paragraphs, departures from the standard opinion, and reporting on comparative statements (AS 3101). In IAASB and ASB standards, the subject of presenting fairly is included in the standard on forming an opinion and reporting on audited financial statements (ISA 700 and AU-C 700, respectively), but there are separate standards for emphasis paragraphs and departures from the standard opinion (ISA 705 and 706, respectively, and AU-C 705 and 706, respectively). In IAASB standards, reporting on comparative financial statements also is covered in a separate standard (ISA 710), whereas that subject is included in the ASB standard on forming an opinion and reporting on audited financial statements (AU-C 700).

Proposed AS Reference	Title	Current PCAOB Reference (AU section or AS No.)	Analogous IAASB Standard (ISA)	Analogous ASB Standard (AU-C)
	Auditor's Report			
3101	Reports on Audited Financial Statements	AU sec. 508	700, 705, 706, 710 ^{18/}	700, 705, 706
3105	References in Auditors' Reports to the Standards of the Public Company Accounting Oversight Board	AS No. 1	N/A	N/A
3110	Dating of the Independent Auditor's Report	AU sec. 530	560, 700 ^{19/}	560, 700
3301	Association With Financial Statements	AU sec. 504	N/A	Withdrawn by ASB
3310	Special Reports	AU sec. 623	800, 805 ^{20/}	800, 805, 806

^{18/} *Id.*

^{19/} Under PCAOB standards, the subject of dating the independent auditor's report is covered in a single standard (AS 3110). Under IAASB and ASB standards, the standard requirement for dating the auditor's report is covered in the reporting standard (ISA 700 and AU-C 700, respectively), and the subject of dating the auditor's report when there is a subsequent discovery of facts is covered in the subsequent events standard (ISA 560 and AU-C 560, respectively).

^{20/} Under PCAOB standards, financial statements prepared in accordance with special purpose frameworks and reporting on specified elements, accounts or items of a financial statement are covered in one standard (AS 3310). Under IAASB and ASB standards, those subjects are covered by separate standards (ISA 800 and 805, respectively) and ASB standards (AU-C 800 and 805, respectively). Reporting on compliance with contractual agreements or regulatory requirements in connection with audited financial statements also is covered by the PCAOB standard, whereas that subject is not covered by the IAASB standards and is covered by a separate ASB standard (AU-C 806).

Proposed AS Reference	Title	Current PCAOB Reference (AU section or AS No.)	Analogous IAASB Standard (ISA)	Analogous ASB Standard (AU-C)
3311	Special Reports on Regulated Companies	AU sec. 544 ^{21/}	210 ^{22/}	800
3312	Reporting on Condensed Financial Statements and Selected Financial Data	AU sec. 552	810	810
4101	Responsibilities Regarding Filings under Federal Securities Statutes	AU sec. 711 ^{23/}	N/A	925
4102	Reviews of Interim Financial Information	AU sec. 722 ^{24/}	ISRE 2410 ^{25/}	930

^{21/} AU sec. 544 is currently entitled, *Lack of Conformity With Generally Accepted Accounting Principles*. The Board proposes to amend the title of this standard to clarify the subject of the standard without changing its substance.

^{22/} Under PCAOB standards, the subject of reporting on financial statements prepared in accordance with a regulatory basis of accounting is covered in a separate standard (AS 3311). That subject is covered in the IAASB standard on agreeing to the terms of audit engagements (ISA 210) and in the ASB standard on financial statements prepared in accordance with special purpose frameworks (AU-C 800).

^{23/} AU sec. 711 is currently entitled, *Filings Under Federal Securities Statutes*. The Board proposes to amend the title of this standard to clarify the subject of the standard without changing its substance.

^{24/} AU sec. 722 is currently entitled, *Interim Financial Information*. The Board proposes to amend the title of this standard to clarify the subject of the standard without changing its substance.

^{25/} In PCAOB standards, the subject of conducting a review of interim financial information is covered in AS 4102. Under IAASB standards, that subject is covered in their review standards (ISRE 2410). Reviewing interim financial information is covered by the ASB standards in AU-C 930.

Proposed AS Reference	Title	Current PCAOB Reference (AU section or AS No.)	Analogous IAASB Standard (ISA)	Analogous ASB Standard (AU-C)
6101	Letters for Underwriters and Certain Other Requesting Parties	AU sec. 634	N/A	920
6102	Reports on the Application of Accounting Principles	AU sec. 625	N/A	915
6103	Compliance Auditing Considerations in Audits of Recipients of Governmental Financial Assistance	AU sec. 801 ^{26/}	N/A	935

^{26/} AU sec. 801 is currently entitled, *Compliance Auditing Considerations in Audits of Governmental Entities and Recipients of Governmental Financial Assistance*. The Board proposes to amend the title of this standard to clarify the subject of the standard without changing its substance.



Appendix 4 – Proposed Amendments to Rules 3101 and 3200T and PCAOB Auditing Standards

I. Proposed Amendments to Rules of the Board

Rule 3101. Certain Terms Used in Auditing and Related Professional Practice Standards

Rule 3101. Certain Terms Used in Auditing and Related Professional Practice Standards, is amended as follows:

In paragraph (b), the phrase "adopted in Rules 3200T, 3300T, 3400T, 3500T, and 3600T" is deleted.

Rule 3200T. Interim Auditing Standards

Rule 3200T. Interim Auditing Standards, is amended as follows:

- The letter "T" is removed from the reference to Rule 3200T.
- The word "Interim" is removed from the title of the rule.
- The text of the rule is replaced with the following:

In connection with the preparation or issuance of any audit report, a registered public accounting firm and its associated persons shall comply with all auditing standards adopted by the Board and approved by the SEC, including, to the extent not superseded or amended by the Board, AICPA Statements on Auditing Standards as in existence on April 16, 2003.

II. Proposed Amendments to PCAOB Auditing Standards

This section presents certain proposed amendments to implement the Board's proposed reorganization of PCAOB auditing standards, specifically, amendments related to rescinding certain auditing standards; deleting certain appendices and exhibits to the SASs; and updating Auditing Standard No. 1. These amendments are discussed in Section III.A of this release.



Auditing Standard No. 1, *References in Auditors' Reports to the Standards of the Public Company Accounting Oversight Board*

Auditing Standard No. 1, *References in Auditors' Reports to the Standards of the Public Company Accounting Oversight Board*, is amended as follows:

- a. Paragraphs 1 and 2 are deleted.
- b. Footnote 1 to paragraph 2 is deleted.
- c. In the first sentence of paragraph 3:
 - The word "Accordingly," is deleted.
 - The "i" in the first word "in" is capitalized.
 - The phrase "of the Board" is added after the phrase "interim standards."
 - The term "interim" is deleted.
- d. Paragraphs 4 and 5 are deleted.

Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting that is Integrated with an Audit of Financial Statements*

Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting that is Integrated with an Audit of Financial Statements*, as amended, is amended as follows:

- a. In paragraph 4, the phrase "The general standards" is replaced with the phrase "The standards, AS 1010, AS 1011, and AS 1012."
- b. In footnote 6 to paragraph 4, the reference to "AU sec. 150, *Generally Accepted Auditing Standards*" is replaced with "AS 1010, *Training and Proficiency of the Independent Auditor*, AS 1011, *Independence*, and AS 1012, *Due Professional Care in the Performance of Work*."

Auditing Standard No. 16, *Communications with Audit Committees*

Auditing Standard No. 16, *Communications with Audit Committees*, is amended as follows:



Footnote 41 to paragraph 25 is deleted.

AU sec. 110, "Responsibilities and Functions of the Independent Auditor"

SAS No. 1, "Codification of Auditing Standards and Procedures" section 110, "Responsibilities and Functions of the Independent Auditor," as amended, is amended as follows:

a. Paragraph .11 is added as follows:

.11 The auditor should be aware of and consider auditing interpretations applicable to his or her audit. If the auditor does not apply the auditing guidance included in an applicable auditing interpretation, the auditor should be prepared to explain how he or she complied with the provisions of the auditing standard addressed by such auditing guidance.

b. The following note is added after paragraph .11:

Note: The term "auditing interpretations," as used in this paragraph, refers to the publications entitled "Auditing Interpretation" issued by the AICPA's Auditing Standards Board as in existence on April 16, 2003, and in effect.

AU sec. 150, "Generally Accepted Auditing Standards"

SAS No. 95, "Generally Accepted Auditing Standards" (AU sec. 150, "Generally Accepted Auditing Standards"), as amended, is rescinded.

AU sec. 201, "Nature of the General Standards"

SAS No. 1, "Codification of Auditing Standards and Procedures" (AU sec. 201, "Nature of the General Standards"), is amended as follows:

AU sec. 201, "Nature of the General Standards," is rescinded.

AU sec. 210, "Training and Proficiency of the Independent Auditor"

SAS No. 1, "Codification of Auditing Standards and Procedures" section 210 "Training and Proficiency of the Independent Auditor" (AU sec. 210, "Training and Proficiency of the Independent Auditor"), as amended, is amended as follows:



- a. In paragraph .01, the introductory phrase "The first general standard is:" is deleted.
- b. In the first sentence of paragraph .02, the phrase "This standard" is replaced with the phrase "The statement in the preceding paragraph."

AU sec. 220, "Independence"

SAS No. 1, "Codification of Auditing Standards and Procedures" section 220 "Independence" (AU sec. 220, "Independence"), as amended, is amended as follows:

- a. In paragraph .01, the introductory phrase "The second general standard is:" is deleted.
- b. In the first sentence of paragraph .02, the phrase "This standard" is replaced with the phrase "The statement in the preceding paragraph."

AU sec. 230, "Due Professional Care in the Performance of Work"

SAS No. 1, "Codification of Auditing Standards and Procedures" section 230 "Due Professional Care in the Performance of Work" (AU sec. 230, "Due Professional Care in the Performance of Work"), as amended, is amended as follows:

- a. In paragraph .01, the introductory phrase "The third general standard is:" is deleted.
- b. Footnote 1 to paragraph .01 is deleted.
- c. In the first sentence of paragraph .02, the phrase "This standard" is replaced with the phrase "The statement in the preceding paragraph."

AU sec. 316, "Consideration of Fraud in a Financial Statement Audit"

SAS No. 99, "Consideration of Fraud in a Financial Statement Audit" (AU sec. 316, "Consideration of Fraud in a Financial Statement Audit"), as amended, is amended as follows:

- a. Paragraphs .86 - .88 are deleted.
- b. Footnotes 5, 6, and 8, which are related to paragraphs .86 and .87, are deleted.



c. Footnotes 1-11, which are related to paragraph .88, are deleted.

AU sec. 331, "Inventories"

SAS No. 1, "Codification of Auditing Standards and Procedures" section 331 "Inventories" (AU sec. 331, "Inventories"), as amended, is amended as follows:

Footnote 3 to the heading before paragraph .14, "Inventories Held in Public Warehouses," is deleted.

AU sec. 332, "Auditing Derivative Instruments, Hedging Activities, and Investments in Securities"

SAS No. 92, "Auditing Derivative Instruments, Hedging Activities, and Investments in Securities" (AU sec. 332, "Auditing Derivative Instruments, Hedging Activities, and Investments in Securities"), as amended, is amended as follows:

- a. Footnote 1 to the title of the standard, "Auditing Derivative Instruments, Hedging Activities, and Investments in Securities," is deleted.
- b. Footnote 6 to paragraph .10 is deleted.

AU sec. 333, "Management Representations"

SAS No. 85, "Management Representations" (AU sec. 333, "Management Representations"), as amended, is amended as follows:

- a. Footnote 14 to paragraph .07 is deleted.
- b. The second sentence in item 1 of paragraph .17, "The auditor also should be aware that certain AICPA Audit Guides recommend that the auditor obtain written representations concerning matters that are unique to a particular industry." is deleted.

AU sec. 336, "Using the Work of a Specialist"

SAS No. 73, "Using the Work of a Specialist" (AU sec. 336, "Using the Work of a Specialist"), as amended, is amended as follows:

Within footnote 4 to paragraph .07.c., the parenthetical sentence is deleted.

AU sec. 337, "Inquiry of a Client's Lawyer Concerning Litigation, Claims, and Assessments"

SAS No. 12, "Inquiry of a Client's Lawyer Concerning Litigation, Claims, and Assessments" (AU sec. 336, "Inquiry of a Client's Lawyer Concerning Litigation, Claims, and Assessments"), as amended, is amended as follows:

- a. Within footnote 2 to paragraph .03, the first sentence is deleted.
- b. Exhibit I, AU sec. 337B and related footnotes are deleted.

AU sec. 350, "Audit Sampling"

SAS No. 39, "Audit Sampling" (AU sec. 350, "Audit Sampling"), as amended, is amended as follows:

- a. In the first sentence of paragraph .07, the phrase "referred to in the third standard of fieldwork" is deleted.
- b. The first sentence in paragraph .19 is deleted.

AU sec. 410, "Adherence to Generally Accepted Accounting Principles"

SAS No. 1, "Codification of Auditing Standards and Procedures" (AU sec. 410, "Adherence to Generally Accepted Accounting Principles"), as amended, is amended as follows:

AU sec. 410, "Adherence to Generally Accepted Accounting Principles," is rescinded.

AU sec. 411, "The Meaning of Present Fairly in Conformity with Generally Accepted Accounting Principles"

SAS No. 69, "The Meaning of Present Fairly in Conformity with Generally Accepted Accounting Principles" (AU sec. 411, "The Meaning of Present Fairly in Conformity with Generally Accepted Accounting Principles"), as amended, is amended as follows:

Within footnote 1 to paragraph .04, the phrase "sections 150.04," is deleted.

AU sec. 504, "Association With Financial Statements"

SAS No. 26, "Association With Financial Statements" (AU sec. 504, "Association With Financial Statements"), as amended, is amended as follows:

- a. In paragraph .01:
 - The introductory phrase "The fourth standard of reporting is:" is deleted.
 - In the fourth sentence, the phrase "fourth reporting standard" is replaced with the phrase "preceding paragraph."
- b. In the first sentence of paragraph .02, the phrase "the fourth reporting standard" is replaced with the phrase "paragraph .01."
- c. In the second sentence of paragraph .05, the phrase "the fourth standard of reporting" is replaced with the phrase "paragraph .01."
- d. In paragraph .08:
 - In the first sentence, the phrase "The second general standard requires that" is deleted.
 - The quotation marks included in the first sentence are deleted.

AU sec. 508, "Reports on Audited Financial Statements"

SAS No. 58, "Reports on Audited Financial Statements" (AU sec. 508, "Reports on Audited Financial Statements"), as amended, is amended as follows:

- a. Within footnote 1 to paragraph .01, the second sentence is deleted.
- b. In paragraph .03:
 - The second sentence is deleted.
 - In the last sentence, the phrase "fourth reporting standard" is replaced with "requirements in paragraph .04."
- c. In paragraph .04, the introductory phrase "The fourth standard of reporting is as follows:" is deleted.

- d. In paragraph .05:
- In the first sentence, the phrase "fourth standard" is replaced with the phrase "requirements in paragraph .04."
 - In the second sentence, the phrase "the fourth reporting standard" is replaced with the phrase "paragraph .04."
 - In the third sentence, the phrase "fourth standard of reporting" is replaced with the phrase "requirements in paragraph .04."
- e. Footnote 6 to paragraph .08.h. is deleted.
- f. In paragraph .65:
- In the first sentence, the phrase "The fourth standard of reporting" is replaced with the phrase "Paragraph .04."
 - In the second sentence, the phrase "the fourth reporting standard" is replaced with the phrase "paragraph .04."

AU sec. 532, "Restricting the Use of an Auditor's Report"

SAS No. 87, "Restricting the Use of an Auditor's Report" (AU sec. 532, "Restricting the Use of an Auditor's Report"), as amended, is rescinded.

AU sec. 544, "Lack of Conformity With Generally Accepted Accounting Principles"

SAS No. 1, "Codification of Auditing Standards and Procedures" section 544 "Lack of Conformity With Generally Accepted Accounting Principles" (AU sec. 544, "Lack of Conformity With Generally Accepted Accounting Principles"), as amended, is amended as follows:

In the second sentence of paragraph .02, the phrase "first reporting standard" is replaced with the phrase "requirement in paragraph .08.h. of AS 3101, *Reports on Audited Financial Statements.*"



AU sec. 558, "Required Supplementary Information"

SAS No. 52, "Omnibus Statement on Auditing Standards – 1987; Required Supplementary Information" (AU sec. 558, "Required Supplementary Information"), as amended, is amended as follows:

In paragraph .07.d., the phrase ", interpretations, guides, or statements of position" is replaced with the phrase "or interpretations."

AU sec. 623, "Special Reports"

SAS No. 62, "Special Reports" (AU sec. 623, "Special Reports"), as amended, is amended as follows:

In paragraph .12:

- In the second sentence, the phrase "first standard of reporting" is replaced with the phrase "requirement in paragraph .08.h. of AS 3101, *Reports on Audited Financial Statements*."
- In the second sentence, the term "ten" is deleted.
- In the third sentence, the phrase "The first standard of reporting" is replaced with the phrase "Paragraph .08.h. of AS 3101."

AU sec. 625, "Reports on the Application of Accounting Principles"

SAS No. 50, "Reports on the Application of Accounting Principles" (AU sec. 625, "Reports on the Application of Accounting Principles"), as amended, is amended as follows:

Within footnote 7 to paragraph .10.f., the first sentence is deleted.

AU sec. 634, "Letters for Underwriters and Certain Other Requesting Parties"

SAS No. 72, "Letters for Underwriters and Certain Other Requesting Parties" (AU sec. 634, "Letters for Underwriters and Certain Other Requesting Parties"), as amended, is amended as follows:

In paragraph .59, the reference "(see section 435, *Segment Information*)" is deleted.

AU sec. 722, "Interim Financial Information"

SAS No. 100, "Interim Financial Information" (AU sec. 722, "Interim Financial Information"), as amended, is amended as follows:

- a. In the second sentence of paragraph .01:
 - The word "three" is deleted.
 - The phrase "discussed in section 150, *Generally Accepted Auditing Standards*, paragraph .02," is deleted.
 - Footnote 1a is added after the term "standards":

^{1a/} See AS 1010, *Training and Proficiency of the Independent Auditor*, AS 1011, *Independence*, and AS 1012, *Due Professional Care in the Performance of Work*.

- b. In Appendix C, the last sentence of item C2 to paragraph .56 is deleted.

AU sec. 801, "Compliance Auditing Considerations in Audits of Governmental Entities and Recipients of Governmental Financial Assistance"

SAS No. 74, "Compliance Auditing Considerations in Audits of Governmental Entities and Recipients of Governmental Financial Assistance" (AU sec. 722, "Compliance Auditing Considerations in Audits of Governmental Entities and Recipients of Governmental Financial Assistance"), as amended, is amended as follows:

- a. Footnote 5 to paragraph .02 is deleted.
- b. Footnote 12 to paragraph .12 is deleted.
- c. Footnote 14 to paragraph .16 is deleted.

AU sec. 901, "Public Warehouses-Controls and Auditing Procedures for Goods Held"

SAS No. 1, "Codification of Auditing Standards and Procedures" (AU sec. 901, "Public Warehouses-Controls and Auditing Procedures for Goods Held"), as amended, is amended as follows:



AU section 901, "Public Warehouses-Controls and Auditing Procedures for Goods Held," is rescinded.



Exhibit 2(a)(B)

**Alphabetical List of Commenters on the Proposal in
PCAOB Release No. 2013-002**

1	American Accounting Association, Auditing Standards Committee of the Auditing Section
2	Association of Chartered Certified Accountants (ACCA)
3	BDO USA, LLP
4	California Society of Certified Public Accountants
5	Center for Audit Quality
6	Deloitte & Touche LLP
7	Ernst & Young LLP
8	Florida Institute of Certified Public Accountants
9	Frank Gorell, MSA, CPA, CGMA
10	Grant Thornton LLP
11	KPMG LLP
12	McGladrey LLP
13	Moss Adams LLP
14	New York State Society of Certified Public Accountants
15	PricewaterhouseCoopers LLP
16	Thomas Hoey & Associates, LLC
17	UHY LLP
18	Robert N. Waxman, CPA
19	WeiserMazars, LLP

*Auditing Standards Committee Auditing Section
American Accounting Association*

Re: Invitation to comment on Proposed Framework for Reorganization of PCAOB Auditing Standards.

May 28, 2013

Dear Board Members:

The Auditing Standards Committee of the Auditing Section of the American Accounting Association is pleased to provide comments on the Proposed Framework for Reorganization of PCAOB Auditing Standards, which was recently developed and published by PCAOB.

The views expressed in this letter are those of the members of the Auditing Standards Committee and do not reflect an official position of the American Accounting Association. In addition, the comments reflect the overall consensus view of the Committee, not necessarily the views of every individual member.

We hope that you found our comments useful for your deliberations and incorporate some of our insights into the final version of the framework. Please, feel free to contact our committee chair if you have questions or need further clarifications.

Respectfully submitted,

Auditing Standards Committee
Auditing Section – American Accounting Association.

Chair-Mikhail Pevzner, George Mason University/University of Baltimore
Nancy Chun Feng, Suffolk University

*Auditing Standards Committee Auditing Section
American Accounting Association*

Responses to Specific Questions in the Invitation to Comment

1. Is the proposed framework for reorganizing PCAOB auditing standards appropriate and an improvement over the existing structure of the PCAOB auditing standards? Are there ways to improve the proposed reorganization framework?

We believe that the proposed framework for reorganizing PCAOB auditing standards is appropriate and, in general, an improvement over the existing structure of the PCAOB auditing standards. The topical structure makes it easier for auditors and other users to navigate and search for the relevant standards for a particular aspect of an audit. It is also consistent with similar codification initiative by the AICPA's Auditing Standards Board ("Clarified" Auditing Standards). Based on the Appendix 1 – Proposed Framework for Reorganization of PCAOB Auditing Standards, we have the following suggestions for further improvement of the proposed framework:

- (1) Audit reporting is a main part of auditor communications. Therefore, for *1300 Auditor Communication* under *1000 General Auditing Standards*, we suggest that the proposed framework either include an item *Auditor Reporting* which links back to the standalone section *Auditor Reporting* or change the title from *1300 Auditor Communications* to *1300 Auditor Communications Beyond Audit Reporting*. If PCAOB decides to adopt the latter suggestion (i.e. changing the title for AS 1300), there will be no need to add a link of Audit Reporting under this subsection. Furthermore, it is unclear whether *1210 Audit Documentation* should be listed under *1300 Auditor Communications* with a link that references to *1210 Audit Documentation*, if necessary.
- (2) "*Specific Aspects of the Audit*" in the subtitle *2400 Audit Procedures for Specific Aspects of the Audit* seems vague because all subsections address different aspects of the audit. We consider the items listed under *2400 Audit Procedures for Specific Aspects of the Audit* to be specific circumstances of the audit. Therefore, we suggest changing the subtitle to *2400 Audit Procedures for Specific Circumstances of the Audit*.

*Auditing Standards Committee Auditing Section
American Accounting Association*

- (3) The subtitle *2600 Special Topics* seems vague and broad. We think that *2601 Service Organizations* and *2602 The Auditor's Consideration of the Internal Audit Function in an Audit of Financial Statements* can be listed under *2400 Audit Procedures for Specific Circumstances of the Audit*, if PCAOB agrees with the suggested subtitle for *2400*. In addition, we consider *2603 Communications Between Predecessor and Successor Auditors* to be a part of auditor communications. Thus, we suggest that *2603 Communications Between Predecessor and Successor Auditors* should be listed under *1300 Auditor Communications*.
- (4) We think that the items listed under AS *2700 Auditor's Responsibilities Regarding Other Information* should belong to either the standalone section AS *Audit Reporting* or AS *1300 Auditor Communications*. More specifically, we think that AS *2701 Reporting on Information Accompanying the Basic Financial Statements in Auditor-Submitted Documents* and AS *2702 Unaudited Supplementary Information Included in Audited Financial Statements* should be listed under the section *Audit Reporting*. We suggest that AS *2703 Other Information in Documents Containing Audited Financial Statements* should be listed under AS *1300 Auditor Communications* because other information is not included in audited financial reports.
- (5) The standard AS *3311 Special Reports on Regulated Companies* seems to be one case of *3300 Special Reports*. Therefore, we suggest that AS *3311 Special Reports on Regulated Companies* should be included in AS *3300 Special Reports*.
- (6) The subtitle *Other Matters Associated with Audits* seems vague. It is difficult to distinguish "other matters associated with audits" from "special circumstances of the audit." In particular, we think that AS *6101 Letters for Underwriters and Certain Other Requesting Parties* should belong to AS *1300 Auditor Communications*. We also suggest moving AS *6102 Reports on the Application of Accounting Principles* to the section *Audit Reporting*. In addition, it may be better to list AS *6103 Compliance Auditing Considerations in Audits of Recipients of Governmental Financial Assistance* under AS *2400 Audit Procedures for Specific Circumstances of the Audit*, if PCAOB agrees on the subtitle that we suggested for AS *2400*.

*Auditing Standards Committee Auditing Section
American Accounting Association*

2. Would the proposed reorganization described in this release help users navigate the standards more easily, help avoid potential confusion between the Board's standards and the standards of the ASB, and provide a structure for updating PCAOB standards in the future. Are there other potential benefits the Board should be aware of in considering its proposed reorganization?

As we mentioned in our response to the first question, we think the proposed reorganization described in this release should make it easier for users to navigate the standards. We suggest that the proposed framework use a standard incremental gap between the numeric labels of the proposed standards in order to leave room for adding subsequent PCAOB standards in the future.

3. Are the categories and subcategories of auditing standards in the proposed reorganization framework appropriate and an improvement over the existing organizational structure of PCAOB auditing standards?

In general, we think that the categories and subcategories of auditing standards in the proposed reorganization framework are appropriate and represent an improvement over the existing organizational structure of PCAOB auditing standards. We have made specific suggestions for potential changes in the categories and subcategories of auditing standards in our respond to the first question in this comment letter.

5. Would the framework for reorganizing PCAOB auditing standards have any consequences that are not addressed in this release? If so, what are those consequences?

We think that the Board has discussed potential consequences thoroughly in this release. Because the reorganization of auditing standards as discussed in this release is not expected to impose additional requirements on auditors or substantively change the requirements of PCAOB standards, we do not think there are other substantial consequences that will arise from the proposed amendments.

*Auditing Standards Committee Auditing Section
American Accounting Association*

6. Are there other costs besides those discussed in this release that the Board should consider? Would initial costs be offset over time, as discussed in this release?

We believe that the potential costs associated with proposed changes are thoroughly discussed in this release. We also agree with the Board that the initial implementation costs can be offset over time, as discussed in this release.

10. What factors should the Board consider in determining the effective date of the auditing standards reorganization?

We think that the Board should consider auditors' workload during a fiscal year and choose a date that is not in auditors' busy season as the effective date of the auditing standards reorganization. By doing so, the Board will give auditors sufficient time to make necessary changes related to the reorganization of auditing standards.

PCAOB Rulemaking Docket Matter No. 40: Proposed Framework for Reorganization of PCAOB Auditing Standards

A consultation issued by the Public Company Accounting Oversight Board

Comments from ACCA

21 May 2013

ACCA (the Association of Chartered Certified Accountants) is the global body for professional accountants. We aim to offer business-relevant, first-choice qualifications to people of application, ability and ambition around the world who seek a rewarding career in accountancy, finance and management.

We support our 154,000 members and 432,000 students throughout their careers, providing services through a network of 83 offices and centres. Our global infrastructure means that exams and support are delivered – and reputation and influence developed – at a local level, directly benefiting stakeholders wherever they are based, or plan to move to, in pursuit of new career opportunities.

www.accaglobal.com

Further information about ACCA's comments may be obtained from:

David York

Head of Auditing Practice, ACCA

Email: david.york@accaglobal.com

ACCA welcomes the opportunity to provide comments relating to *Rulemaking Docket Matter No. 40* issued for comment by the Public Company Accounting Oversight Board (PCAOB).

GENERAL COMMENTS

We agree with the PCAOB's view that reorganisation of the existing auditing standards into a topical structure with a single integrated numbering system will help users navigate the standards more easily. We acknowledge that anything more than this would necessitate considerable effort, which would be difficult to justify at this time. We understand, in particular, the complexity of aligning the organisational structure to that of the International Auditing and Assurance Standards Board (IAASB), because the standards deal with topics in different combinations.

As noted in the proposal: 'Although the PCAOB may seek to eliminate unnecessary differences from the standards of the IAASB and ASB, the PCAOB does not necessarily seek to mirror those standards because PCAOB standards must reflect the requirements of the U.S. federal securities laws and rules.' This circumstance, in relation to the standards of the IAASB, is often encountered around the world. A common solution has been to adopt the International Standards on Auditing (ISAs) (sometimes with a jurisdictional name – such as ISAs (UK and Ireland)) and add further requirements and material to accommodate jurisdictional laws and regulations.

Such an approach would be the optimum long-term solution, as it simplifies the reconciliation between sets of standards and provides

assurance to investors that PCAOB auditing standards meet or exceed the requirements of their international counterparts.

SPECIFIC COMMENTS

In this section of our response we provide answers to the first three questions concerning the proposals. We have not sought to answer questions 4 to 11.

Question 1 Is the proposed framework for reorganizing PCAOB auditing standards appropriate and an improvement over the existing structure of the PCAOB auditing standards? Are there ways to improve the proposed reorganization framework?

It is clear that the existing structure is unsuitable in the long term. A reorganisation that acknowledges the flow of the audit process is an acceptable approach, as has been recognised by other standard setters over the years.

Question 2 Would the proposed reorganization described in this release help users navigate the standards more easily, help avoid potential confusion between the Board's standards and the standards of the ASB, and provide a structure for updating PCAOB standards in the future? Are there other potential benefits the Board should be aware of in considering its proposed reorganization?

User navigation of the standards will be enhanced because materials will no longer be in two series of documents. We would have liked to have seen the consultation pay more attention to how the standards are to be made available electronically, however, as the approach envisaged seems to be rooted in the needs of an environment in which the main means of access is by reading a large paper book. That

format has influenced the thinking behind auditing standards, whether that is the 'one standard at a time' approach to updating or the illusion that planning is before execution, when in reality planning continues throughout the audit. In the long term, structures for standards are likely to become more context specific so that information communicated is directly relevant to user needs. If the PCAOB is not currently minded to align directly with international standards, it may be well placed to take a pioneering role in devising appropriate structures and means of delivery.

We do not believe that there is any significant risk of potential confusion with the standards of the ASB, so long as the names of the two series are different; which they are. It is not necessary to introduce a four digit reference as a device to mitigate potential confusion. The standards of the IAASB and the ASB share common reference numbers and the benefits of that outweigh any possible confusion.

Question 3 Are the categories and subcategories of auditing standards in the proposed reorganization framework appropriate and an improvement over the existing organizational structure of PCAOB auditing standards?

The categories and subcategories improve on the existing structure but the numbering structure has some characteristics that are not properly explained and which may not be optimum:

- A four digit system potentially allows reference to up to 9,999 documents. Given that there are less than a hundred documents the 'empty space' seems excessive.

- One possible use of empty space is to allow future flexibility. However, in many places documents are numbered 1, 2, 3, 4, and so on restricting this possibility.
- Where documents within a section are not numbered consecutively (for example, 3101 *Reports on Audited Financial Statements*, 3105 *References in Auditors' Reports to the Standards of the Public Company Accounting Oversight Board*, 3110 *Dating of the Independent Auditor's Report*) questions are raised as to the significance of the numbering.
- Sections 3200 and 5000 are 'reserved' but the nature of the content (if any in due course) could simply be accommodated at the end of the numbering sequences without putting in place such markers.



Ref: TECH-CDR-1209



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May 28, 2013

Via E-mail: comments@pcaobus.org

Office of the Secretary
Public Company Accounting Oversight Board
1666 K Street, NW
Washington, DC 20006-2803

Re: Request for Public Comment: PCAOB Release No. 2013-002, Rulemaking Docket Matter No. 040, *Proposed Framework for Reorganization of PCAOB Auditing Standards and Related Amendments to PCAOB Auditing Standards and Rules*

Dear Office of the Secretary:

BDO USA, LLP is pleased to respond to the request for comments on the Public Company Accounting and Oversight Board's (the "PCAOB" or the "Board") *Proposed Framework for Reorganization of PCAOB Auditing Standards and Related Amendments to PCAOB Auditing Standards and Rules* ("Proposed Framework"). Overall, we are supportive of initiatives to enhance the usability of the standards, thereby resulting in a positive impact on audit quality. In that regard, we also support initiatives that would facilitate the comparability of PCAOB auditing standards with those of the Auditing Standards Board ("ASB") of the American Institute of Certified Public Accountants and the analogous standards of the International Auditing and Assurance Standards Board ("IAASB"), given the variations in the types of audits we and other audit firms perform.

We have concerns, however, that the Board's Proposed Framework will not achieve such enhancements, and moreover, will result in extra costs to audit firms and, ultimately, to Issuers. Accordingly, we have summarized below our recommendations for the Board's consideration that we believe would improve the comparability of the PCAOB Auditing Standards with those of other standard-setters, and result in auditing standards that are easier to navigate and understand by audit professionals who are not dedicated to performing audits of Issuers only and are therefore required to follow the three sets of different standards that are applicable to their portfolio of engagements.

Proposed Reorganization

We understand the objective of the Proposed Framework is to improve the existing structure. However, we believe that to fully realize the benefit of such a reorganization, the Board should align the organization of its standards as closely as possible with those of the IAASB and ASB. While we recognize that the Board considered and rejected the possibility of adopting the organizational structure of these other standard-setters, we believe that it is essential to the advancement of audit quality that the organization of PCAOB Auditing Standards and those of the ASB and IAASB should be closely aligned. To do otherwise has the



Office of the Secretary
Public Company Accounting Oversight Board
Page 2 of 4

potential to detract from, rather than enhance, audit quality. Divergence in frameworks will likely confuse engagement teams that work on both Issuer and Non-Issuer audits, as well as audits that require compliance with IAASB standards. In attempting to mitigate this risk to audit quality, audit firms would need to devote potentially significant time and resources purely to the administrative tasks of tracking, and providing separate guidance on topics that to a great extent have significant overlap in their aims and execution with the guidance of the other standard setters. It is likely, therefore, that many firms will need to maintain completely different tools and guidance to be used for Issuer engagements, even though the vast majority of the content is substantially similar to Non-Issuer guidance, but organized differently. Firms that use software tools to document the execution of audits may also need to develop parallel tools that are capable of dealing with the different frameworks. The costs of such development could be substantial.

In our view, a preferable, closer alignment would be possible by:

- Revising the broad categories under which the standards are reorganized to align with the IAASB and ASB conventions. This approach would provide the basis for comparability among standards. We recognize that certain of the PCAOB auditing standards address audit topics, such as fraud, in a different manner from that of the IAASB or ASB, so some differences in the sequencing of the topics within the broad categories or subcategories will likely be necessary. Under this approach, PCAOB-specific matters could be preceded with a specific denotation to indicate the item as an additive provision of PCAOB standards. Accordingly, the broad categories would be:
 - General Principles and Responsibilities
 - Risk Assessment and Responses to Assessed Risk
 - Audit Evidence
 - Using the Work of Others
 - Audit Conclusions and Reporting
 - Special Considerations
 - Special Considerations Relating to Public Entities
- Realigning the subcategories and topics under each broad category in a similar manner to that of the IAASB and ASB. For example, Auditing Standard (AS) 1202, *Part of Audit Performed by Other Independent Auditors* and AS 1203, *Using the Work of the Specialist* would be moved from the "General Activities" subtopic to a new category, *Using the Work of Others*, consistent with the IAASB and ASB structure.

Further, to assist practitioners and others understand the different levels of authority of the guidance within the auditing standards between different standard-setters (for example, a required procedure within the PCAOB Auditing Standards may be application guidance in the IAASB or ASB standards) and the different placement of guidance between the standards (for example, the consideration of fraud is incorporated throughout the PCAOB Auditing Standards, whereas it is within a single standard in the IAASB and ASB standards), we recommend that, in tandem with the reorganization of the auditing standards, the PCAOB provide a cross-referencing or mapping tool as a supplement to the Proposed Framework.



Office of the Secretary
Public Company Accounting Oversight Board
Page 3 of 4

This would support the auditor's application of the applicable auditing standards by allowing the auditor, or audit firms developing guidance and tools, to quickly identify the location of related standards in ASB and IAASB literature, as well as consider similarities and differences associated with topics or standards among different auditing standard setters. Such a supplement would also provide tangible benefits in explaining how audits are executed under different auditing standards.

Rescissions

We support rescinding those interim auditing standards that are no longer appropriate or outdated from the Proposed Framework as described in Section III.A of the Release, including any references to such standards, except for AU Sec. 532, *Restricting the Use of an Auditor's Report*. While we recognize that requirements for restricting the use of specific reports are covered in individual standards where a restriction is specifically required, we believe that the PCAOB Auditing Standards should continue to enable an auditor to restrict the use of the auditor's report or other written communications when, based on professional judgment, such a restriction is appropriate.

Scope of Proposed Reorganization

We support excluding consideration of the Board's other professional practice standards, such as the attestation, quality control, and ethics and independence standards, from the scope of the reorganization project at this time. Focusing efforts first on the auditing standards will enable the Board to more quickly achieve the stated goal of enhancing the usability of the PCAOB's Auditing Standards and help users navigate the standards more easily.

Further, we note that the non-authoritative audit-related guidance issued by the PCAOB, such as Staff Practice Alerts, Staff Questions and Answers, Other Staff Guidance and other such guidance, is excluded from the scope of the Board's reorganization project at this time. While we agree that it is appropriate to exclude such non-authoritative guidance from the project to codify the auditing standards, we suggest including references to this other guidance within the codification to assist auditors in considering the full complement of PCAOB guidance available on a particular topic. The importance of such consideration is emphasized in the release when it explains that, "PCAOB guidance provides auditors with insight into how the Board or staff (depending on who issues the guidance) understands and administers the auditing standards. While auditors are not required by a Board rule to consider PCAOB guidance, an auditor who fails to do so may lack important information and, as a result, runs the risk of violating the standard that the Board or staff has interpreted."

Implementation

We believe that, for the reasons described above, the costs that would be associated with the proposed reorganization of the PCAOB Auditing Standards would be unnecessarily burdensome unless the PCAOB auditing standards are aligned as closely as possible with ASB and IAASB standards, as we propose above. We also think this undue burden would



Office of the Secretary
Public Company Accounting Oversight Board
Page 4 of 4

disproportionately impact smaller audit firms. Further, if such alignment is not achieved, and a supplement is not provided explaining the differences between these sets of standards, we believe that the full benefit, which the PCAOB hopes to see in practice from the reorganization of the PCAOB auditing standards, will likely not materialize and could even have the unintended consequence of diluting audit quality.

* * * *

We appreciate your consideration of our comments and suggestions and would be pleased to discuss them with you at your convenience. Please direct any questions to Chris Smith, National Accounting & Auditing Professional Practice Leader at 310-557-8549 (chsmith@bdo.com) and Susan Lister, National Director of Auditing at 212-885-8375 (slister@bdo.com).

Very truly yours,

/s/ BDO USA, LLP

BDO USA, LLP



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May 22, 2013

Via e-mail: comments@pcaobus.org

Office of the Secretary
PCAOB
1666 K Street, N.W.
Washington, D.C. 20006-2803

Re: PCAOB Rulemaking Docket Matter No. 40
Proposed Framework for Reorganization of PCAOB Auditing Standards

The Accounting Principles and Auditing Standards Committee (the "Committee") of the California Society of Certified Public Accountants ("CalCPA") respectfully submits its comments on the referenced proposal. The AP&AS Committee is the senior technical committee of CALCPA. CALCPA has approximately 40,000 members. The Committee is comprised of 53 members, of whom 47 percent are from local or regional firms, 27 percent are from large multi-office firms, 12 percent are sole practitioners in public practice, 10 percent are in academia and 4 percent are in international firms.

Prior to responding to the specific questions set forth in the proposal, the Committee wishes to express its overall view the PCAOB has failed to establish a compelling rationale to adopt a framework for restructuring the PCAOB auditing standards along a model which deviates from the clarified ASB audit standards or those of the IAASB. In a vacuum, the PCAOB's framework has merit; however, any benefits gained from that framework's adoption are lost when one considers that registered public accounting firms in the United States, and licensed auditors throughout the world, will be applying a completely different framework in their core audit practices.

The Committee's responses are set forth below.

1. Is the proposed framework for reorganizing PCAOB auditing standards appropriate and an improvement over the existing structure of the PCAOB auditing standards? Are there ways to improve the proposed reorganization framework?

The Committee believes the current PCAOB auditing standards, consisting of the remaining interim auditing standards and the sixteen new auditing standards, ought to be restructured along the lines of the ASB's clarified auditing standards.

2. Would the proposed reorganization described in this release help users navigate the standards more easily, help avoid potential confusion between the Board's standards and the standards of the ASB, and provide a structure for updating PCAOB standards in the future? Are there other potential benefits the Board should be aware of in considering its proposed reorganization?

The Committee believes the proposed framework will create, rather than help avoid, confusion between the two sets of auditing standards. While the Committee acknowledges the underlying differences in purpose between the PCAOB auditing standards and those of the ASB; nevertheless, those differences can be highlighted by the PCAOB had it chosen to reorganize their standards along the lines of the ASB clarified auditing standards.

3. Are the categories and subcategories of auditing standards in the proposed reorganization framework appropriate and an improvement over the existing organizational structure of PCAOB auditing standards?

Please refer to our overall comment above.

4. Is it appropriate to rescind the auditing standards and related auditing interpretations discussed in Section III.A of this release as part of the proposed reorganization? Are any of those standards or auditing interpretations still necessary to fully describe the auditor's responsibilities for audits under PCAOB standards? Are there other standards or auditing interpretations that should be rescinded?

The Committee concurs with the PCAOB's plan to rescind the specified obsolete standards and related auditing interpretations.

5. Would the framework for reorganizing PCAOB auditing standards have any consequences that are not addressed in this release? If so, what are those consequences?

The Committee believes that adopting the proposed framework will solidify the widely held view that the SEC and the PCAOB have little, if any real interest in globalizing professional standards.

6. Are there other costs besides those discussed in this release that the Board should consider? Would initial costs be offset over time, as discussed in this release?

The costs to registered public accounting firms of maintaining separate audit methodologies, practices and procedures and training personnel in PCAOB-specific auditing standards will be a significant ongoing cost under the proposed framework.

7. Are there any considerations relating to efficiency, competition, and capital formation with respect to audits of EGCs that the Board should take into account in considering the proposed reorganization?

There are likely higher operating costs of registered public accounting firms in maintaining separate audit processes and training personnel in PCAOB-specific auditing standards that will be passed along to all public clients, including EGCs.

8. Are there costs or other considerations relating to audits of EGCs that the Board should be aware of in considering its proposed reorganization?

None that the Committee is aware of.

9. Does the proposed reorganization raise issues specific to audits of brokers and dealers that the Board should consider?

None that the Committee is aware of.

10. Should the Board limit the scope of the auditing standards reorganization to reordering and renumbering standards in their entirety and related changes as discussed in this release? If not, why not? Are there other related technical changes to the wording or organization of individual standards that should be considered, either as part of the proposed reorganization or a subsequent project, such as eliminating references to generally accepted auditing standards or outdated references to accounting standards?

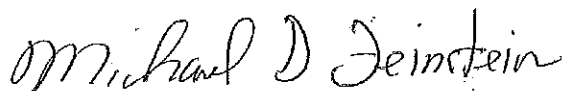
The Committee suggests the Board limit its current scope to the planned reorganization, and separately consider any substantive content changes.

11. What factors should the Board consider in determining the effective date of the auditing standards reorganization?

The Committee suggests that the effective date of the auditing standards reorganization, if approved in calendar 2013, be effective for audits of financial statements for years beginning AFTER December 31, 2013, to provide sufficient time for implementation by registered public accounting firms.

The Committee would be glad to discuss its comments further should the Board have any questions or require additional information.

Very truly yours,



Michael D. Feinstein, Chair
Accounting Principles and Auditing Standards Committee
California Society of Certified Public Accountants



May 24, 2013

EXECUTIVE DIRECTOR

Cynthia M. Fornelli

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Office of the Secretary
Public Company Accounting Oversight Board
1666 K Street, N.W.
Washington, D.C. 20006-2803

Re: Request for Public Comment: Proposed Framework for Reorganization of PCAOB Auditing Standards and Related Amendments to PCAOB Auditing Standards and Rules, PCAOB Rulemaking Docket Matter No. 40

Dear Office of the Secretary:

The Center for Audit Quality (CAQ) is an autonomous public policy organization dedicated to enhancing investor confidence and public trust in the global capital markets. The CAQ fosters high quality performance by public company auditors, convenes and collaborates with other stakeholders to advance the discussion of critical issues requiring action and intervention, and advocates policies and standards that promote public company auditors' objectivity, effectiveness and responsiveness to dynamic market conditions. Based in Washington, D.C., the CAQ is affiliated with the American Institute of Certified Public Accountants.

The CAQ welcomes the opportunity to comment on the Public Company Accounting Oversight Board's (PCAOB or the Board) *Proposed Framework for Reorganization of PCAOB Auditing Standards and Related Amendments to PCAOB Auditing Standards and Rules* (Proposal or Proposed Framework). This letter represents the observations of the CAQ, but not necessarily the views of any specific firm, individual, or CAQ Governing Board member.

We support the proposed reorganization and the overall effort to improve the usability of PCAOB auditing standards. We have identified several suggestions for the Board's consideration that we believe will further improve and support the Board's effort.

Organization

The CAQ agrees that organizing the PCAOB's auditing standards into a topical structure with a single integrated numbering system is an improvement to the current numbering system and we believe the Proposed Framework generally follows the flow of the audit process. However, we have identified suggestions, as noted in Appendix A, related to the naming, numbering, or placement of certain categories and subcategories that we believe would improve the alignment between the proposed reorganization of the PCAOB's auditing standards and the flow of the audit. We are cognizant of the fact that each of the activities covered by the PCAOB's auditing standards may underlie more than one stage of the audit process (e.g. audit committee communications, consideration of fraud risks, auditing internal control over financial reporting), but we believe the suggestions noted in Appendix A are a "best fit" given the scope of the reorganization.

As noted in the Proposed Framework, the Board considered adopting the organizational structure of another standard-setter to facilitate comparison of auditing standards across different frameworks. While the Board chose not to pursue this alternative, we believe that some of its benefits could be realized through a cross-referencing (or mapping) tool that could accompany the Proposed Framework. Such a tool could cross-reference categories and subcategories of PCAOB auditing standards with those of the AICPA Auditing Standards Board (ASB) and the International Auditing and Assurance Standards Board (IAASB). This would support the auditor's application of the applicable auditing standards by allowing the auditor to quickly identify and consider similarities and differences associated with standards or topics across auditing standard frameworks.¹ This tool could be particularly helpful for auditors conducting audits under a new framework for the first time, such as when an auditor of a privately-held company becomes subject to the PCAOB's standards by way of an initial public offering, or when an auditor of a U.S. issuer conducts an audit under IAASB standards in conjunction with the audit performed under PCAOB auditing standards. Additionally, the tool could assist auditors of U.S. issuers who are also performing audits of other entities using the auditing standards of the ASB.

Both the PCAOB and the public auditing profession continuously consider and adapt to the issues and challenges associated with an increasingly complex, global, and integrated financial reporting environment. We believe that auditors and others would benefit from a deeper understanding of how the different auditing frameworks compare, and how differences in their respective requirements and application guidance affect the execution of audits performed in accordance with the different sets of standards. We encourage the PCAOB to consider conducting such an analysis, perhaps in coordination with other standard-setters.² The results of this analysis could be incorporated into the cross-referencing tool noted above, over time, and it could be updated as new or revised auditing standards are released. We believe such an initiative would be consistent with the PCAOB's strategic plan which in-part calls for cooperation and consideration of the work of other standard-setters and regulators.³

Rescissions

The CAQ supports eliminating references to generally accepted auditing standards or outdated references to accounting standards in the Proposed Framework. The CAQ believes, however, that AU Section No. 532, *Restricting the Use of an Auditor's Report* (AU 532) should not be rescinded. AU 532 addresses restricting the auditor's report and we believe it is important that PCAOB auditing standards provide for an opportunity for an auditor to restrict the use of the auditor's report (and, more broadly, other written communications) when appropriate.⁴ As noted in the Proposed Framework, it is not the Board's intent to substantively change practice as a result of the proposed reorganization, however, we believe the proposed AU 532 rescission could cause a substantial change in practice.

Scope and Other Matters

The CAQ supports the Board's proposal to exclude the PCAOB's attestation, quality control, and ethics and independence standards from the scope of the Proposed Framework and we support the Board's efforts to consider a separate, but similar reorganization project (or projects) in the future related to these other standards.

¹ The CAQ commends the PCAOB for providing a high-level comparison of the Proposed Framework to the current IAASB and ASB frameworks (noted in the Proposal, Appendix 3 – Comparison). However, the CAQ believes a categorical/sub-categorical cross-referencing tool would advance the Board's stated objectives to help users navigate the standards more easily, avoid potential confusion with the recently clarified standards of the ASB, and facilitate better comparison of PCAOB and IAASB standards.

² We encourage the PCAOB to consider one *possible* example such an analysis could follow:

https://www.aicpa.org/InterestAreas/FRC/AuditAttest/DownloadableDocuments/Clarity/Substantive_Differences_ISA_GASS.pdf

³ Public Company Accounting Oversight Board Strategic Plan: Improving the Relevance and Quality of the Audit for the Protection and Benefit of Investors 2012 – 2016 (November 30, 2012).

⁴ We also observe that guidance associated with restricting the use of the auditor's report in AU 532 is referenced in other PCAOB standards, such as Auditing Standard No. 16, *Communications with Audit Committees* (AS 16).

The scope of the Proposed Framework also excludes the incorporation of other non-authoritative audit-related guidance issued by the PCAOB, such as Staff Audit Practice Alerts, Staff Questions and Answers, Other Staff Guidance, and Other Board Releases (Other Guidance).⁵ The Proposal also indicates that, while auditors are not required by a Board rule to consider Other Guidance, an auditor who fails to do so may lack important information and, as a result, run the risk of violating the standard that the Board or staff has interpreted.⁶ While we agree that the full text of the PCAOB's Other Guidance should be excluded from the Proposed Framework, we believe it would be appropriate for the Proposed Framework to include a reference to the Other Guidance to assist auditors with maintaining their awareness and consideration of this guidance, and to assist in their navigation between the authoritative auditing standards and the non-authoritative Other Guidance. The final framework could either contain a referencing guide that clearly and comprehensively lists all Other Guidance, or ensure that references to Other Guidance accompany the applicable categories or subcategories in the framework. We believe that referencing Other Guidance in the framework will further facilitate the Board's continuous consideration of the applicability of Other Guidance, should certain topics become outdated or superseded as a result of ongoing standard-setting activities.

The CAQ appreciates the opportunity to comment on the Board's Proposed Framework. We welcome the opportunity to respond to any questions regarding the views expressed in this letter.

Sincerely,



Cynthia M. Fornelli
Executive Director
Center for Audit Quality

cc:

PCAOB

James R. Doty, Chairman
Lewis H. Ferguson, Board Member
Jeanette M. Franzel, Board Member
Jay D. Hanson, Board Member
Steven B. Harris, Board Member
Martin F. Baumann, Chief Auditor

SEC

Paul A. Beswick, Chief Accountant
Brian T. Croteau, Deputy Chief Accountant

⁵ <http://pcaobus.org/Standards/Pages/Guidance.aspx>

⁶ See the Proposal, Footnote # 21.



APPENDIX A

The CAQ suggests the following potential changes to the naming, numbering or placement of certain categories and subcategories of the Proposed Framework that we believe would improve the alignment between the proposed reorganization of the PCAOB's auditing standards (AS) and the flow of the audit.

1. We believe proposed subcategories AS 1202, *Part of Audit Performed by Other Independent Auditors* and AS 1203, *Using the Work of the Specialist* should be placed under category AS 2600, *Special Topics*. The CAQ believes these subtopics represent specific auditing procedures, rather than standards on broad auditing principles or concepts.
2. The CAQ believes AS 2200, *Audit Procedures in Response to Risks – Nature, Timing, and Extent* should be renamed AS 2200, "Audit Evidence." We believe the subtopics of AS 2200, as proposed, illustrate the accumulation of audit evidence rather than audit procedures in response to the nature, timing and extent of risk.
3. The CAQ recommends that AS 2302, *Reporting on Whether a Previously Reported Material Weakness Continues to Exist* be relocated under the *Other Matters Associated with Audits* category. We believe the guidance in this subcategory is indicative of auditing guidance associated with other work performed in conjunction with an audit of an issuer, rather than specific auditing procedures associated with internal control over financial reporting.
4. While we agree that proposed subcategories AS 2400, *Audit Procedures for Specific Aspects of the Audit* and AS 2500, *Audit Procedures for Certain Accounts or Disclosures* are appropriately included under the *Audit Procedures* category, we also believe these are audit evidence collection activities associated with multiple accounts or disclosures (e.g. fair value of financial or non-financial assets) rather than "certain" accounts as their current subcategory title states. Therefore, we believe these subcategories should be relocated and reordered in their entirety under our proposed renaming of subcategory AS 2200, "Audit Evidence."
5. The CAQ believes that AS 2801, *Subsequent Events* and AS 2802, *Management Representations* should be relocated under our proposed renaming of subcategory AS 2200, "Audit Evidence" instead of being characterized as "concluding audit procedures."
6. The CAQ also believes that proposed subcategories AS 2701, *Reporting on Information Accompanying the Basic Financial Statements in Auditor-Submitted Documents* and AS 2805, *Evaluating Consistency of Financial Statements* should be placed under subcategory AS 3100, *Reporting on Audits of Financial Statements*. The CAQ notes these subcategories are standards for auditor reporting, rather than standards for planning and performing audit procedures or gathering audit evidence.



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May 28, 2013

Office of the Secretary
Public Company Accounting Oversight Board
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Washington, D.C. 20006-2803

Re: *Proposed Framework for Reorganization of PCAOB Auditing Standards and Related Amendments to PCAOB Auditing Standards and Rules*

PCAOB Rulemaking Docket Matter No. 040

Deloitte & Touche LLP (“D&T”) is pleased to respond to the request for comments from the Public Company Accounting Oversight Board (the “PCAOB” or the “Board”) on its *Proposed Framework for Reorganization of PCAOB Auditing Standards and Related Amendments to PCAOB Auditing Standards and Rules* (the “proposed framework”), PCAOB Release No. 2013-002; PCAOB Rulemaking Docket Matter No. 040 (March 26, 2013).

OVERALL COMMENTS

We strongly support the Board’s efforts to reorganize its auditing standards into a single topical structure with a uniform numbering system. Adopting such a structure and system will considerably enhance the usability of the PCAOB’s auditing standards by stakeholders, including auditors.

Framework for PCAOB’s Auditing Standards

Renumbering and reordering the PCAOB’s auditing standards is a positive initial step toward presenting the PCAOB’s auditing standards in a logical order that follows the flow of the audit process. We agree with the Board’s proposed approach to first renumber and reorder each standard in its entirety rather than to open all of the auditing standards at once to reorder at the paragraph level. We believe that this reorganization will set an excellent foundation for the Board to ultimately have all of its standards organized in a logical order that follows the flow of the audit. On a go-forward basis, as new standards are developed, and existing standards are superseded, certain current auditing standards that cover multiple phases of the audit should be disaggregated at the paragraph or section level and aligned with the appropriate audit process flow within the PCAOB’s proposed structure. Adherence to the audit process flow approach will help new standards to be developed in such a way that they fit logically within a given phase of the audit, rather than traversing more than one phase.

Other PCAOB Guidance

In keeping with the objective of creating a single topical structure for enhanced usability, we believe that the Board's guidance documents that are not auditing standards (e.g., "PCAOB guidance" as described in footnote 21 of the proposed framework) should be included in the topical structure with the auditing standards. We believe that there is significant value in organizing all professional literature published by the Board which is used to effectively execute audits together in a single common framework, rather than organizing the professional literature in different manners, thereby making it more accessible to auditors. We recognize that this guidance would need to be clearly identified as different from the PCAOB's auditing standards, as it is not authoritative and is not intended to supersede the requirements of auditing standards approved by the Board.

Proposed Rescissions

We support the Board's proposed activities to eliminate outdated references as part of the overall renumbering and reordering process. We also understand that the Board's proposed changes are not intended to result in substantial changes in practice. With that in mind, we are concerned with the proposal to rescind AU Section No. 532, *Restricting the Use of an Auditor's Report* (AU 532). We believe that the PCAOB's auditing standards need to continue to provide for the auditor's ability to restrict the use of the auditor's report or other written communications when appropriate. Eliminating the auditing standard addressing how an auditor restricts the use of the auditor's communications, including the auditor's report, could represent a substantive change in practice (if the elimination were taken to infer that an auditor was prohibited from restricting the use of the auditor's communications). We believe that AU 532 provides standards which are relevant to certain auditor communications and therefore it should be retained.

* * *

D&T appreciates the opportunity to provide our perspective on these important topics. Our comments are intended to assist the PCAOB in analyzing the relevant issues and potential impacts. We encourage the PCAOB to engage in active and transparent dialogue with commenters as the proposed standard is evaluated and changes are considered. If you have any questions or would like to discuss these issues further, please contact William Platt at 203-761-3755 or Megan Zietsman at 203-761-3142.

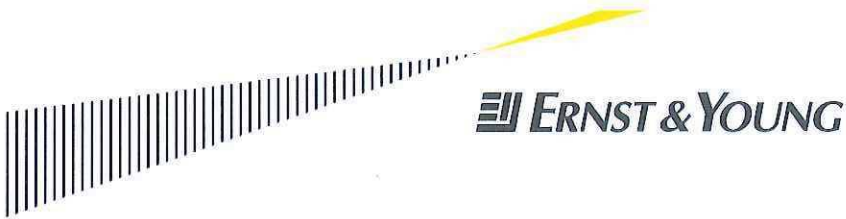
Very truly yours,

/s/ Deloitte & Touche LLP

cc:

James R. Doty, PCAOB Chairman
 Lewis H. Ferguson, PCAOB Member
 Jeanette M. Franzel, PCAOB Member
 Jay D. Hanson, PCAOB Member
 Steven B. Harris, PCAOB Member
 Martin F. Baumann, PCAOB Chief Auditor
 and Director of Professional Standards

Mary Jo White, SEC Chairman
 Luis A. Aguilar, SEC Commissioner
 Daniel M. Gallagher, SEC Commissioner
 Troy A. Paredes, SEC Commissioner
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 Paul A. Beswick, SEC Chief Accountant
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28 May 2013

Proposed Framework for Reorganization of PCAOB Auditing Standards and Related Amendments to PCAOB Auditing Standards and Rules, PCAOB Rulemaking Docket Matter No. 40

Dear Office of the Secretary:

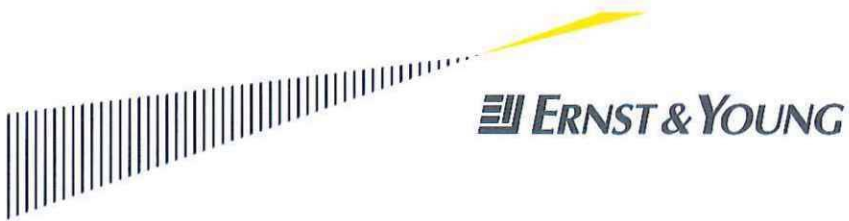
Ernst & Young LLP is pleased to submit comments on the request for comment from the Public Company Accounting Oversight Board (PCAOB or the Board) on its proposed framework for reorganization of PCAOB auditing standards and related amendments (the proposed reorganization).

We agree that the Board's existing auditing standards, consisting of sequentially numbered standards issued by the Board (the AS standards) and the AU sections representing the remaining interim standards that the Board has not superseded, present a confusing framework. While we agree that reorganization is needed and may help users navigate the standards more easily, we do not agree with the Board's assertion that the proposed reorganization would help avoid confusion between the Board's standards and the recently reorganized standards of the ASB¹ or that the reorganized structure could facilitate comparison of PCAOB and IAASB standards.²

In order to enhance audit quality, we believe a better solution would be to have one common framework for auditing standards that clearly demonstrates the performance differences for audits of issuers and non-issuers. Therefore, we recommend that the Board collaborate with the IAASB and the AICPA on a longer-term project to develop a unified framework for all audit standard-setters that would become a base from which the standard-setter could then customize its individual standards. This approach would clearly present the performance differences between the standards. In addition, with all of the truly important matters on the Board's standard-setting agenda right now, we question whether it makes sense for the Board to pursue the proposed reorganization in 2013.

¹ Section I. Introduction, paragraph 5 of PCAOB Release No. 2013-002.

² Section II A. Proposed Framework for Reorganization of PCAOB Auditing Standards, paragraph 5 of PCAOB Release No. 2013-002.



We therefore do not support the proposed reorganization at this time. In the remainder of this letter we more fully explain our concerns and suggested alternative, which we have organized in the following areas:

- ▶ Need for unified auditing standards framework
- ▶ Timing and costs of proposed reorganization

In addition, we have provided overall comments on the proposed reorganization, as well as detailed comments for your consideration, in the event the Board decides to move forward with the proposed approach.

We would be pleased to discuss our comments with members of the PCAOB or its staff.

Sincerely,

Ernst + Young LLP

Need for unified auditing standards framework

We recognize that the Board considered the option of adopting the organizational structure of another standard setter, such as the IAASB, and decided that there are a number of potential drawbacks that could make that approach less desirable than the proposed reorganization.³ However, we believe that significant benefits can be obtained, while maintaining the integrity of the intentional differences in the PCAOB standards, by collaborating with other standard setters to create a common framework to represent the base for auditing standards. We believe the most important aspect of starting with a common framework would be increased transparency. That is, the incremental performance differences for audits conducted under PCAOB auditing standards and those conducted under AICPA or IAASB auditing standards would be clear.

We believe the proposed reorganization, which diverges from the framework of the AICPA and IAASB, may impede an auditors' ability to understand these differences. As the PCAOB continues to adopt new standards, we can envision that auditing standards will diverge to a greater extent. As the differences in the requirements and performance expectations become less apparent, auditors would be less likely to execute audits in accordance with the applicable US auditing standards because it would be harder for them to understand the differences in the performance expectations of the varying standards.

We appreciate that Appendix 3 to the release accompanying the proposed reorganization compares the proposed reorganization of the PCAOB auditing standards to the standards of the IAASB and ASB; however, we don't believe this comparison addresses the bigger issuer that auditors have to face when navigating the auditing standards. Many auditors audit both issuer and non-issuer entities. Having essentially the same standards identified differently by the two standard-setting bodies, with some expected performance differences that are not clearly articulated, would cause confusion. It would also increase costs because firms would attempt to interpret and address the different standards in their guidance and training materials. To promote the execution of high-quality audits, we believe the Board should collaborate with the other standard setters to develop a framework as a baseline and allow auditors to better understand the differences between the various sets of auditing standards that they are required to apply.

Timing and costs of proposed reorganization

The Board currently has an ambitious standard-setting agenda focusing on the truly important matters facing auditors today (e.g., auditing estimates and fair value measurements, the auditor's reporting model, quality control standards). We support the Board's effort to align its standard setting with what the Board is seeing in inspections and hearing from stakeholders. We don't believe that the proposed project fully responds to either of these inputs. In addition, we don't believe that the benefits of the proposed reorganization, which include only reordering and renumbering existing standards without making substantive changes to the requirements of the standards, are necessary at this time or would provide benefits that would outweigh the cost to practitioners. The costs incurred as a result of the proposed reorganization would be significant, and would include updates to firms' methodology, guidance, enablers, technology tools and training materials to reference the new standards organization, both in and outside the US.

³ II.B Consideration of Alternatives, paragraph 5, of PCAOB Release No. 2013-002.

We believe the PCAOB should look at this as a longer-term, collaborative project with the other standard setters that will result in a framework that will add benefits to practitioners and increase audit quality.

Overall comments on proposed reorganization

If, after considering comments on the proposed reorganization, the Board decides to pursue the project at this time, we offer the following overall comments on the proposed reorganization.

Overall reorganization

We agree that organizing the PCAOB's auditing standards into a topical structure with a uniform numbering system is an improvement to the current numbering system. We also agree with reordering and renumbering the existing standards in their entirety, without redrafting the auditing standards or making substantive changes to the requirements of the standards. Finally, we agree with the Board's effort to rescind certain auditing standards that it believes are no longer necessary as part of the proposed reorganization.

However, we are concerned that combining the PCAOB's interim auditing standards, many of which have not yet been updated by the Board, with the standards issued by the Board, will make it difficult for auditors to readily identify standards that the PCAOB has not yet analyzed and updated. Currently, we can easily identify the interim standards, and therefore, more easily interpret the standards as necessary, with the knowledge that they have not yet been updated to apply specifically to issuer audits. Therefore, we suggest that the Board consider including an indicator in the proposed reorganization that will identify sections that have not yet been updated by the Board.

While the proposed reorganization generally follows the flow of the audit process, we have some suggestions about the naming, numbering or placement of certain categories and subcategories that we believe would improve the proposed organization of the PCAOB's auditing standards (see Detailed comments below).

AU Section 532, Restricting the use of an auditor's report

We support the PCAOB's proposal to eliminate references to generally accepted auditing standards or outdated references to accounting standards. However, we believe that PCAOB AU section 532, *Restricting the Use of an Auditor's Report* (PCAOB AU 532), should not be rescinded. PCAOB AU 532 addresses restricting the auditor's report and we believe it is important that PCAOB auditing standards provide the opportunity for an auditor to restrict the use of the auditor's report (and, more broadly, other written communications), when appropriate. As the Board stated in the release accompanying the proposed reorganization, it is not the intent of the PCAOB to substantively change practice as a result of the final implementation of the proposed reorganization; however, we believe the proposed PCAOB AU 532 rescission would cause a substantial change in practice. If the standard is rescinded, auditors also may think the PCAOB's standards no longer permit auditors to restrict the use of other written communications.

Finally, we observe that guidance associated with restricting the use of an auditor's written report in PCAOB AU 532 is referenced in other PCAOB standards, such as Auditing Standard No. 16, *Communications with Audit Committees* (AS 16).

AICPA auditing and accounting guides

We acknowledge the appropriateness of the PCAOB standards no longer requiring auditors to “be aware of and consider” the AICPA Audit and Accounting Guides in existence on 16 April 2003 because these publications may be outdated. However, we believe that auditors, particularly in specialized industries, need supplementary guidance in applying auditing standards to the unique aspects of those industries, particularly when specific PCAOB auditing guidance does not exist (e.g., related to the audits of airlines, gaming issuers, issuers with oil and gas producing activities). Recognizing that the PCAOB does not have the development and maintenance of specialized industry guidance on its current standard-setting agenda, it would be helpful for the proposed reorganization to acknowledge that auditors may use the current versions of the AICPA Audit and Accounting Guides, while taking into consideration the differences between AICPA and PCAOB standards.

Detailed comments

We suggest the following potential changes to the naming, numbering or placement of certain categories and subcategories of the proposed reorganization (Appendix 1 – Proposed Framework for Reorganization of PCAOB Auditing Standards):

- △ Under the bold heading, **General Auditing Standards**, we don't believe there is a sufficient differentiation between the subtopics *1100 General Concepts* and *1200 General Activities*. Therefore, we suggest that these two subtopics be combined into one subtopic (e.g., *General Concepts and Activities*). We also suggest that the *Auditor Communications* subheading be elevated to a main, bolded heading.
- △ We suggest that the Board change the name of the subheading *2200 Audit Procedures in Response to Risks – Nature, Timing, and Extent*. While this section describes procedures the auditor performs in response to identified risks, we believe there are other audit procedures that the auditor performs to respond to risks (e.g., *2501 Auditing Accounting Estimates*, *2502 Auditing Derivative Instruments, Hedging Activities, and Investments in Securities*, *2502 Inventories*) that are not included under the 2200 series. We believe the subheading 2200, as proposed, implies that only the procedures under the 2200 series are designed to respond to risk, which is not accurate.
- △ We suggest moving *2302 Reporting on Whether a Previously Reported Material Weakness Continues to Exist* to the section titled **Other Matters Associated with Audits** because we don't believe this topic is directly related to audits of financial statements.
- △ We suggest moving *2602 The Auditor's Consideration of the Internal Audit Function in an Audit of Financial Statements* to the 1200 section of the framework. We believe this topic should be treated similarly to *1202 Part of Audit Performed by Other Independent Auditors* and *1203 Using the Work of a Specialist*.
- △ The Board is proposing to change the name of AU sec. 558, *Required Supplementary Information*, to *2702 Unaudited Supplementary Information Included in Audited Financial Statements*. We note that the AICPA clarified standard (AU-C 730, *Required Supplementary Information*) addressing the same topic has retained the title *Required Supplementary Information*. In order to retain similarities in the name of AU sections that address the same subject matter, and thus reduce auditor confusion, we suggest that the Board retain the name *2702 Required Supplementary Information*.

- △ We believe that proposed subcategories *2701 Reporting on Information Accompanying the Basic Financial Statements in Auditor-Submitted Documents* and *2702 Unaudited Supplementary Information Included in Audited Financial Statements* should be placed under subcategory *3300 Other Reporting Topics*. We note that these subcategories address standards for auditor reporting, rather than standards for planning and performing audit procedures or gathering audit evidence.
- △ We suggest that the Board move *2805 Evaluating Consistency of Financial Statements* to the **Auditor Reporting** section of the proposed framework.
- △ While we note that *3310 Special Reports* contains some guidance applicable to issuer audits, it also contains guidance that would not be applicable to issuer audits (guidance related to financial statements prepared in conformity with a comprehensive basis of accounting other than generally accepted accounting principles). While we understand that the Board does not want to make substantive changes to existing standards, we believe it would be confusing to auditors to see guidance that is clearly not applicable to issuer audits included in the revised PCAOB auditing standards framework.
- △ *6103 Compliance Auditing Considerations in Audits of Recipients of Governmental Financial Assistance* (extant PCAOB sec. 801) is applicable when the auditor is engaged to audit a governmental entity under generally accepted auditing standards (GAAS), and engaged to test and report on compliance with laws and regulations under Government Auditing Standards (the Yellow Book) or in certain other circumstances involving governmental financial assistance, such as single or organization-wide audits or program-specific audits under certain federal or state audit regulations. Since the terms and conditions of the governmental financial assistance requires that these engagements be performed under the Yellow Book, and therefore also in accordance with generally accepted auditing standards, we are not aware of circumstances when this section would apply to auditors performing audits under PCAOB standards. Therefore, we suggest that the Board rescind this section from its auditing standards.

May 24, 2013

Public Company Accounting Oversight Board
Attention: Office of the Secretary
Rulemaking Docket Matter No. 40
1666 K Street, N.W. Washington, D.C.
20006-2803
Via email to: comments@pcaobus.org

Dear Ms. Brown:

The Accounting Principles and Auditing Standards Committee ("we" or the "Committee") of the Florida Institute of Certified Public Accountants (the "FICPA") appreciates the opportunity to read and respond to the Public Company Oversight Board (the "PCAOB" or the "Board") Release No. 2013-002 *Proposed Framework for Reorganization of PCAOB Auditing Standards* issued March 26, 2013 (the "proposed standard"). The Committee has reviewed and discussed the proposed standard, including the questions outlined in the Section VII Questions and has the following individual and aggregate response.

Response

We would first like to express our gratitude to the Board for its request for comments on the proposed standard and to communicate our respect to the Board for its recurring theme throughout both the proposed standard as well as the related statements by the Board members for a collaborative effort with respect to the framework for the auditing standards for issuers.

Similarly, we reiterate our support to the PCAOB and continuing belief that the PCAOB has been appropriately tasked through the initial Sarbanes-Oxley Act of 2002 and affirmation in 2004 by the Auditing Standards Board of the Accounting Institute of Certified Public Accountants (the "ASB" and "AICPA" respectively) with the responsibility to promulgate auditing and related attestation standards, quality control, ethics, independence and other standards relating to the preparation and issuance of audit reports for issuers.

As we have reviewed and deliberated upon the proposed standard, we fully agree with the Board's overarching goals as described in the proposed standard to "enhance the usability of the Board's auditing standards" and as aptly expressed by Board Member Mr. Lewis H. Ferguson in his comments that "the long term goal should be for us to have well-organized standards that are also readily searchable through the software tools available to practitioners, so that they can easily navigate the standards in ways that take advantage of modern practices and resources."

We also agree with the Board's emphasis on appropriately contemplating the potential incremental costs to its constituents as expressed within the proposed standard as well as by each member of the Board.

As we deliberated upon the proposed standard and impact on the constituents, our emphasis was also on the potential costs and benefits, and found several of the comments by the Board members very relevant. As highlighted by Board Chairman Mr. James R. Doty this is the first step with respect to the framework for auditing standards for issuers and as noted by Board Member Mr. Jay D. Henson that "this project does not involve redrafting the auditing standards or making substantive changes to any audit requirements" and that "many of the interim standards, in particular, merit close review and potential amendment by the Board, both to improve audit quality and to reflect current practice."

As the proposed standard does not modify the existing standards, as additional clarifications will be needed as noted by the Board and as the existing framework has been in place and understood by the constituency since the formation of the PCAOB, we would encourage the Board to further deliberate the proposed standard in contemplation of the response contained herein as well as those of others.

We strongly believe that the United States via the ASB in coordination with the PCAOB since its inception has developed the most relevant and reliable auditing standards in the world and want to emphasize the need for continued focus on such relevance.

In addition, we agree with the additional complexities and nuances that occur with respect to auditing standards of issuers versus non-issuers and applicable standard setting by the PCAOB for issuers and ASB for non-issuers. However, we would like to highlight our focus during deliberations on the reluctance to create divergence in the area of generally accepted auditing standards and belief that foundationally there is a set of auditing standards applicable to both issuers and non-issuers.

Alternative framework

As such, we propose an alternative standards with a more consistent framework for auditing standards which would consist of PCAOB concurrent adoption of all future ASB auditing standards and would also include an immediate adoption of all previously issued ASB auditing standards. Such adoption would then continue to allow for and promote the PCAOB's clarification and amendment to auditing standards to provide additional guidance with respect to issuers but would not create a separate set of auditing standards for issuers as adopted by the PCAOB potentially diverging from the auditing standards for non-issuers as adopted by the ASB.

In other words, PCAOB auditing standards would consist of a foundation of auditing standards as issued by the ASB, updated upon adoption of new standards by the ASB and further amended by amendments to those ASB standards as deemed necessary by the PCAOB. Such a proposal would allow the Board to focus its resources and efforts on necessary amendments to auditing standards as applicable to issuers rather than devoting such resources and efforts on maintaining an entire set of separate auditing standards. Practitioners serving both issuers and non-issuers would also benefit by dedicating their resources to the application of key incremental amendments by the Board rather than changes to and within an entire set of separate PCAOB auditing standards. We believe in combination, these benefits to the Board as well as practitioners would help achieve the Board's goals within the proposed standard of enhancing the usability of the Board's auditing standards as well its overarching goals to improve audit quality.

Our deliberation included consideration of the importance of the PCAOB and need for adequate PCAOB involvement with potential future auditing standards and would propose that to ensure appropriate deliberation and representation of both the PCAOB and ASB for all previous and future proposed and adopted auditing standards, we would also promote consideration of amendments to the membership guidelines of both the PCAOB and the ASB to more explicitly require the cross-collaborative involvement. As aforementioned by Board Member Mr. Jay D. Henson, many of the auditing standards continue to be in review by the Board and as such we encourage collaboration between the PCAOB, ASB and its constituents to continue to achieve the highest standard of auditing standards.

Our response is focused on the details above, however, in the spirit of the request by the Board, we would also like to include responses to the questions below.

1) Response to Question 1

We encourage the Board to further deliberate the proposed reorganization and do not believe the proposed framework is an improvement over the existing structure of the PCAOB auditing standards. Please see our Alternative Framework detailed within our response above.

2) Response to Question 2

We encourage the Board to further deliberate the proposed reorganization and are not certain that the proposed reorganization will help users navigate the standards more easily, help avoid potential confusion between the Board's standards and the standards of the ASB and provide a structure for updating PCAOB standards in the future. Please see our Alternative Framework detailed within our response above.

3) Response to Question 3

We believe the Board's categories and subcategories of auditing standards in the proposed reorganization framework are an improvement over the existing organization structure as noted by Board Member Mr. Jay D. Henson as organizing the auditing standards into "topic areas, generally following the flow of a typical audit," though we believe any such recategorization should occur in concert and collaboration with the ASB as noted in our Alternative Framework detailed within our response above.

4) Response to Question 4

We encourage the Board to further deliberate the proposed reorganization and do not believe the proposed framework and rescinding of certain auditing standards is an improvement over the existing structure of the PCAOB auditing standards. Please see our Alternative Framework detailed within our response above.

5) Response to Question 5

We encourage the Board to further deliberate the proposed reorganization and do not believe the proposed framework is an improvement over the existing structure of the PCAOB auditing standards. Please see our Alternative Framework detailed within our response above.

6) Response to Question 6

We encourage the Board to further deliberate the proposed reorganization and do not believe the proposed framework is an improvement over the existing structure of the PCAOB auditing standards. We believe the proposed amendment by creating two separate sets of auditing standards for practitioners of issuers and non-issuers would potentially create an undue burden and ongoing incremental costs for practitioners as this would require frequent updates to internal documentation and continuous education to understand both parallel sets of auditing standards which we would expect would often times have limited nuances with respect to issuers and non-issuers. As such, this would divert resources and efforts to areas we do not believe would enhance audit quality nor assist in achieving Board Chairman Mr. James R. Doty's goals to have "more auditors find it easier to read the PCAOB standards and to consult them more frequently." Please see our Alternative Framework detailed within our response above.

7) Response to Question 7

We believe the aforementioned response applies to all companies including EGCs and have no specific additional comments as it relates to EGCs.

8) Response to Question 8

We believe the aforementioned response applies to all companies including EGCs and have no specific additional comments as it relates to EGCs.

9) Response to Question 9

We believe the aforementioned response applies to all companies including brokers and dealers and have no specific additional comments as it relates to brokers and dealers.

10) Response to Question 10

We encourage the Board to further deliberate the proposed reorganization and do not believe the proposed framework is an improvement over the existing structure of the PCAOB auditing standards. Please see our Alternative Framework detailed within our response above.

11) Response to Question 11

We have no specific comment as to the effective date though as noted in the aforementioned response we support the efforts of the PCAOB to enhance the usability of the Board's auditing standards. Please see our Alternative Framework detailed within our response above.

The Committee appreciates this opportunity to respond to this proposed standard and members of the Committee are available to discuss any questions or concerns raised by this response.

Respectfully submitted,

Steven Morrison, CPA, Chair
FICPA Accounting Principles and Auditing Standards Committee

Committee members coordinating this response:

Brion L. Sharpe, CPA
Steven Morrison, CPA

May 1, 2013
Office of the Secretary
Public Company Accounting Oversight Board
1666 K Street N.W.
Washington, D.C. 20006-2803

Re: PCAOB Rulemaking Docket Matter No. 40
Proposed Framework for Reorganization of PCAOB Auditing Standards and
Related Amendments to PCAOB Auditing Standards and Rules
Release No. 2013-002 March 26, 2013

Dear Board Members,

I am submitting my comments to you regarding the above referenced Rulemaking Docket Matter, which was released for comment on March 26, 2013, through May 28, 2013. The comments below are my personal comments and do not necessarily reflect those of my employer. You specifically asked respondents to answer eleven (11) questions. I quote the questions directly from the Release.

1. Is the proposed framework for reorganizing [the Public Company Accounting Oversight Board's (PCAOB or Board)] auditing standards appropriate and an improvement over the existing structure of the PCAOB auditing standards? Are there ways to improve the proposed reorganization framework?

Anything that makes finding information quickly has to be considered positive. I agree that grouping standards is an effective method of guiding the information seeker. Further separation into sub-groups is also effective. The proposed framework presented in Appendix 1 appears to meet the goal of finding a standard quickly and easily.

I note that under General Auditing Standards, the Board has opted to number existing standards 1001, 1010, 1011, and 1012 in the subcategory "General Principles and Responsibilities". Meanwhile, under the subcategory "General Concepts", the Board has a strict numerical order, 1101, 1102, and 1103. Is it the Board's intention to create a hierarchy within each category and subcategory based upon numbering? That is, do the standards with lower numbers carry more or less weight than those with higher numbers? My intuition tells me that the Board does *not* have such an intention. For instance, since there are presently no standards proposed to be numbered 1002 through 1009, how can any standard numbered within that range be considered more important than "Independence" proposed for number 1011?

2. Would the proposed reorganization described in this release help users navigate the standards more easily, help avoid potential confusion between the Board's standards and the standards of the [Auditing Standards Board (ASB)], and provide a structure for updating PCAOB standards in the future? Are there potential benefits the Board should be aware of in considering its proposed reorganization?

I believe the best way to determine whether this, or any other proposed framework reorganization, is easily navigated is to set up a test website. The Board can then invite current professionals and students to perform research on the standards. Testers can provide feedback on their experience, and the Board can make observations.

For example, a subject is asked to locate an auditing standard or standards related to an audit of a fictitious client's inventory. "The partner" or "manager" on the engagement has asked a team member to go to the PCAOB's website to begin the search for the latest information, which may not be included in the firm's software or other written programs. Can the test subject, who in this case may be a college senior, graduate student, or first year employee of an auditing firm, locate the standard or standards relevant to inventory in a reasonable amount of time? Can the test subject navigate to any cross-referenced material in a reasonable amount of time? Are any hyperlinks active and accurate?

Per Appendix 1 as presented in the release, I believe the test subject in the scenario above ought to find standards 2505 "Inventories" and 1102 "Audit Evidence" within minutes. The key to being fully successful will be the Board's website's search engine. Can a test subject in the scenario above research critical audit concepts regarding inventory, such as valuation, and find critical audit concepts regarding sufficient, competent and persuasive evidence regarding valuation methods in a reasonable amount of time, perhaps no more than fifteen minutes? Moreover, will interpretations and inspection reports where inventory is at issue be available through the same search function?

The Board makes an interesting distinction in the second part of the first question asked under number 2. That is, the Board is concerned that there is no "confusion between the Board's standards and the standards of the ASB". Under the current format, there is no confusion. The Board's standards start with "AS" and the ASB's standards start with "AU". It seems reasonable that if the Board adopts this, or similar reorganization framework, the Board will be incorporating the ASB's standards into the Board's standards. In other words, we have the "same standards, different display."

The clear benefit of reorganizing the standards in such a way means that all standards – regardless of their origin – can be found with a common frame of reference. That is not to say I am not concerned over some proposed changes, but that discussion is below at question 4.

3. Are the categories and subcategories of auditing standards in the proposed reorganization framework appropriate and an improvement over the existing organizational structure of PCAOB auditing standards?

Yes, though as mentioned above in my response to question 1, the Board may wish to consider the number scheme relative to a perceived "hierarchy". Beyond that, the Board may wish to consider assigning truly key, critical standards, such as "Independence", a number that is easily remembered. Think of how telephone numbers are requested by businesses because they are easier to remember and even spell a word.

4. Is it appropriate to rescind the auditing standards and related auditing interpretations discussed in Section III.A of this release as part of the proposed reorganization? Are any of those standards or auditing interpretations still necessary to fully describe the auditor's responsibilities for audits under PCAOB standards? Are there other standards or auditing interpretations that should be rescinded?

Rescission of some or all the listed standards in section III.A begs the question of the Board's intent. For instance, if AU sec. 150, *Generally Accepted Auditing Standards* (GAAS) is rescinded, then is it the intent of the Board to have **all** financial statement audits – not just those of publicly traded companies (“issuers”) audited by Board-registered accounting firms – adhere to PCAOB standards? If a CPA firm has no clients who have issued debt or equity to the public, ought not the audits performed by this firm follow what is now GAAS?

There is, in all honesty, an advantage of having one set of audit standards that all auditors, regardless of the client, follow. My concern is that the Board has broad authority, and reorganization of standards that includes the deletion of ASB standards could have an unintended consequence for practitioners who are not registered with the PCAOB.

What we presently seem to have is two sets of standards, akin to federal versus state law. We know in the case of law that the federal law generally takes precedence over a state law. If there is a conflict, the federal law usually wins out. In business, a company may have a “policy” that is the overarching document on a particular subject, such as corporate ethics. Beneath the policy there may be a “procedure” or “manual” that provides the detail to implement the policy. That may be what we face here. We have the PCAOB's “Auditing Standards” meant for auditors of those companies filing with the Securities and Exchange Commission (SEC). Then we have the ASB standards that have been promulgated over the years on which the Board's standards are initially based. It is these standards the PCAOB first adopted, and proposes to retain interpretations thereof.

I also point to item 7 within section III.A and “Amendments Related to Auditing Standard No. 1”. By completely deleting paragraph 1 of AS 1, shall all audit reports, regardless of whether the client is considered an issuer, reference the PCAOB? This deletion removes what I believe to be an important statement, namely, “The Sarbanes-Oxley Act of 2002 authorized the [Board] to establish auditing and related professional practice standards to be used by *registered public accounting firms*.” [Emphasis added] Consider that the PCAOB would not have the authority to inspect audit files of non-registered accounting firms as it does with registered accounting firms. Inspections by the PCAOB are required to ensure registered accounting firms adhere to PCAOB standards and other laws and regulations.

The Board was created to oversee firms with clients that are publicly traded, *i.e.*, issuers. By reorganizing **all** auditing standards, including those issued by the American Institute of Certified Public Accountants' ASB, the PCAOB may be going beyond the intent of the United States Congress.

5. Would the framework for reorganizing PCAOB auditing standards have any consequences that are not addressed in this release? If so, what are those consequences?

As I mention above, my concern is that the Board would issue standards that all auditors, whether they are registered with the PCAOB or not, would follow. The PCAOB does not have authority to inspect audit files of non-registered firms. Would the PCAOB seek an amendment to the inspection section of the Sarbanes-Oxley Act of 2002? Would the PCAOB seek to require that peer review reports of these non-registered firms are sent to the Board? These are questions I can only pose and the Board, in subsequent meetings and releases, can answer.

6. Are there other costs besides those discussed in this release that the Board should consider? Would initial costs be offset over time, as discussed in this release?

If the Board were to reorganize and renumber audit standards and related interpretations, then the costs of updating hard copy reference books, text books, software tools, internal documents for every auditing firm – whether registered with the PCAOB or not – not to mention Internet sites, would be incurred. In one form or another, these costs would be passed down the stream, compounding with each step.

One other cost not listed above, which I believe the Board is reasonably aware of, is the cost of possible litigation. It is *possible* that one or more firms who are not registered with the Board might litigate the validity of reorganizing, renumbering, and by extension, enforcing auditing standards on non-registered firms over which presently the Board does not have oversight. By eliminating references to GAAS, it seems to me to be implied that the Board's standards would become the only standards. (See my discussion in my response to question 4 above.)

Should this proposed rule pass the Board, it would then have to be approved by the SEC. The SEC does not have oversight of a small accounting and auditing firm that prepares a few audits for small companies that are privately owned. How, then, would these reorganized, renumbered, and rescinded standards be *enforced* with firms outside the scope of Sections 102 (Registrations) and 104 (Inspections) of the Sarbanes-Oxley Act of 2002?

7. Are there considerations relating to efficiency, competition, and capital formation with respect to audits of [emerging growth companies (EGCs)] that the Board should take into account in considering the proposed reorganization?

All firms will face the same learning and cost curves should this proposed framework ultimately reach approval. More efficiently run and effectively managed firms always have an advantage in such cases.

8. Are there costs or other considerations relating to audits of EGCs that the Board should be aware of in considering its proposed reorganization?

All firms will, in some way, pass additional costs, even “one-time” costs, on to their clients, especially if these costs are significant. As mentioned above in my response to question 6, in fact, costs may be “passed-through” as publishers and software companies charge more for their product updates, and all firms – registered with the PCAOB or not – must purchase these items.

9. Does the proposed reorganization raise issues specific to audits of brokers and dealers that the Board should consider?

Following on to my answers to questions 7 and 8 above, the introduction of new audit requirements always creates implementation costs. With internal research and documents already worked on at various firms, there would be changes needed should this proposal pass. The changes may be as simple as reference and cross-reference updates, to an all out new approach to the audit plan.

10. Should the Board limit the scope of the auditing standards reorganization to reordering and renumbering standards in their entirety and related changes as discussed in this release? If not, why not? Are there other related technical changes to the wording or organization of individual standards that should be considered, either as part of the proposed reorganization or a subsequent project, such as eliminating references to generally accepted auditing standards or outdated references to accounting standards?

Yes, the Board ought to tread lightly on the scope. As I have written earlier, my concern is that rescinding certain standards causes, in effect, the Board to be setting standards for both registered accounting firms that audit clients who file with the SEC, and unregistered accounting firms that audit nonpublic companies. I would recommend working in concert with the ASB to unify the systems so they are interlaced. (Think of the concept of an audit of internal controls over financial reporting that is integrated with an audit of financial statements.)

The Board seems to favor “eliminating references to generally accepted auditing standards[,]” but this, I believe, broadens the Board’s scope to include all accounting firms. I understand that the Sarbanes-Oxley Act of 2002 did not intend to completely replace the ASB with the PCAOB.

11. What factors should the Board consider in determining the effective date of the auditing standards reorganization?

The major factor is the software and publishing companies. How long will they need to update their programs, books, workbooks, etc.? They are in the better position to answer that question.

Next in line are the accounting firms. If only the Board-registered firms are impacted, then these firms may not need as much time to update their documents given the larger staff. However, if the result of reorganization means all accounting firms performing audits must adhere to PCAOB standards – with the ASB being supplanted – then at least one year will be needed for these smaller firms to prepare.

I appreciate the Board's desire to make finding and maintaining auditing standards easier. It benefits everyone. Caution ought to be used in assessing the overall impact and intent of this project. The unintended consequences for a sole practitioner or small local firm performing audits may overwhelm an important sector of the profession.

I thank you for your attention.

Respectfully submitted,

Frank Gorrell, MSA, CPA, CGMA

Frank Gorrell, MSA, CPA, CGMA



May 28, 2013

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Public Company Accounting Oversight Board
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Via Email to comments@pcaobus.org

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Re: PCAOB Rulemaking Docket Matter No. 40, Proposed Framework for Reorganization of PCAOB Auditing Standards and Related Amendments to PCAOB Auditing Standards and Rules

Dear Board Members and Staff:

Grant Thornton LLP appreciates the opportunity to comment on the Public Company Accounting Oversight Board's ("PCAOB" or "Board") *Proposed Framework for Reorganization of PCAOB Auditing Standards and Related Amendments to PCAOB Auditing Standards and Rules*, and we respectfully submit our comments and recommendations thereon. Overall, we support the Board's initiative to organize and codify the auditing standards of the PCAOB into a topical structure with an integrated numbering system. Nevertheless, we are concerned with the timing of this proposal, given the significant changes to existing auditing standards that appear to be imminent under the Board's standard-setting agenda in areas such as the auditor's reporting model, estimates, related party transactions, and specialists, among others. Changing the organization before the completion of these very significant projects that could result in major changes to the interim standards risks adding complexity to the organization of the standards, as differing effective dates would mean carrying the old content for some time within the reorganized standards. While there will always be items on the standard setting agenda that will necessitate pending content in the reorganization, the extent of the currently proposed changes to the interim standards is very extensive. Changes to the organization, along with a firm's adoption of the new or revised auditing standards will require significant updating to firm reference materials, training, and other guidance. We further believe that auditors should be focusing on applying the Board's new standards and understanding those that are imminent, rather than updating manuals and other materials with the new numbering system that could be subject to significant near-term change.

In addition, the release does not identify the current organization of auditing standards as a source for audit deficiencies; so while improvements can be made to the organization, we believe that assessing current performance standards should be the focus of the Board and staff. Prioritizing the improvement of auditing performance standards over the reorganization of the existing standards is consistent with recent U.S. Securities and Exchange Commission

staff views that such improvements “...might be the most direct and effective way to positively impact audit quality.”

Recommendations for the proposed framework

It is unclear from the proposal whether the cross references to the auditing standards of the International Auditing and Assurance Standards Board and the American Institute of Certified Public Accountants (“AICPA”), as illustrated in Appendices 2 and 3, will be part of the final reorganization and will be updated when new standards are issued or amended. We believe that the cross references would be a helpful tool for practitioners. Further, when finalizing the reorganization, the Board’s statement that the new topical organization “generally” follows the flow of the audit process should clarify that some of the content applies to different points in the audit (for example, audit committee communications occur at many points of the audit but this section is in “General” as opposed to “Audit Procedures”). Finally, we recommend clarifying where the existing AU Interpretations that the Board intends to keep as “auditing interpretations” will be found once the reorganization is final. On the Board’s web site, such interpretations are currently linked within each related standard, and in some written publications, such interpretations immediately follow each interim standard. It is unclear where these will be found once the standards are reorganized, and since these are not standards, presumably they will not be contained in the integrated numbering system proposed. For example, existing AU 9336, *Using the Work of a Specialist: Auditing Interpretations of Section 336*, which contains important guidance for auditors when evaluating evidence regarding transfers of financial assets, is linked on the Board’s web site when one opens AU 336. It is not clear how an auditor using the Proposed AS Reference 1203 will find the related interpretation.

Rescissions

We recommend that AU 532, *Restricting the Use of an Auditor’s Report*, not be rescinded due to the importance of restricting certain reports and other communications, such as those meant only for the audit committee, parties to a loan agreement, or other specified parties. The requirements in other standards that currently refer to AU 532 do not include the complete restriction language in AU 532. Further, AU 532 could be improved by amending the standard to address situations where PCAOB standards currently require a restriction on certain communications, but other rules and regulations discourage such restrictions in the public’s interest. For example, issuers that are supervised lenders may be required to also file certain reports with the U.S. Department of Housing and Urban Development. Such reports may refer to the standards of the PCAOB and *Government Auditing Standards*. Accordingly, current PCAOB requirements are inconsistent with the views of the U.S. Government Accountability Office relative to certain by-product reports issued in connection with a GAGAS audit. Not rescinding AU 532 would allow the PCAOB to clarify and amend their standards for these situations. We refer the PCAOB to the provisions in AICPA AU-C 905, *Alert That Restricts the Use of the Auditor’s Written Communications*, with respect to audit engagements also conducted in accordance with *Government Auditing Standards*.

We understand the Board’s proposed exclusion of the AICPA Audit and Accounting Guides (“Guides”) from the definition of auditing interpretations in amended AU 110, *Responsibilities and Functions of the Independent Auditor*. However, we also note that these Guides were developed,

and are continually updated, to promote consistency of audit execution in certain areas where interpretive guidance is otherwise lacking. By eliminating the requirement to consider the content of the Guides, PCAOB standards and related guidance may be viewed as diminishing, rather than promoting audit consistency and quality. Accordingly, we recommend that the PCAOB consider the need for expanding guidance in certain areas, and industries where relevant, as it develops auditing standards and auditing interpretations.

We further note that footnote 21 of the release seems to indicate that the PCAOB or its staff's guidance may also be auditing interpretations, but such guidance is not scoped in to amended AU 110, thus creating confusion that we believe the Board needs to address in any final reorganization. The statement in footnote 21 is also different from that used in introducing Staff Audit Practice Alerts and appears to be a change in how the Board views such alerts and other similar materials.

Implementation

Subsequent to the reorganization, we recommend that new standards of the Board be exposed as numbered standards initially and then incorporated (codified) into the reorganized format with other amendments to the existing content. We also recommend that future amendments to the Board's standards be in red line format, where new content is underlined and deleted content is struck through, as the current amendment descriptions that use a narrative for what is being deleted or added is not as easy to follow. Based on the nature and extent of the revisions being contemplated, we believe that this red line format will be essential with the issuance of the proposed reorganization.

Further, it is not clear how the PCAOB will handle the transition period when certain audits will apply older standards and others will apply newly adopted standards. The current web site presentation is to announce superseded standards within the standard that superseded it, but it is not clear how this will operate with the new organization. It will be essential for the PCAOB to maintain PDF or other hard copy versions of the Board's standards at a point in time.

Other comments

We believe that existing AU 625, *Reports on the Application of Accounting Principles*, and AU 801, *Compliance Auditing Considerations in Audits of Governmental Entities and Recipients of Governmental Financial Assistance*, should be rescinded. Neither standard results in a report that meets the definition of an "audit report" under PCAOB Rule 1001, *Definitions of Terms Employed in Rules*. For instance, a compliance audit report is specifically required by a governmental audit requirement for recipients of governmental financial assistance. Such compliance audit reports are not issued for purposes of compliance by an issuer with the requirements of the securities laws, neither are reports issued by an advisory accountant on the appropriate application of accounting principles. We have similar concerns with AU 544, *Lack of Conformity With Generally Accepted Accounting Principles*, which would seem to require some clarification relative to its applicability to audit reports subject to PCAOB standards.

We would be pleased to discuss our comments with you. If you have any questions, please contact Karin French, National Managing Partner of Professional Standards, at (312) 602-9160.

Sincerely,





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May 28, 2013

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PCAOB Rulemaking Docket Matter No. 40
***Proposed Framework for Reorganization of PCAOB Auditing Standards
and Related Amendments to PCAOB Auditing Standards and Rules***

Dear Ms. Secretary:

We appreciate the opportunity to comment on the Public Company Accounting Oversight Board's (the "PCAOB" or the "Board") Release No. 2013-002, *Proposed Framework for Reorganization of PCAOB Auditing Standards and Related Amendments to PCAOB Auditing Standards and Rules* (Proposal or Proposed Framework).

We support the Board's objectives reflected in the Proposed Framework to improve the overall usability of the Board's auditing standards by reorganizing the existing auditing standards into a topical structure that generally follows the flow of the audit process. This letter contains comments for the Board's consideration that we believe will further improve and support the Board's efforts recognizing its intent that the proposed reorganization is not expected to impose new requirements on auditors or substantively change the requirements of PCAOB standards. Our comments focus on the scope, the proposed reorganization, and on the proposal to rescind and amend certain generally accepted auditing standards.

Scope

We support the Board's proposal to exclude the PCAOB's attestation, quality control, and ethics and independence standards from the scope of the Proposed Framework, and we support the Board's efforts to consider a reorganization project in the future related to these other standards.

The Board proposes to retain substantially all of the AICPA auditing interpretations included in the interim standards and to present the auditing interpretations separately from the auditing standards on the Board's website similar to PCAOB guidance.¹ We agree that the full content of AICPA auditing interpretations and PCAOB guidance (collectively, "Other Guidance") should not be included in the Proposed Framework. However, because the proposal also indicates that while auditors are not required by a Board rule to consider PCAOB guidance, an auditor who fails to do so may lack important information and, as a result, runs the risk of violating the standard that the Board or staff has interpreted.² For this reason, we believe it would be

¹ See p. 10 of the Proposal.

² See Footnote 21 of the Proposal.

appropriate for the Proposed Framework to include a reference to the Other Guidance to assist auditors in maintaining their awareness and consideration of this guidance, and to assist in their navigation between the authoritative auditing standards and the non-authoritative Other Guidance.

Upon consideration of the Board's intent for the Proposal, we support the amendment to remove references to AICPA Audit and Accounting Guides and AICPA Auditing Statements of Position and to reduce the scope of the "be aware of and consider" requirement to apply only to "auditing interpretations," that is, the publications entitled "Auditing Interpretation" issued by the AICPA's Auditing Standards Board as in existence on April 16, 2003. However, as the accounting profession continues to update and clarify its guidance for auditors, especially around specialized industries, we encourage the Board to consider the relevance and applicability of this non-authoritative guidance to the auditors of public companies. If the Board were to consider such guidance inconsistent with its views, we encourage the Board to address these matters affirmatively within its standards or through Other Guidance.

Proposed Reorganization

We believe that the Proposed Framework for reorganizing PCAOB auditing standards is an improvement over the existing structure of PCAOB auditing standards and that the proposal generally follows the flow of the audit process. We provide some observations in the Appendix that we believe may improve the proposed reorganization framework. These observations include recommended modifications to the naming, numbering, or placement of certain categories and subcategories within the Proposed Framework to improve the alignment with the flow of the audit. We recognize the fact that each of the activities covered by the PCAOB's auditing standards may underlie more than one stage of the audit process (e.g., audit committee communications, consideration of fraud risks, auditing internal control over financial reporting) and that the audit process is not linear, but we believe the suggestions noted in the Appendix are reasonable given the scope of the reorganization.

Although the alternative to the Proposed Framework of adopting the organizational structure of another standard-setter, such as the International Auditing and Assurance Standards Board (IAASB), was not pursued, we believe that there could be some benefits from introducing within the Proposed Framework a method or tool for cross-referencing to these other standard setters' auditing standards. This tool would indicate how the categories and subcategories of the PCAOB auditing standards compare with those of the AICPA Auditing Standards Board (ASB) and the IAASB. This would allow the auditor to quickly identify and consider similarities and differences associated with standards or topics across the different auditing standard frameworks. This tool could be particularly helpful for auditors conducting audits under a new framework for the first time, such as when an auditor of a privately-held company becomes subject to the PCAOB's standards by way of an initial public offering, or when an auditor of a U.S. issuer conducts an audit under IAASB standards in conjunction with the audit performed under PCAOB auditing standards. Additionally, the tool could assist auditors of U.S. issuers who are also performing audits of other entities using the auditing standards of the ASB. We believe this cross-

referencing initiative would be consistent with the PCAOB's strategic plan which calls in part for cooperation and consideration of the work of other standard setters and regulators.³

Rescission or Amendment of Certain Interim Auditing Standards

With the issuance of the Proposal, we understand the Board does not intend to impose additional requirements on auditors or substantively change the requirements of the PCAOB standards. However, we believe that rescinding AU Section 532, *Restricting the Use of an Auditor's Report* (AU 532), could introduce a consequential change in practice, because it would remove the auditor's ability to restrict the use of the auditor's report when it may be appropriate to do so.⁴

We appreciate the Board's careful consideration of our comments. If you have any questions regarding our comments or other information included in this letter, please do not hesitate to contact Sam Ranzilla, (212) 909-5837, sranzilla@kpmg.com, or George Herrmann, (212) 909-5779, gherrmann@kpmg.com.

Very truly yours,

KPMG LLP

PCAOB

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Lewis H. Ferguson, Member
Jeanette M. Franzel, Member
Jay D. Hanson, Member
Steven B. Harris, Member
Martin F. Baumann, Chief Auditor and Director of Professional Standards

SEC

Paul A. Beswick, Chief Accountant
Brian T. Croteau, Deputy Chief Accountant

³ Public Company Accounting Oversight Board Strategic Plan: Improving the Relevance and Quality of the Audit for the Protection and Benefit of Investors 2012 – 2016 (November 30, 2012).

⁴ Guidance associated with restricting the use of the auditor's report in AU 532 is referenced in other PCAOB standards, such as Auditing Standard No. 16, *Communications with Audit Committees*.

Appendix

We suggest the following changes to the naming, numbering, or placement of certain categories and subcategories of the Proposed Framework that we believe would improve the alignment between the proposed reorganization of the PCAOB auditing standards (AS) and the flow of the audit.

1. We believe proposed subcategories AS 1202, *Part of Audit Performed by Other Independent Auditors*, and AS 1203, *Using the Work of the Specialist*, should be placed under category AS 2600, *Special Topics*. We believe these subcategories represent specific auditing procedures, rather than standards on broad auditing principles or concepts.
2. We believe AS 2200, *Audit Procedures in Response to Risks – Nature, Timing, and Extent*, should be renamed AS 2200, “Audit Evidence.” We believe certain of the subcategories of AS 2200, as proposed, illustrate the accumulation of audit evidence and not all subcategories represent audit procedures in response to the nature, timing and extent of risk.
3. We recommend that AS 2302, *Reporting on Whether a Previously Reported Material Weakness Continues to Exist*, be relocated under the *Other Matters Associated with Audits* category. We believe the guidance in this subcategory is indicative of auditing guidance associated with other work performed in conjunction with an audit of an issuer, rather than specific auditing procedures associated with internal control over financial reporting.
4. While we agree that proposed subcategories AS 2400, *Audit Procedures for Specific Aspects of the Audit*, and AS 2500, *Audit Procedures for Certain Accounts or Disclosures*, are appropriately included under the *Audit Procedures* category, we also believe these are audit evidence collection activities associated with multiple accounts or disclosures (e.g., fair value of financial or non-financial assets) rather than “certain” accounts as their current subcategory title states. Therefore, we believe these subcategories should be relocated and reordered in their entirety under our proposed renaming of subcategory AS 2200, “Audit Evidence.”
5. We believe that AS 2801, *Subsequent Events*, and AS 2802, *Management Representations*, should be relocated under our proposed renaming of subcategory AS 2200, “Audit Evidence” instead of being characterized as “concluding audit procedures.”
6. We believe that proposed subcategories AS 2701, *Reporting on Information Accompanying the Basic Financial Statements in Auditor-Submitted Documents* and AS 2805, *Evaluating Consistency of Financial Statements* should be placed under subcategory AS 3100, *Reporting on Audits of Financial Statements*. These subcategories are standards for auditor reporting, rather than standards for planning and performing audit procedures or gathering audit evidence.

May 28, 2013

Office of the Secretary
Public Company Accounting Oversight Board
1666 K Street N.W.
Washington, D.C. 20006-2803

RE: PCAOB Rulemaking Docket Matter No. 40

Dear Office of the Secretary:

McGladrey LLP appreciates the opportunity to comment on the *Proposed Framework for Reorganization of PCAOB Auditing Standards and Related Amendments to PCAOB Auditing Standards and Rules*. We support the Board's efforts to enhance the usability of PCAOB auditing standards by reorganizing them into a topical structure with a single integrated numbering system. Our comments on possible ways to improve the proposed reorganization framework are discussed below.

Proposed Approach

A Logical Order that Follows the Flow of the Audit Process

We understand the proposed reorganization is intended to present the standards in a logical order that generally follows the flow of the audit process. It would appear that the *audit process* in this context refers to the *financial statement audit process* rather than an *integrated audit process* because the requirements of Auditing Standard (AS) 5 for an audit of internal control over financial reporting that is integrated with an audit of financial statements are all proposed to be self-contained in one *Audit Procedures* subcategory (2300) of the proposed framework rather than the individual requirements being located under the applicable subcategories within the flow of an audit. For example, the requirements in paragraphs 9 through 20 of AS 5 perhaps would be more appropriately located in subcategory 2100 of the framework because those requirements are essential to planning an integrated audit. Likewise, the requirements in paragraphs 85 through 98 of AS 5 perhaps would be more appropriately located in subcategory 3100 of the framework because those requirements are essential to reporting on an audit of internal control over financial reporting that is integrated with an audit of financial statements. We believe that a more logical order for the proposed reorganization would reflect the flow of an integrated audit process. Therefore, we recommend the AS 5 requirements be included at the end of each subcategory as appropriate and separately identified so as to clearly distinguish that they are incremental requirements for an audit of internal control over financial statements.

Topical Structure

We agree that reorganizing the PCAOB auditing standards into a topical structure with subcategories to further organize similar topics is appropriate. However, in attached Appendix 1, we have marked detailed suggestions that we believe will help users navigate the standards more easily. Also, although not marked within Appendix 1, we propose that the PCAOB consider a numbering scheme that uses increments of ten rather than increments of one so as to enable future expansion within each subcategory.

In addition to the changes proposed in Appendix 1, we suggest the Board consider adding a subsection titled *Terms of the Engagement*, which would be consistent with that used in International Standards on Auditing.

Consideration of Alternatives

We understand the Board considered a variety of alternative reorganization approaches, such as adopting the organization structure of another standards setter (*i.e.*, the International Auditing and Assurance Standards Board (IAASB) or the AICPA Auditing Standards Board (ASB)), but ultimately decided to propose its own topical structure. Since the Board is proposing its own topical structure, we believe it would be helpful for the Board to continually provide a detailed comparison of PCAOB auditing standards categories and subcategories to the organizational structure of standards of the IAASB and the ASB.

Further, it would be very helpful if the Board provided an analysis of the incremental PCAOB requirements that are applicable when auditors are asked to audit financial statements in accordance with the standards of the PCAOB, which previously were audited in accordance with standards of the IAASB or the ASB. Converting from one set of auditing standards to another can occur in several situations, including when a client that had terminated its SEC registration decides to become registered again, when an existing private client decides to file with the SEC and all periods presented are required to be audited in accordance with PCAOB standards or when a privately held client is acquired by an SEC registrant and is required to guarantee the debt of the registrant. Providing this type of guidance would assist auditors in focusing on matters that the PCAOB views as incremental to other standards.

Proposed Changes to PCAOB Standards

AU 532, "Restricting the Use of an Auditor's Report"

We believe AU 532 should not be rescinded because it provides an opportunity for an auditor to restrict the use of the auditor's report. This is important when an auditor issues reports as a by-product of a financial statement audit, for example, reports issued on compliance with loan agreement covenants pursuant to AU 623, *Special Reports*.

AU 901, "Public Warehouses – Controls and Auditing Procedures for Goods Held"

We do not believe that all of the recommendations for the audit of the warehouseman detailed in AU 901 are set forth in AU 331, *Inventories*. Therefore we recommend that AU 901 be retained as a supplement to AU 331, rather than being rescinded.

AICPA "Auditing Interpretations" and Other "Interpretive Publications"

We agree with the Board's proposal to present the AICPA auditing interpretations separately from the auditing standards on the Board's website in a manner similar to PCAOB Guidance, such as Staff Audit Practice Alerts, Staff Questions and Answers, Other Staff Guidance and Other Board Releases. So as to assist the auditor in being aware of and considering all of these auditing interpretations, we recommend the framework include a reference to PCAOB Guidance within the applicable sections of the reorganized standards and rules.

Economic Considerations

We agree the primary costs of the proposed changes related to the reorganization would be one-time costs to registered firms of updating references within firm methodologies, related reference materials, and practice aids to reflect the new citations to PCAOB auditing standards. That assumes, however, that the costs truly are "one-time" costs. We recommend that the PCAOB make all necessary reorganizational revisions at one time so that firms do not have to update references a second time at some point due to future revisions related to further reorganization. It also should be noted that other implementation costs besides those discussed in the release are those related to updating the related training and revising references in engagement files.

Public Company Accounting Standards Board
Proposed Framework for Reorganization of PCAOB Auditing Standards and Related Amendments to PCAOB Auditing Standards and Rules
Page 3

Application to Audits of Emerging Growth Companies

In considering its proposed reorganization, the Board should consider that there may be future standards that the SEC will determine to not apply to the audits of emerging growth companies and therefore should contemplate how such situations will be designated within the framework.

Scope of the Auditing Standards Reorganization

Other Professional Practice Standards

We agree the organizational structure of the PCAOB's other professional practice standards (*i.e.*, quality control, attestation, and ethics and independence) should be excluded from the scope of the proposed framework, and we support the Board's efforts to undertake additional projects to address the organizational structure of such standards in the future.

Technical Changes to Wording of Individual Standards

As stated above, we recommend the PCAOB make all necessary reorganizational revisions now. Therefore, we recommend the following technical changes to the wording of individual standards be considered as part of the proposed reorganization:

- Eliminating references to generally accepted auditing standards
- Eliminating outdated references to accounting standards
- Eliminating requirements that are not applicable to audits of issuers, for example, the responsibilities of service auditors as set forth in paragraphs 22 through 62 of AU 324, *Service Organizations*
- Changing references for "generally accepted accounting principles" to "applicable financial reporting framework" so as to accommodate audits of financial statements prepared in accordance with International Financial Reporting Standards
- Placing all requirements of the auditor in the body of each standard and using "Notes" to clarify how auditors might implement the requirements. We are concerned that auditors will not readily identify requirements contained in "Notes" to the proposed standard, and that auditors may fail to identify and implement those requirements.

Effective Date

We request the PCAOB provide additional guidance as to its expectations regarding adoption of the proposed framework as of the effective date. This would include expectations as to references to the proposed framework rather than the extant standards in policy manuals, training materials, and individual engagement files. Registered firms will need adequate implementation time of at least a full calendar year to cost effectively make all of the requisite changes in the normal course of business.

We appreciate this opportunity to provide feedback on the proposed framework and would be pleased to respond to any questions the Board or its staff may have concerning our comments. Please direct any questions to Mike Campana, Partner - National Professional Standards Group, at 612-455-9414.

Sincerely,



McGladrey LLP

Appendix 1 Topical Structure Suggestions

(Proposed deletions are struck through, and proposed additions are shown in red font.)

General ~~Auditing Standards~~ **Principles and Responsibilities**¹

1000 General Principles and Responsibilities

- 4004~~1010~~ Responsibilities and Functions of the Independent Auditor
- 4040 ~~1020~~ Training and Proficiency of the Independent Auditor
- 4044~~1030~~ Independence
- 4042~~1040~~ Due Professional Care in the Performance of Work

~~1100 General Concepts~~²

- ~~1101 Audit Risk~~³
- ~~1102 Audit Evidence~~⁴
- 4403~~1050~~ Relationship of Auditing Standards to Quality Control Standards

~~1200 General Activities~~²

- 4204~~1060~~ Supervision of the Audit Engagement
- ~~1202 Part of Audit Performed by Other Independent Auditors~~⁵
- ~~1203 Using the Work of a Specialist~~⁵
- 4240 ~~1070~~ Audit Documentation
- 4220 ~~1080~~ Engagement Quality Review

1200 Using the Work of Others⁵

- 1210 Part of Audit Performed by Other Independent Auditors⁵
- 1220 Using the Work of a Specialist⁵
- 1230 The Auditor's Consideration of the Internal Audit Function in an Audit of Financial Statements⁵

~~1300 Auditor Communications~~

Auditor Communications

- 1301 Communications with Audit Committees
- 1302 Communications about Control Deficiencies in an Audit of Financial Statements
- 2603 **Communications Between Predecessor and Successor Auditors**

Audit Procedures

2100 Audit Planning and Risk Assessment

- 1101 **Audit Risk**³
- 2101 Audit Planning

¹ *General Auditing Standards* is a broad term, which in this category actually is limited to principles and responsibilities. Also, our proposed title is consistent with that used in International Standards on Auditing.

² Use of the terms *General Concepts* and *General Activities* do not lend themselves to intuitive searching of the standards.

³ We believe it is more appropriate to address audit risk in the context of audit planning and risk assessment.

⁴ We believe these subcategories are more appropriately reflected within a new *Audit Evidence* category as they are illustrative of the accumulation of audit evidence.

⁵ We believe these subcategories reference audit procedures that should be categorized as *Using the Work of Others*, rather than as *General Activities* or alternatively, as a *Special Topic* in section 2600.

Public Company Accounting Standards Board
*Proposed Framework for Reorganization of PCAOB Auditing Standards and Related Amendments to
 PCAOB Auditing Standards and Rules*
 Page 5

- 2102 Consideration of Materiality in Planning and Performing an Audit
 2103 Identifying and Assessing Risks of Material Misstatement
- 2200 *Audit Procedures in Response to Risks — ~~Nature, Timing, and Extent~~ of Material Misstatement*⁶
 2201 The Auditor's Responses to the Risks of Material Misstatement
- 2300 *Audit Evidence*⁴
 1102 *Audit Evidence*⁴
 2202 Substantive Analytical Procedures⁴
 2203 The Confirmation Process⁴
 2204 Audit Sampling⁴
 2801 *Subsequent Events*⁴
 2802 *Management Representations*⁴
- 2300 *Auditing Internal Control Over Financial Reporting*⁷
 2301 An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements⁷
~~2302 Reporting on Whether a Previously Reported Material Weakness Continues to Exist⁷~~
- 2400 *Audit Procedures for Specific Aspects of the Audit*
 2401 Consideration of Fraud in a Financial Statement Audit
 2402 Illegal Acts by Clients
 2403 Related Parties and Related Party Transactions
 2404 ~~The Auditor's~~ Consideration of an Entity's Ability to Continue as a Going Concern
- 2500 *Audit Procedures for Certain Accounts or Disclosures*
 2501 Auditing Accounting Estimates
 2502 Auditing Fair Value Measurements and Disclosures
 2503 Auditing Derivative Instruments, Hedging Activities, and Investments in Securities
 2504 Inquiry of a Client's Lawyer Concerning Litigation, Claims, and Assessments
 2505 *Auditing Inventories*
- 2600 *Special Topics*
 2601 *Considerations Relating to an Entity Using a Service Organizations*
~~2602 The Auditor's Consideration of the Internal Audit Function in an Audit of Financial Statements⁵~~
~~2603 Communications Between Predecessor and Successor Auditors~~
- 2700 *Auditor's Responsibilities Regarding Other and Supplementary Information*⁸
 2701 Reporting on Information Accompanying the Basic Financial Statements in Auditor-Submitted Documents⁸
 2702 Unaudited Supplementary Information Included in Audited Financial Statements⁸
 2703 Other Information in Documents Containing Audited Financial Statements⁸

⁶ We suggest keeping this subcategory title consistent with the title of AS 13, *The Auditor's Responses to the Risks of Material Misstatement*.

⁷ As discussed more fully above, we believe the individual requirements of these standards should be relocated under the applicable subcategories within the flow of an audit. If these changes are made, this subcategory could be eliminated.

⁸ Consideration could be given to moving these subcategories to subcategory 3200, which would be a categorization approach similar to that used in International Standards on Auditing.

2800 Concluding Audit Procedures

~~2801 Subsequent Events⁴~~

~~2802 Management Representations⁴~~

2803 Evaluating Audit Results

2804 The Meaning of Present Fairly in Conformity With Generally Accepted Accounting Principles

2805 Evaluating Consistency of Financial Statements

2900 Post-Audit Matters

2901 Consideration of Omitted Procedures After the Report Date

2902 Subsequent Discovery of Facts Existing at the Date of the Auditor's Report

Auditor Reporting

3100 Reporting on Audits of Financial Statements

3101 Reports on Audited Financial Statements

3105 References in Auditors' Reports to the Standards of the Public Company Accounting Oversight Board⁹

3110 Dating of the Independent Auditor's Report⁹

3200 Reserved

3300 Other Reporting Topics

3301 Association With Financial Statements

3310 Special Reports

3311 Special Reports on Regulated Companies

3312 Reporting on Condensed Financial Statements and Selected Financial Data

Matters Relating to Filings under Federal Securities Laws

4101 Responsibilities Regarding Filings under Federal Securities Statutes

4102 Reviews of Interim Financial Information

5000 Reserved

Other Matters Associated with Audits

2302 **Reporting on Whether a Previously Reported Material Weakness Continues to Exist⁷**

6101 Letters for Underwriters and Certain Other Requesting Parties

6102 Reports on the Application of Accounting Principles

6103 Compliance Auditing Considerations in Audits of Recipients of Governmental Financial Assistance

⁹ The requirements of these two subcategories should be reflected within subcategory 3101, *Reports on Audited Financial Statements*.



May 28, 2013

Office of the Secretary
Public Company Accounting Oversight Board
1666 K Street, NW
Washington, DC 20006-2803

Via e-mail: comments@pcaobus.org

Re: Request for Public Comment: *Proposed Framework for Reorganization of PCAOB Auditing Standards and Related Amendments to PCAOB Auditing Standards and Rules*, PCAOB Rulemaking Docket Matter No. 40

Dear Office of the Secretary:

We appreciate the opportunity to share our views on the Public Company Accounting Oversight Board's (PCAOB or the Board) *Proposed Framework for Reorganization of PCAOB Auditing Standards and Related Amendments to PCAOB Auditing Standards and Rules* (the Proposal).

Founded in 1913, Moss Adams LLP is the largest accounting and auditing firm headquartered in the Western United States, with a staff of over 2,000, including more than 260 partners. The firm serves middle-market issuers in diverse industries.

We are supportive of the Board's objective to improve the usefulness of PCAOB standards by proposing a framework with logical topics, and we look forward to the next phase of the Board's project with respect to the reorganization. We welcome the Board's intent to rescind unnecessary guidance in the interim standards, though we disagree with two of the proposed rescissions. Our more detailed comments on both topics, along with our initial views on the potential implementation of the proposed framework, are as follows:

Proposed Framework and Reorganization

The Board's proposal to reorganize auditing standards in a topical structure is an improvement to the Board's current structure. The Board's proposed structure of presenting the standards in the flow of an audit is a logical organization. However, we observe that certain elements of the standards in many of the topical areas, such as audit committee communications, should be applied at various stages during an audit. We suggest the Board emphasize this point in the next stage of this project.

In considering how to reorganize the standards, the Board had a number of potential options, including retaining the existing structure of the auditing standards, adopting the structure of the International Auditing and Assurance Standards Board (IAASB) and the AICPA Auditing Standards Board (ASB), or to create its own structure, as the Board decided to do. We acknowledge the Board's rationale for not adopting the structure of the IAASB's and ASB's auditing standards. We also observe that as its standards continue to expand and

Office of the Secretary
Public Company Accounting Oversight Board
May 28, 2013
Page 2

evolve, the Board may undertake a true codification as a longer term project. We encourage the Board to consider the benefits to audit quality of more closely aligning its standards with those of the IAASB and ASB as part of any codification project that is undertaken.

Rescissions

We disagree with the Board's proposal to rescind AU 532, *Restricting an Auditor's Report*. While we acknowledge that most audits performed under PCAOB standards are conducted for public companies and do not contain restricted reports, there may be situations where it is appropriate to restrict the auditor's report. In addition, AU 532 is the basis for an auditor's restriction of other communications, such as those with audit committees. We also observe the Board's comment in the Proposal that the rescissions are not designed to change practice; we believe rescinding AU 532 would result in a change in practice. Finally, although the auditors of brokers and dealers are not yet required to apply the Board's standards in their audits, the rescission of AU 532 would appear to limit an auditor's ability to restrict other reports required to be completed by the auditor under existing regulations of the Securities and Exchange Commission (SEC).

We recommend the Board clarify its intent with respect to interpretive audit literature, including the AICPA's Audit and Accounting Guides (the Guides), which are widely used to audit companies in certain industries. Our experience is that practice has evolved to use the current version of the applicable Guides and not the version effective upon the Board's adoption of the interim auditing standards. The Board should reconsider its proposal to rescind all of AU 150, *Generally Accepted Auditing Standards*. Specifically, the Board should retain at least the guidance in AU 150.05, which would maintain the existing status quo, and also consider retaining AU 150.06 through AU 150.08. We believe the Guides and other interpretive audit literature benefit audit quality by providing industry specific and other guidance that is helpful in the design and execution of an audit. We suggest the Board modify its proposal to retain the references to these materials in its standards. We also believe further clarification of the Board's use of interpretive auditing literature is appropriate.

Implementation

The proposed changes will require significant updating of our audit tools and manuals as well as training of our personnel. We request the Board establish a single date of effectiveness of at least 12 months from the date of the SEC's approval of the final framework. We believe a point in time transition is more efficient than a staggered transition period with multiple effective dates.

We appreciate the effort and time the Board and its staff have devoted to the Proposal and we appreciate the opportunity to comment on the Proposal. Please direct any questions to Fred Frank or John Donohue in our Professional Practice Group at 206-302-6800.

Very truly yours,

Moss Adams LLP

May 28, 2013

Phoebe W. Brown
Office of the Secretary
PCAOB
1666 K Street, N.W.
Washington, D.C. 20006-2803

Submitted via e-mail to comments@pcaobus.org

**Re: Comments on Proposed Framework for Reorganization of PCAOB Auditing Standards and Related Amendments to PCAOB Auditing Standards and Rules
PCAOB Release No. 2013-002, March 26, 2013, PCAOB Rulemaking Docket Matter No. 40**

Dear Madam Secretary:

The New York State Society of Certified Public Accountants (NYSSCPA), representing more than 29,000 CPAs in public practice, industry, government and education, welcomes the opportunity to provide comments on the above captioned release.

The NYSSCPA's Auditing Standards Committee deliberated the release, and prepared the attached comments. If you would like additional discussion with us, please contact Julian Jacoby, Chair of the Auditing Standards Committee at (212) 755-4482, or Ernest J. Markezin, NYSSCPA staff, at (212) 719-8303.

Sincerely,


Gail M. Kinsella
President

Attachment



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**NEW YORK STATE SOCIETY OF
CERTIFIED PUBLIC ACCOUNTANTS**

COMMENTS ON

**PROPOSED FRAMEWORK FOR REORGANIZATION OF PCAOB AUDITING
STANDARDS AND RELATED AMENDMENTS TO PCAOB AUDITING STANDARDS
AND RULES**

**PCAOB RELEASE NO. 2013-002, MARCH 26, 2013,
PCAOB RULEMAKING DOCKET MATTER NO. 40**

May 28, 2013

Principal Drafters

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New York State Society of Certified Public Accountants

Comments on Proposed Framework for Reorganization of PCAOB Auditing Standards and Related Amendments to PCAOB Auditing Standards and Rules

The New York State Society of Certified Public Accountants (NYSSCPA) is pleased to submit the following comments in response to the above-captioned release issued by the Public Company Accounting Oversight Board (PCAOB or the Board).

We believe that adoption of these proposals would likely have positive effects from both an organizational standpoint and on the Board's additional objective of replacing the "interim" standards. Our responses to the questions posed in the proposals are contained in Appendix 1 to this letter. However, we have the following suggestions to enhance the utility of the final version further, in the order of their significance:

- Because of the rapidly increasing diversity among the standards issued by various authorities, auditors find it increasingly difficult to assure compliance with all aspects of the various standards as they complete an audit and move to the next, which might be in and out of the PCAOB's domain. For this reason, we believe the most helpful approach to reorganization of the PCAOB's standards would be to use substantially the same structure of the so-called "Clarified" standards of Auditing Standards Board (ASB) of American Institute of CPAs (AICPA) and those of the International Standards on Auditing. We believe that would facilitate best the focus by auditors on differences among the various standards and mitigate the learning curve for those whom, from time-to-time, need to work under an alternate set of standards.
- If the foregoing recommendation is not accepted, we believe that the objective of placing the standards in a more logical sequence, based primarily on the normal chronology of the audit process, with general concepts preceding those sections, would be the best alternative and be of substantial value to users (*i.e.*, auditors), although some topics will not be easily classified. With that objective in mind, we are suggesting a reordering of the topics listed in Appendix 1 of the proposals, and we are submitting our ideas in an attachment (Appendix 2) to this letter. We are recommending to expand the audit planning section significantly to include risk assessment and certain other standards, and to move others around within this and in other sections. We are also recommending a new section on audit completion to include communication and reporting standards which would follow the section on substantive procedures.
- We have seen PCAOB acknowledgments of the standards of other standard-setters in the Board's proposals. A good example of this is Appendix 11 of the exposure draft that preceded the comprehensive risk standards (AS 8-14) that delineates differences in the standards. It would be a positive step should such a list of differences were to be retained as an appendix to the final standards or were to be posted centrally such as on several Web sites. Moreover, merely listing Web sites such as in these proposals does not provide sufficient information as to content to be useful to professionals who may conduct audits in

accordance with more than one set of standards. Accordingly, we believe the Auditing Profession would be better served and enhanced quality audits would result should there be greater integration among different standards. For example, if the commonalities and differences among the different standards were articulated and emphasized so the differences are not inadvertently overlooked, audit quality would be improved.

- Auditing standards have become increasingly complex in addition to becoming more diverse as accounting complexity changes. This is an endemic problem. In practice, auditors use databases containing subject material that is subject -area driven to allow them to understand the concepts better. This is especially true in industry- based matters and in employing sophisticated auditing techniques such as computer audit techniques and statistical sampling. The complexities of these matters are not adequately dealt with in the PCAOB standards. Accordingly, auditors commonly look to other sources for detailed guidance which is not encouraged in the language of the standards. For example, U.S. “generally accepted auditing standards” that are applicable to audits of financial statements of non-issuers and were promulgated after April 16, 2003, by the ASB, its auditing interpretations and other non-authoritative literature, such as audit and accounting guides, may provide useful supplementary guidance to improve audit quality. (Specifically, we note the absence of a “state-of-the-art” standard on ”group audits” in the PCAOB standards such as recently adopted by the ASB or on its work agenda.) However, because these alternate sources of guidance are not embraced by the PCAOB standards as requirements for the audits of issuers’ financial statements, auditors are not encouraged to seek such supplemental guidance in determining the scope of their audits. Taking appropriate care not to imply that these other materials have the same weight as the standards in PCAOB-compliant audits, we believe that the standards should encourage auditors to seek additional guidance from such other widely available sources.
- The inclusion in a preface to the planning section (to be prepared in connection with the restructuring) of some *caveats* about the iterative nature of the audit process would be helpful to auditors, because to communicate that, as the audit progresses, the nature timing and extent of work may change along with the related documentation needed to effectuate these changes. In addition, some language should be included in the index informing users that the PCAOB has interpretations and guidance that are not contained in the standards but that are important to reference to assure that auditing objectives are effectively met such as in example, PCAOB Rule 3526, *Communication with Audit Committees Concerning Independence*.
- We believe it would be critical to utilize computer technology in connection with the restructuring through hyper-linking subject areas with other standards materials including guidance and other related material. These links also could be included within print media publications as references as well, and perhaps obviating the need to include detailed subject indexes in these publications. Also, elimination of superseded material is always a plus, and this should be done at frequent regular intervals or on an ongoing basis or as needed.

- Lastly, we recommend that another preliminary pass be made to edit revisions of the portions of the interim standards that are being carried forward when the restructured standards are published without unduly delaying its issuance. More substantive changes can be made in the future as these matters are included in the working agenda.

Responses to the Questions Contained in Part VII of the Proposal

We have the following responses to the questions provided in the Proposed Framework:

Question 1: Is the proposed framework for reorganizing PCAOB auditing standards appropriate and an improvement over the existing structure of the PCAOB auditing standards? Are there ways to improve the proposed reorganization framework?

Response: Subject to the foregoing general observations and suggestions, and our response to Question 2, we support the framework proposed by the PCAOB for reorganizing its auditing standards and believe that the combining of the auditing standards issued by the PCAOB and the auditing standards of the Auditing Standards Board (ASB) as of April 16, 2003, adopted as interim auditing standards and which have not been superseded, is highly desirable.

There undoubtedly are other framework structures that could be developed, but the one being proposed would accomplish the goal of clearly presenting all PCAOB auditing standards.

Question 2: Would the proposed reorganization described in this release help users navigate the standards more easily, help avoid potential confusion between the Board's standards and the standards of the ASB, and provide a structure for updating PCAOB standards in the future? Are there other potential benefits the Board should be aware of in considering its proposed reorganization?

Response: Subject to the foregoing general observations and suggestions, we do not believe that the proposed reorganization would make navigating the standards significantly easier or avoid any confusion that someone might have between PCAOB and ASB auditing standards. The proposed framework would, of course, provide the structure for future PCAOB changes to its auditing standards.

Question 3: Are the categories and subcategories of auditing standards in the proposed reorganization framework appropriate and an improvement over the existing organizational structure of PCAOB auditing standards?

Response: We believe that the categories and subcategories of auditing standards in the proposed reorganization framework are appropriate and are an improvement over the existing organizational structure of PCAOB standards consisting of PCAOB- originated standards and the interim standards.

Question 4: Is it appropriate to rescind the auditing standards and related auditing interpretations discussed in Section III.A of this release as part of the proposed reorganization? Are any of those standards or auditing interpretations still necessary to fully describe the auditor's responsibilities for audits under PCAOB standards? Are there other standards or auditing interpretations that should be rescinded?

Response: We agree that it is appropriate to rescind the auditing standards and related auditing interpretations discussed in Section III.A of the release. No, there are no other standards or auditing interpretations that should be rescinded.

Question 5: Would the framework for reorganizing PCAOB auditing standards have any consequences that are not addressed in this release? If so, what are those consequences?

Response: Subject to the foregoing general observations and suggestions, we have no consequences to report at this time that would result from adopting the proposed framework that have not been addressed in the release.

Question 6: Are there other costs besides those discussed in this release that the Board should consider? Would initial costs be offset over time, as discussed in this release?

Response: Costs of the proposed changes, in addition to those discussed, would include the cost of continuing education programs needed because of the proposed changes. We do not believe that initial costs would be offset over time by the potential savings discussed in the release.

Question 10: Should the Board limit the scope of the auditing standards reorganization to reordering and renumbering standards in their entirety and related changes as discussed in this release? If not, why not? Are there other related technical changes to the wording or organization of individual standards that should be considered, either as part of the proposed reorganization or a subsequent project, such as eliminating references to generally accepted auditing standards or outdated references to accounting standards?

Response: We believe that, at this time, changes to the PCAOB's auditing standards should be limited to those proposed in this release. However, the PCAOB should consider adding a project to adopt a uniform format for all auditing standards to its standard-setting agenda, which we believe would facilitate an understanding of those standards and improve the quality of audits. In addition, eliminating outdated references and consideration of changes should be ongoing, not necessarily new projects.

Question 11: What factors should the Board consider in determining the effective date of the auditing standards reorganization?

Response: In determining the effective date of the auditing standards reorganization, considerations should include the timing of the issuance of the framework and a careful estimation of what will be necessary for firms to update their firm methodologies, reference materials and practice aids, and provide training to their staff.

**Suggested Revisions to Appendix 1 of Proposed Framework for Reorganization of PCAOB
Auditing Standards**

Please Note: Where changes have been proposed, the original Appendix number has been retained.

PCAOB Appendix 1 Section #	Our Proposed Revised Section #	Standard (Some titles revisions are being proposed) (Note-PCAOB interpretations may not be included in Standards)
General Standards		
1000	(Same #)	<i>General Principles and Responsibilities</i> (sub-heading)
1001		Responsibilities and Functions of the Independent Auditor
1010		Training and Proficiency of the Independent Auditor
1011		Independence
1012		Due Professional Care in the Performance of Work
1103	1013	Relationship of Auditing Standards to Quality Control Standards
Planning		
2101		Audit Planning
1101	2102	Audit Risk
1102	2103	Audit Evidence
2603	2104	Communications Between Predecessor and Successor Auditors
2102	2105	Consideration of Materiality in Planning and Performing an Audit
2103	2106	Identifying and Assessing Risks of Material Misstatement
1201	2107	Supervision of the Audit Engagement
2401	2108	Consideration of Fraud
2402	2109	Illegal Acts by Clients
2403	2110	Related Parties
1203	2111	Using the Work of a Specialist
1202	2112	Part of Audit Performed by Other Independent Auditors
Audit Performance		
2201		The Auditor's Responses to the Risks of Material Misstatement
2202		Substantive Analytical Procedures
2203		The Confirmation Process
2204		Audit Sampling
2501	2205	Auditing Accounting Estimates
2502	2206	Auditing Fair Value Measurements and Disclosures
2503	2207	Auditing Derivative Instruments, Hedging Activities, and Investments in Securities
2505	2208	Auditing Inventories
2504	2209	Inquiry of a Client's Lawyer Concerning Litigation, Claims, and Assessments
2602	2210	Consideration of the Internal Audit Function
2601	2210	Service Organizations
2300		<i>Auditing Internal Control Over Financial Reporting</i> (sub-heading)

Appendix 2

2301		An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements
Audit Completion/Communication/Reporting		
3100	3000	<i>Reporting on Audits of Financial Statements (sub -heading)</i>
2801	3001	Subsequent Events
2802	3002	Management Representations
2803	3003	Evaluating Audit Results
2804	3004	The Meaning of Present Fairly in Conformity With Generally Accepted Accounting Principles
2805	3005	Evaluating Consistency of Financial Statements
3101		Reports on Audited Financial Statements
3105	3103	References in Auditors' Reports to the Standards of the Public Company Accounting Oversight Board
2404	3102	The Auditor's Consideration of an Entity's Ability to Continue as a Going Concern
2302	3104	Reporting on Whether a Previously Reported Material Weakness Continues to Exist
2701	3105	Reporting on Information Accompanying the Basic Financial Statements in Auditor-Submitted Documents
2702	3106	Unaudited Supplementary Information Included in Audited Financial Statements
2703	3107	Other Information in Documents Containing Audited Financial Statements
3110	3108	Dating of the Independent Auditor's Report
1210	3150	Audit Documentation (this could be placed in Performance category, alternatively)
1220	3175	Engagement Quality Review
2901	3201	Consideration of Omitted Procedures After the Report Date
2902	3202	Subsequent Discovery of Facts Existing at the Date of the Auditor's Report
1302	3203	Communications about Control Deficiencies in an Audit of Financial Statements
1301	3204	Other Communications with Audit Committees
3301		Association With Financial Statements
3311		Special Reports on Regulated Companies
3310	3312	Other Special Reports
3312	3313	Reporting on Condensed Financial Statements and Selected Financial Data
6102	3314	Reports on the Application of Accounting Principles
6103	3315	Compliance Auditing Considerations in Audits of Recipients of Governmental Financial Assistance
4101		Responsibilities Regarding Filings under Federal Securities Statutes
6101	4102	Letters for Underwriters and Certain Other Requesting Parties
4102	4103	Reviews of Interim Financial Information
5000		Reserved



Office of the Secretary
 Public Company Accounting Oversight Board
 1666 K Street, N.W.
 Washington, DC 20006-2803

May 28, 2013

RE: PCAOB Rulemaking Docket Matter No. 40, *Proposed Framework for Reorganization of PCAOB Auditing Standards and Related Amendments to PCAOB Auditing Standards and Rules*

Dear Madam Secretary:

We appreciate the opportunity to comment on the Public Company Accounting Oversight Board's ("PCAOB" or "Board") *Proposed Framework for Reorganization of PCAOB Auditing Standards and Related Amendments to PCAOB Auditing Standards and Rules* (the "proposed framework," "proposed amendments," or "proposal"). Overall, we support the Board's proposal to reorganize its existing interim and PCAOB-issued auditing standards into a topical structure with a single integrated numbering system, and to present the standards in a logical order that generally follows the flow of the audit process. In particular, we believe the proposed reorganization will help users navigate the Board's standards more easily.

In the remainder of our letter, we have organized our suggestions about the proposals into the following topical areas:

- Proposal to rescind AU 532, *Restricting the Use of an Auditor's Report*
- Scope and issuance of future auditing standards
- Organization

Proposal to rescind AU 532, *Restricting the Use of an Auditor's Report*

The proposal is recommending that AU 532, *Restricting the Use of an Auditor's Report* (AU 532) be rescinded for the reason that it "appears to be unnecessary because the requirements for restricting the use of specific reports are already covered in the individual standards for the respective reports, such as the internal control communications covered in AU sec. 325, *Communications About Control Deficiencies in an Audit of Financial Statements*." We acknowledge that certain individual standards include requirements to restrict the use of specific reports covered in those individual standards; however, we do not support rescinding AU 532 because AU 532 discusses overall considerations that are relevant to the auditor's determination of when a report should be restricted that go beyond the specific circumstances of an individual standard. Specifically, AU 532.03 states that the need for restriction on the use of a report may result from a number of circumstances, including the purpose of the report, the nature of the procedures applied in its preparation, the basis of or assumptions used in its preparation, the extent to which the procedures performed generally are known or understood, and the potential for the report to be misunderstood when taken out of the context in which it was intended to be used. We do not believe the requirements to restrict reports that are in the individual standards adequately address these broader considerations related to when an auditor might restrict the use of a report.



In addition, rescinding AU 532 and proposing to delete footnote 41 to paragraph 25 in Auditing Standard No. 16, *Communications with Audit Committees* (AS 16) indicates that the communications with audit committees should no longer be restricted. We believe, if interpreted correctly, this could be a substantial change to the PCAOB standards which, as discussed in the proposal, is not an objective of the project. When the PCAOB originally proposed what would become AS 16, several commenters, including us, asked that the Board retain the requirement in AU 380.03, the Board's interim standard, that written communications to the audit committee are intended solely for the information and use of the audit committee, board of directors, and management, if appropriate, and are not intended to be and should not be used by anyone other than those specified parties. Although the Board did not revise AS 16 to include this additional language, the Board did include a reference to AU 532, which discusses the restriction of audit committee communications, in footnote 41 to paragraph 25 of AS 16.¹

Based upon the above, we believe AU 532 and footnote 41 to paragraph 25 of AS 16 should not be rescinded. In addition the first sentence within footnote 7 to paragraph 10(f) of AU 625, *Reports on the Application of Accounting Principles* should also not be deleted.

Scope and issuance of future auditing standards

We support that the proposed reorganization would involve reordering and renumbering existing standards in their entirety, thus preserving each standard as a discrete topic rather than disassembling the standard and reassembling its component parts into topics. We believe this approach preserves the context that is necessary to understand the entirety of an individual auditing standard yet still achieves the objective of enhancing the usability of the Board's auditing standards. We believe the Board should clarify that this approach will be retained going forward as new standards are developed.

We also believe it would be helpful if the Board clarifies how amendments to existing standards in the framework will be reflected. We support the PCAOB's current practices for displaying amendments to existing standards including, for example, designating a new paragraph by the suffix "A" and marking changes to the text of a paragraph with a comment indicating the effective date of the change. It is also not clear if the Board will continue to retain superseded standards on the website, a practice which we find to be a helpful resource.

As part of the reorganization process, we also encourage the Board to eliminate outdated references to accounting standards and references to generally accepted auditing standards in conjunction with its stated plans to update the reference numbers and cross references to reflect the new section numbers for the PCAOB auditing standards and to remove references to rescinded standards.

We also support the Board's decision to focus on the reorganization of the auditing standards first, and to undertake additional projects to address the organizational structure of the Board's other professional practice standards in the future.

¹ See PCAOB Release No. 2011-008, *Proposed Auditing Standard Related to Communications with Audit Committees*, page A4-42-43.

**Organization**

Overall, we support the proposed framework for reorganization of the PCAOB auditing standards. We agree that using a four-digit numbering system would facilitate the grouping of auditing standards into logical categories and subcategories by topic and would avoid potential confusion with the standards of other auditing standards setters. As stated above, we also believe that the proposed reorganization would help users navigate the standards more easily.

The Appendix to this letter includes our suggestions regarding the naming, numbering or placement of certain topics and subcategories that we believe may improve the alignment of the proposed reorganization of the PCAOB's auditing standards with the flow of the audit process.

* * * * *

We appreciate the opportunity to express our views and would be pleased to discuss our comments or answer any questions that the PCAOB staff or the Board may have. Please contact George Kennedy (973-236-5361) or Marc Panucci (973-236-4885) regarding our submission.

Sincerely,

PricewaterhouseCoopers LLP



Appendix

We believe the suggested changes regarding the naming, numbering or placement of certain topics and subcategories as indicated below may improve the alignment of the proposed reorganization of the PCAOB's auditing standards with the flow of the audit process.

- AS 1202, *Part of Audit Performed by Other Independent Auditors*, and AS 1203, *Using the Work of a Specialist*, would be better placed under the AS 2600 *Special Topics* subcategory because these topics are specific auditing procedures more aligned with AS 2602, *The Auditor's Consideration of the Internal Audit Function in an Audit of Financial Statements*.
- The subcategory AS 2200, *Audit Procedures in Response to Risks —Nature, Timing, and Extent* would be better renamed *Audit Evidence* since the topics in this subcategory illustrate the accumulation of audit evidence.
- AS 2302, *Reporting on Whether a Previously Reported Material Weakness Continues to Exist*, would be better placed under the Other Matters Associated with Audits category (6000's) since it is a separate engagement from a financial statement or integrated audit.
- Subcategories AS 2400, *Audit Procedures for Specific Aspects of the Audit* and AS 2500, *Audit Procedures for Certain Accounts or Disclosures* would better be relocated and reordered in their entirety under subcategory AS 2200, proposed above to be renamed *Audit Evidence*, since the topics under these subcategories are audit evidence collection activities associated with multiple accounts or disclosures (e.g., fair value of financial or non-financial assets) rather than "certain" accounts as their current subcategory title states.
- AS 2805, *Evaluating Consistency of Financial Statements*, would be better placed under the AS 3100 *Reporting on Audits of Financial Statements* subcategory because it is more related to auditor reporting than to audit procedures.

Thomas Hoey & Associates, LLC

May 24, 2013

Office of the Secretary
PCAOB
1666 K Street, N.W.
Washington, D.C. 20006-2803

Subject: PCAOB Rulemaking Docket Matter No. 40

Dear Members of the Board,

Thank you for the opportunity to provide comments on the PCAOB's Proposed Framework for Reorganization of PCAOB Auditing Standards. This comment letter contains various concepts but does not elaborate all details for each of the concepts. As a result, we would enjoy the opportunity to meet with the PCAOB and staff to further discuss our comments.

OUR BACKGROUND

Thomas Hoey & Associates, LLC served as external director of the FASB Accounting Standards Codification (ASC) and XBRL projects that included directing the overall design and development. The design process included multiple solicitations of users regarding their perspectives, needs, and expectations.

With the exception of volume, we believe that the PCAOB's proposed reorganization shares many of the same issues addressed during the FASB ASC project. As Bob Herz (former chair of the Financial Accounting Standards Board) points out in his recently published book, *Accounting Changes: Chronicles of Convergence, Crisis, and Complexity in Financial Reporting*, "Clearly, the development and launch of FASB ASC as the single source of U.S. GAAP represented a major and important milestone in the history of accounting standard setting in the United States." Given the shared issues, this comment letter contains various references and analogies to the FASB ASC.

OVERALL PERSPECTIVE

Research

Content format, structure, and organization

The vast amount of access to standards occurs over time, not just upon initial release. However, standard setters incur a significant level of effort on the initial release document rather than the ongoing research needs. Users perform research using databases when attempting to solve a

particular issue. In the case of audits, the issues typically relate to particular points of the audit workflow and/or for a particular type of engagement, transaction, event, etc. Given the breadth of issues that auditors must address, most will not be intimately familiar with each particular standard document. However, the structure of the standards heavily influences a user's ability to quickly locate content. Because the PCAOB / AICPA created the standards and interpretations as individual documents, the structure, format, and organization vary for each. This variability reduces a user's research effectiveness. For example, guidance related to audit reporting may appear anywhere in a standard. In such cases, users are compelled to read an entire document in an attempt to locate relevant audit reporting standards, thus incurring unnecessary effort. For an individual research session this added effort may be as little as several minutes. However, when looked at in the aggregate of all research sessions in a given day, it results in a significant level of unnecessary effort.

Instead of approaching standards from the context of individual documents, we believe that users would benefit from a consolidated body of standards that follow a consistent format throughout the entire consolidated body. By adopting a consistently formatted body of standards, users would be more familiar with the structure, which in turn would aid research. Grouping relevant content into commonly understood categories would allow users to more quickly locate relevant content and also mitigate the risk of noncompliance.

Developing a consistent format requires the design of a content model based on the content set and understanding how users interact with the content. The following pages provide additional high-level details regarding the content model.

Issue of multiple standard setters

The current standard setting structure for US auditing standards includes two standard setters, each independently developing its own standards. As noted in the proposal, it is hoped that the reorganization will help avoid potential confusion between the Board's standards and the recently reorganized standards of the ASB. However, the fact that most users must remain aware of PCAOB standards and AICPA (or IAASB) standards complicates user research of auditing content. The need for users to straddle multiple standards reduces a user's familiarity with nuances of the standards. Clearly, one set of standards would reduce the overall efforts on the part of practitioners and reduce the likelihood of noncompliance.

The current PCAOB model differs from the current SEC / FASB model whereby the SEC relies on the standards set by the FASB and, as necessary, provides incremental guidance for SEC registrants.

Because the PCAOB is contemplating a reorganization of the standards, we suggest that the PCAOB revisit whether to adopt an incremental approach with the AICPA similar to the incremental approach used by the SEC and FASB.

Regardless of whether or not the PCAOB decides to retain the current structure, we believe that a more consistent content model – as described on the following pages – would enhance more effective user research.

Audit analysis using Extensible Business Reporting Language (XBRL)

According to the PCAOB website, the vision of the PCAOB is as follows: "The PCAOB seeks to be a model regulatory organization. Using innovative and cost-effective tools, the PCAOB aims to improve audit quality, reduce the risks of auditing failures in the U.S. public securities market and promote public trust in both the financial reporting process and auditing profession."

However, because audit reviews require significant manual effort, reviews are done on a limited scope basis. As such, it limits the ability to identify trends, issues, best practices, etc. In an ideal setting, it might be more beneficial and cost-effective for the PCAOB to perform analysis of all audit data in the same manner as is now available for analysis of all public company financial statement data – using XBRL.

In the case of GAAP financial statements, the expectation is that the financial statement must stand on its own. Likewise, a set of audit work papers must stand on its own. Starting in 2009, the SEC began requiring the use of XBRL for financial statements. The intent of XBRL was to require companies to provide financial statement information in a format that improves its usefulness to investors. Use of XBRL also provides the SEC and others the ability to quickly analyze thousands of financial statements in a way never before possible. Adopting an XBRL approach has the potential to improve the analysis of audit data by the PCAOB and audit firms for the ultimate goal of benefiting the investing public.

The US GAAP XBRL Taxonomy is tightly linked to the FASB Accounting Standards Codification (ASC) web site. [Note: Please be aware that non-FASB web sites containing FASB ASC content do not include all of the designed research system functionality, including functionality related to XBRL. To view the full set of designed functionality, review the FASB ASC web site at <http://asc.fasb.org>.] The linkage between the US GAAP Taxonomy and the FASB ASC is enhanced by the fact that the FASB ASC provides the standards in one spot as a result of eliminating redundant content and grouping related content. The single content source for financial reporting standards allows for more clearly defined individual XBRL concepts.

In the event that the PCAOB were to consider an XBRL approach for audit data, a single content source of audit standards – similar to the FASB ASC – would help in developing XBRL audit concepts. It would be beneficial for the PCAOB to consider in its reorganization plans.

OBSERVATIONS REGARDING THE PCAOB PROPOSAL

General observations

We agree that the current standards and interpretations should not change as a result of the reorganization. Changes to standards and interpretations require appropriate due process.

However, we believe that the proposed reorganization to renumber the sections does not go far enough to satisfy in the PCAOB's stated goal to help users navigate the standards more easily. As noted in our overall perspective, in addition to a reordering, we believe that the PCAOB standards and interpretations require more consistent formatting and structure to better help users navigate the content. We believe that the PCAOB should repackage the existing content in a manner that groups all related content within a common structure. As an example, the FASB

Accounting Standards Codification includes all disclosure content for a subtopic within a single "Disclosure" section. Likewise, the PCAOB could have a "Planning" section.

Content reorganization beyond renumbering

The reorganization proposal focuses on renumbering and reordering of standards and interpretations. While such renumbering may provide a slight improvement for users when accessing the table of contents, it does not provide the benefits achieved using a consistent content model.

The bulk of audit standards have been created on a stand-alone basis using a paper-centric model. Each standard is viewed as an end product and is written from the perspective that a user will read the entire standard from cover to cover. In reality, the majority of user access occurs over many years using electronic research tools at those times that a user needs information. At those times, users typically are interested in a subset of the standard. For example, a user may be interested only in items addressing audit planning. Without a consistent content model, users in this case must incur unnecessary time to locate all relevant audit planning content.

The lack of a consistent structure increases both the user's and PCAOB's time when performing research. In both cases, entire standards must be reviewed to identify relevant content rather than consistent sections that contain only the relevant content.

Because standards are created using a paper-centric, stand-alone document model, it increases the likelihood of redundancy. Redundancy has at least two negative effects. First, when users perform a search, multiple search results display. Many users will feel compelled to review most results to ensure that they have not overlooked any relevant guidance. Second, when the standard setter issues new guidance (or updates existing guidance), it must locate and modify all related content. Some of those modifications may relate to redundant content and the changes may differ slightly between versions thus resulting in conflict, user confusion, and increased risk of noncompliance.

Content model

1. Segregate diverse content – We believe that diverse content should be segregated and organized in a manner to reduce user effort. Below are some examples of diverse content.
 - a. Types of content

The FASB Accounting Standards Codification (ASC) segregates general guidance and incremental guidance. The general guidance sections apply to all entities within the related scope, while the incremental guidance (i.e., industry guidance) relates to designated situations. The organization for the industries within the FASB ASC follows the same structure as the general guidance and does not repeat general guidance in an effort to reduce conflicts and research noise. We suggest that PCAOB content be segregated by general guidance and incremental guidance. This allows users to quickly obtain general guidance without the need to read irrelevant incremental (e.g., industry) guidance and, when necessary, to quickly locate incremental guidance.

In addition to segregating general and incremental guidance, we suggest categorizing content within topics to further aid users in locating content. Refer to Attachment B for an example.

Below are some examples illustrating the need to segregate content in some manner to aid user research. Within the PCAOB proposal,

- There is an Audit Procedures section (2000), yet General Auditing Standards section 1301 (AS 16, paragraph 8) contains audit procedures.
- There is an Auditor Reporting section (3000), yet Audit Procedures section 2302 (AS 4) contains reporting guidance.
- There is an Auditor Reporting section (3000), yet Audit Procedures section 2900 (AU 390 and 561) contains guidance on report dating.

b. Types of engagements

The FASB Accounting Standards Codification does not attempt to address all methods of accounting. Instead, it solely addresses US GAAP financial statements including incremental guidance for SEC registrants. Other methods of accounting include other comprehensive basis of accounting ("OCBOA") or tax basis.

The proposed PCAOB reorganization merges standards for multiple types of engagements such as engagements for audits of financial statements and a number of other types of engagements (e.g., An Audit of Internal Control over Financial Reporting; Reporting on Whether a Previously Reported Material Weakness Continues to Exist; etc.) We believe that the reorganization should segregate content by type of engagement. Segregating content unrelated to the audit of a financial statement would reduce user research "noise".

Applying the same model to the PCOAB content could suggest a section for "Other engagements" that provides the incremental guidance for those types of engagements. Refer to Attachment A for an example.

c. Workflow model

Segregating content by workflow is a very clean and understandable approach. It works well for the overall organization and we believe that it would work well for content addressing specific accounts, transactions, events, etc. For example, AU Section 331 – Inventories could include sections for Planning (paragraph .01), Perform – Procedures, Evidence, and Documentation (paragraphs .02-.14), and Reporting (paragraph .15). This structure provides the user a clean way to identify guidance that addresses the relevant workflow step. Refer to Attachment B for an example.

d. Examples

Refer to Attachments A and B for examples illustrating the above concepts. Please note, that the attachments are only examples to illustrate one way of implementing the concepts.

2. Reduce redundancy

Creating an authoritative body of standards content versus a repository of standards can significantly reduce or eliminate redundancy. Using a body of standard approach (similar to the FASB Accounting Standards Codification), the document issued by the PCAOB would not be deemed authoritative, but instead would simply update the authoritative body of content. Because the authoritative body of content contains the original source content, there is no need to create redundancy.

Miscellaneous content matters

1. Glossary

The content would benefit from the creation of a shared glossary. Such a glossary would ensure that standards use the common terms.

2. Clarity of section titles

One additional aid to users is a descriptive title regarding the contents of a section. If unclear, users will expend unnecessary time accessing the document by reading the introductory material only to understand that the document does not apply. Below are two examples that may benefit from refining the title:

- Auditing Assertions about Derivative Instruments, Hedging Activities, and Investments in Securities
- ~~Inventories~~ Inventory Observation

3. Other content areas within each section (Refer to Attachment B for an example)

Including a background and scope section for each topic ensures that a user can quickly discern the relevance of the content.

Because content can be updated at any level (e.g., sentence, paragraph, etc.) in the topic, it is essential that there is a mechanism to alert the reader to the relevant transition. Therefore, a transition section would be beneficial.

4. Endnotes

The PCAOB style makes annotations using endnotes. In developing the FASB Accounting Standards Codification, footnotes were eliminated and the footnote text was incorporated into the relevant paragraph(s), as appropriate. Doing so reduces a user's effort to locate the footnote. In addition, it ensures that each printed page or any copy / paste of text (or elsewhere) includes the relevant annotation.

CONCLUDING REMARKS

The previous comments provide thoughts regarding various content modeling concepts that we believe the PCAOB should consider as it pursues a reorganization of auditing standards content. It is by no means a comprehensive list and this comment letter does not address all details for each of the concepts. We believe that the PCAOB would benefit from implementing a consistent content model for a single source of standards.

Attachment C provides comments to the specific questions posed in the proposal.

We would enjoy the opportunity to meet with the PCAOB and staff to further discuss our comments.

Thank you for the opportunity to provide our comments regarding the PCAOB proposal.

We hope that you find this communication helpful.

Regards,

Thomas Hoey

Thomas Hoey & Associates, LLC
email – hoeytj@thoey.com

Attachment A – Overall organization of topics

[Please note that this attachment is only an example to illustrate one way of implementing the concepts.]

- 1) General principles and responsibilities of independent auditors (i.e., applicable to all types of auditor engagements)
 - a) Independence
 - b) Responsibilities and Functions of the Independent Auditor
 - c) Training and Proficiency of the Independent Auditor
 - d) Due Professional Care in the Performance of Work
 - e) Workflow matters applicable to all types of auditor engagements (TBD)
- 2) Engagement to audit financial statements
 - a) Overall workflow (i.e., general guidance applicable to financial statement audits)
 - i) Accept / retain
 - ii) Plan
 - iii) Perform - Evidence, procedures, and documentation
 - iv) Conclude
 - v) Quality review
 - vi) Communicate / report
 - vii) Terminate
 - b) Specific matters (i.e., represents incremental guidance applicable to specific accounts, transactions, events, or other considerations. This is somewhat similar to the segregation of industry content in the FASB ASC.)
 - i) Accounting Estimates
 - ii) Assertions about Derivative Instruments, Hedging Activities, and Investments in Securities
 - iii) Fair Value Measurements and Disclosures
 - iv) Fraud
 - v) Going Concern
 - vi) Illegal Acts
 - vii) Inventory Observation
 - viii) Litigation, Claims, and Assessments
 - ix) Related Parties
 - x) Service Organizations
 - xi) Subsequent Events
 - xii) Work of others
- 3) Other engagements (Similar to FASB ASC industries with content segregated into same structure as the financial statement audit topics. Refer to Attachment B for an example.)
 - a) Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements
 - b) Audits of Recipients of Governmental Financial Assistance
 - c) Filings under Federal Securities Statutes
 - d) Interim Financial Information Reviews
 - e) Letters for Underwriters and Certain Other Requesting Parties
 - f) Reporting on the Application of Accounting Principles
 - g) Reporting on Condensed Financial Statements and Selected Financial Data
 - h) Reporting on Whether a Previously Reported Material Weakness Continues to Exist
 - i) Special Reports
 - j) Special Reports on Regulated Companies
- 4) Glossary

Attachment B – Structure of individual topics

[Please note that this attachment is only an example to illustrate one way of implementing the concepts.]

Each topic could be structured using the following sections. Sections without content would not display.

- 1) Status
- 2) Introduction
- 3) Objective
- 4) Scope
- 5) Glossary
- 6) Accept and retain
- 7) Plan
- 8) Perform - Evidence, procedures, and documentation
- 9) Conclude
- 10) Quality review
- 11) Communicate and report
- 12) Terminate
- 13) Implementation guidance
- 14) Transition and Effective date
- 15) XBRL

Attachment C –Comments to Specific PCAOB Questions from Section VII of the Proposal

1. Is the proposed framework for reorganizing PCAOB auditing standards appropriate and an improvement over the existing structure of the PCAOB auditing standards? Are there ways to improve the proposed reorganization framework?
 - a. Comments - As noted in our letter:
 - i. The reorganization proposal focuses on renumbering and reordering of standards and interpretations. While such renumbering may provide a slight improvement for users when accessing the table of contents, it does not provide the benefits achieved using a consistent content model.
 - ii. We believe that the proposed reorganization to renumber the sections does not go far enough to satisfy in the PCAOB's stated goal to help users navigate the standards more easily. In addition to a reordering, we believe that the PCAOB standards and interpretations require more consistent formatting and structure to better help users navigate the content.
 - iii. Refer to our comment letter for additional details.

2. Would the proposed reorganization described in this release help users navigate the standards more easily, help avoid potential confusion between the Board's standards and the standards of the ASB, and provide a structure for updating PCAOB standards in the future? Are there other potential benefits the Board should be aware of in considering its proposed reorganization?
 - a. Comments
 - i. Easier navigation - Refer to our comment to the previous question and to our comment letter.
 - ii. Confusion between PCAOB and ASB - Refer to our comment letter regarding the structure of the PCAOB and ASB as a means to reduce confusion between the PCAOB and ASB standards.
 - iii. Refer to our comment letter for additional details.

3. Are the categories and subcategories of auditing standards in the proposed reorganization framework appropriate and an improvement over the existing organizational structure of PCAOB auditing standards?
 - a. Comments
 - i. The categories and subcategories are an improvement over the existing organizational structure. However, as noted in our response to question 1 and in our comment letter, we believe that the PCAOB standards and interpretations require more consistent formatting and structure to better help users navigate the content.
 - ii. Refer to our comment letter for additional details.

Attachment C – Continued

4. Is it appropriate to rescind the auditing standards and related auditing interpretations discussed in Section III.A of this release as part of the proposed reorganization? Are any of those standards or auditing interpretations still necessary to fully describe the auditor's responsibilities for audits under PCAOB standards? Are there other standards or auditing interpretations that should be rescinded?
 - a. Comments
 - i. We believe that the PCAOB should rescind any content that is no longer deemed necessary. Eliminating outdated and unnecessary content is essential to reduce user confusion.
5. Would the framework for reorganizing PCAOB auditing standards have any consequences that are not addressed in this release? If so, what are those consequences?
 - a. Comments
 - i. Refer to our comment letter for additional details.
6. Are there other costs besides those discussed in this release that the Board should consider? Would initial costs be offset over time, as discussed in this release?
 - a. Comments
 - i. As noted in our comment letter, the Board needs to consider the time and effort incurred by users of the standards over time. Inefficiencies in the organization of the standards translate to thousands of hours of inefficiency by users. A structured content model could benefit the process.
 - ii. Refer to our comment letter for additional details.
7. Are there any considerations relating to efficiency, competition, and capital formation with respect to audits of EGCs that the Board should take into account in considering the proposed reorganization?
 - a. Comments
 - i. We are not aware of any additional considerations.
8. Are there costs or other considerations relating to audits of EGCs that the Board should be aware of in considering its proposed reorganization?
 - a. Comments
 - i. We are not aware of any additional considerations.
9. Does the proposed reorganization raise issues specific to audits of brokers and dealers that the Board should consider?
 - a. Comments
 - i. We are not aware of any additional considerations.

Attachment C – Continued

10. Should the Board limit the scope of the auditing standards reorganization to reordering and renumbering standards in their entirety and related changes as discussed in this release? If not, why not? Are there other related technical changes to the wording or organization of individual standards that should be considered, either as part of the proposed reorganization or a subsequent project, such as eliminating references to generally accepted auditing standards or outdated references to accounting standards?
- a. Comments
 - i. As noted in our comments to other questions and as noted in our comment letter, we believe that the proposed reorganization to renumber the sections does not go far enough to satisfy in the PCAOB's stated goal to help users navigate the standards more easily.
 - ii. As also noted in our comment letter, we suggest that the Board consider whether it would adopt XBRL as a reporting standard for audit data. If so, the decision should be addressed during the reorganization process to avoid further reorganizations in the future.
 - iii. Refer to our comment letter for additional details.
11. What factors should the Board consider in determining the effective date of the auditing standards reorganization?
- a. Comments
 - i. We have no additional factors for consideration.



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May 28, 2013

Submitted via e-mail to comments@pcaobus.org

Office of the Secretary
PCAOB
1666 K Street, N.W.
Washington, D.C. 20006-2803

Re: Proposed Framework for Reorganization of PCAOB Auditing Standards
and Related Amendments to PCAOB Auditing Standards and Rules,
PCAOB Rulemaking Docket Matter No. 40

Thank you for opportunity to provide comments on the Board's proposal to reorganize PCAOB auditing standards.

Questions

1. Is the proposed framework for reorganizing PCAOB auditing standards appropriate and an improvement over the existing structure of the PCAOB auditing standards? Are there ways to improve the proposed reorganization framework?
2. Would the proposed reorganization described in this release help users navigate the standards more easily, help avoid potential confusion between the Board's standards and the standards of the ASB, and provide a structure for updating PCAOB standards in the future? Are there other potential benefits the Board should be aware of in considering its proposed reorganization?

Now that U.S Auditing Standards Board (ASB) auditing standards have been restructured so that the indexing conforms with the IAASB standards structure, we believe that it would be *extremely helpful* to both U.S. auditing firms and firms outside the U.S. who regularly deal with the U.S. companies to use the same framework and codification process as the ASB/IAASB. We acknowledge all the reasons stated for creating a separate framework, as discussed in Section B of your March 26, 2013 Release. Nevertheless, we believe the benefits of having similar structures among *all three organizations* would far outweigh the costs/considerations you cited in the Release.

We are in no way suggesting that the Board codify its standards in a manner similar to the FASB Accounting Standards Codification (Release, Note 36). However, we are suggesting that you focus on structuring your current and future requirements so that they may be added into separately designated sections of the U.S. ASB Codification, similar to the way in which the SEC staff does for SEC guidance (for example, in the FASB ASC, all SEC guidance is indicated by section numbers beginning with "S").

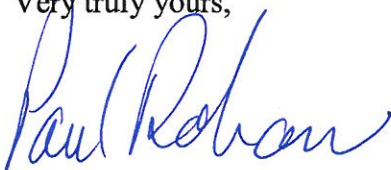
Rather than helping to "avoid potential confusion between the Board's standards and the recently reorganized standards of the ASB" (Release, p. 2), we believe that creating a new and completely different PCAOB structure will only create confusion among users. The PCAOB needs to bear in mind that the auditors engaged to perform PCAOB issuer audit engagements are just as likely to perform audits in accordance with ASB and in some cases IAASB standards. Other than within the "Big 4" auditing firms, there are likely to be few who practice solely on U.S. issuer engagements. Most auditors will need to be familiar with both ASB and PCAOB auditing standards as well as IAASB standards.

We believe the benefit of having a codified source of ASB/IAASB/PCAOB auditing standards will greatly outweigh its cost.

If the PCAOB concludes that using the ASB/IAASB framework is not possible, we suggest that you adopt any method that is well indexed. This will provide a good starting point for those who will inevitably prepare cross-reference materials to create the effect of a combined source.

Should you have any questions, please feel free to contact me at (203) 401-2101.

Very truly yours,

A handwritten signature in blue ink that reads "Paul Rohan". The signature is fluid and cursive, with the first name "Paul" being larger and more prominent than the last name "Rohan".

Paul Rohan, CPA

Partner

National Director of Financial Reporting and Quality Control

ROBERT N. WAXMAN, CPA
866 UNITED NATIONS PLAZA, FL 4
NEW YORK, NY 10017

May 28, 2013

Office of the Secretary
PCAOB
1666 K Street, N.W.
Washington, DC 20006-2803
comments@pcaobus.org

Re: Rulemaking Docket Matter No. 40: PCAOB Release No. 2013-002: Proposed Framework for Reorganization of PCAOB Auditing Standards and Related Amendments to PCAOB Auditing Standards and Rules

Dear Office of the Secretary:

I am pleased to respond to the request for comments on the above-mentioned proposal. My answers to the questions asked in the release follow:

1. Is the proposed framework for reorganizing PCAOB auditing standards appropriate and an improvement over the existing structure of the PCAOB auditing standards?

Yes, the proposed reorganization is an improvement over the existing organizational structure. The reordering of the standards to approximate the audit process (a) will likely help some auditors modify their audit procedures to fit the circumstances of their audits, and (b) may help the PCAOB in their project to amend the existing interim and PCAOB issued auditing standards, and facilitate the PCAOB's future efforts in strengthening (and filling in the gaps) in the existing standards.

Auditors believe that the current organization of the standards do not present any difficulties or impediments in fulfilling the requirements of an audit. This is so because all the standards are accessible electronically; they can be readily found and applied; and historically accounting firms have reordered the standards as necessary to fit their individual audit approach and practices. Consequently, many auditors do not believe it is urgent to reshuffle the standards, and have the view that the standards will be only marginally more useful when reordered and regrouped pursuant to the proposal.

Are there ways to improve the proposed reorganization framework?

The detailed comments I expect the PCAOB will receive under Question 3 should provide the needed immediate improvements.

2. Would the proposed reorganization described in this release help users navigate the standards more easily, help avoid potential confusion between the Board's standards and the standards of the ASB, and provide a structure for updating PCAOB standards in the future?

Are there other potential benefits the Board should be aware of in considering its proposed reorganization?

If the standards by and large follow the workflow of the audit process, then the proposal's restructuring should help auditors (who have not already reordered these standards to conform to their own audit approach) navigate them.

This restructuring should "help avoid potential confusion" since this proposal will draw attention to those differences. The consequence of this reordering serves to underscore that the numbering system followed by the AICPA's clarity standards are not always in the general time-line and workflow of the audit process, and emphasizes the increasing divergence between the PCAOB and AICPA standards.

As mentioned in Question 1, I expect the new structure may help the PCAOB in filling in the gaps in current standards, and the writing of new standards that will integrate into the general workflow of the audit process.

3. Are the categories and subcategories of auditing standards in the proposed reorganization framework appropriate and an improvement over the existing organizational structure of PCAOB auditing standards?

I have limited my comments to just Audit Planning:

1. The catch all category "1100 General Concepts" includes "1202 Part of Audit Performed by Other Independent Auditors" and "1203 Using the Work of a Specialist." These two subcategories best fit under "2101 Audit Planning" (AS No. 9, "Audit Planning"). This standard, among other important audit procedures, encompasses both the consideration of "Multi-location Engagements" and "Persons with Specialized Skill or Knowledge."
2. To better reflect the audit approach, there are other (sub)categories that may be shifted elsewhere, for example, a portion of "1301 Communications with Audit Committees" is essential in planning the audit (e.g., establishing an understanding of the terms of the audit engagement with the audit committee). Accordingly, "1301" should be included as part of "2100 Audit Planning and Risk Assessment."
3. The above recommendations argue for the consideration of moving category "2100 Audit Planning and Risk Assessment" higher up in the proposed new numbering system.
4. In that the proposal attempts to reorder the standards to follow the flow of a typical audit, the reminder (paragraph 5 of AS No. 9) should be highlighted in the new reorganization:

Planning is not a discrete phase of an audit but, rather, a continual and iterative process that might begin shortly after (or in connection with) the completion of the previous audit and continues until the completion of the current audit" (emphasis added).

I believe that many if not most respondents will have a view of exactly when in the audit process an audit step should be undertaken and therefore they will not agree with the categories and subcategories in this proposal. I will leave this detailed analysis for those other commentators.

4. Is it appropriate to rescind the auditing standards and related auditing interpretations discussed in Section III.A of this release as part of the proposed reorganization?

Yes, to eliminate unnecessary clutter, and for the reasons stated on pages 9 and 10 of the proposal, these auditing standards (AU's 150, 201, 410, 532 and 901) and their associated interpretations should be rescinded.

Are any of those standards or auditing interpretations still necessary to fully describe the auditor's responsibilities for audits under PCAOB standards?

No, they are not necessary and should be rescinded.

Are there other standards or auditing interpretations that should be rescinded?

None that I am aware of.

5. Would the framework for reorganizing PCAOB auditing standards have any consequences that are not addressed in this release? If so, what are those consequences?

I do not believe so.

6. Are there other costs besides those discussed in this release that the Board should consider? Would initial costs be offset over time, as discussed in this release?

While the proposal mentions that the costs would be one-time and borne by registered firms, there will likely be costs incurred by those registrants with an internal audit function, by publishers of auditing texts, review courses, and others that may rely on and use PCAOB standards.

As briefly mentioned above, it cannot be said (nor is there any evidence) that CPAs will do a "better" audit using the reordered standards. Further, the benefits of the reordering (per the proposal: usability, navigation, a structure for updating the standards, etc.) cannot be measured in dollars and for that reason it is not possible to say that the dollar costs will, in fact, be offset by any immediate or future benefits.

Notwithstanding the benefits are unquantifiable, this project should be completed for the immediate and perceived anticipated qualitative benefits.

7. Are there any considerations relating to efficiency, competition, and capital formation with respect to audits of EGCs that the Board should take into account in considering the proposed reorganization?

In view of Section 104 ("Auditing Standards") of the "Jumpstart Our Business Startups Act," I must assume that the SEC had already "signed on" to this proposed reorganization and has determined that this reordering of the standards "is necessary or appropriate in the public interest" otherwise the Board would not have undertaken this proposed reshuffle of the standards. Further, it is not clear to me that this proposal will "promote efficiency" that is measurable, and I do not believe that "competition and capital formation" apply.

8. Are there costs or other considerations relating to audits of EGCs that the Board should be aware of in considering its proposed reorganization?

None that I am aware of.

9. Does the proposed reorganization raise issues specific to audits of brokers and dealers that the Board should consider?

This question will be best addressed by other commentators. However, I suggest that there should be an accommodation for broker – dealers in the numbering and ordering of the standards – perhaps a “BD” number for those audit procedures that will uniquely apply to this industry in the future.

10. Should the Board limit the scope of the auditing standards reorganization to reordering and renumbering standards in their entirety and related changes as discussed in this release? If not, why not?

Are there other related technical changes to the wording or organization of individual standards that should be considered, either as part of the proposed reorganization or a subsequent project, such as eliminating references to generally accepted auditing standards or outdated references to accounting standards?

The near-term scope should not be limited to “reorganization and reordering,” and to corrections of inaccurate cross-references. I recommend that the references to FASB standards be reviewed at this time – deleting those that have been superseded, adding those that are now applicable, and then conforming all references to the current Accounting Standards Codification numbers (tabling those changes that may require substantive amendment and substantial time).

Thereafter, the entire refreshed and reshuffled framework be repropose.

To amplify the discussion in “Next Steps” (page 16 of the proposal), and to simplify the transition, these reordered standards should be on the PCAOB’s website (as mentioned in Mr. Hanson’s comments) with relevant cross-references or hyperlinks to the

- (a) “old” PCAOB AS and AU numbers;
- (b) retained portions of the appendices to the SAS’s;
- (c) analogous standards of the IAASB or ASB; and
- (d) PCAOB’s Staff Audit Practice Alerts, Staff Q&A’s etc.

Moreover, certain of these cross-references or hyperlinks should direct auditors to the caveat the proposal adds to paragraph 11 of SAS No. 1:

The auditor should be aware of and consider auditing interpretations applicable to his or her audit. If the auditor does not apply the auditing guidance included in an applicable auditing interpretation, the auditor should be prepared to explain how he or she complied with the provisions of the auditing standard addressed by such auditing guidance.

Mr. Hanson had commented that –

Many of the interim standards ... merit close review and potential amendment by the Board, both to improve audit quality and to reflect current practice. A number of these standards are on our standard-setting agenda The process of substantive review and amendment, however, taking one standard at a time, will take a number of years.

Also, page 13 of the proposal mentions the Board's future review of all the standards. I note that the Standard Setting Agenda (dated March 31, 2013) does not specifically discuss this overall review as a discrete project. I recommend that this important review project be separately identified in the Board's Standard Setting Agenda.

11. What factors should the Board consider in determining the effective date of the auditing standards reorganization?

As said in response to Question 10, since the reorganized standards will continue to be on the PCAOB's website, with cross-references or hyperlinks to all the prior "old" standards (which should assist auditors in efficiently implementing the reorganization), and since the standards themselves have not changed, the effective date appears reasonable.

* * * * *

I appreciate your consideration of my comments and would be pleased to answer any questions the Board or the Staff may have regarding this letter.

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Office of the Secretary
Public Company Accounting Oversight Board
1666 K Street, N.W.
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June 26, 2013

PCAOB Rulemaking Docket Matter No. 40

Proposed Framework for Reorganization of PCAOB Auditing Standards and Related Amendments to PCAOB Auditing Standards and Rules

Dear Board Members and Staff:

WeiserMazars, LLP (WeiserMazars) is pleased to submit comments on the Public Company Accounting Oversight Board's (PCAOB or the Board) Proposed Framework for Reorganization of PCAOB Auditing Standards and Related Amendments to PCAOB Auditing Standards and Rules. WeiserMazars is an independent member firm of the Mazars Group and a member of Praxity, a global alliance of independent firms.

We applaud and support the Board's efforts to make the literature easier to navigate, by proposing a structure that is more aligned with the flow of the audit process than the existing framework. The current standards referencing methodology, meaning AS # 1-16, plus the interim standards with AU prefixes can be tedious to navigate, resulting in confusion, inefficiency and perhaps ineffective application.

In addition to our specific comments on the proposed structure, we have included a section on general observations that stem from proposals in PCAOB Rulemaking Docket Matter No. 40, as well as certain thoughts included within Chairman James R. Doty's and the other Board member's speeches on March 26, 2013 (the day this proposal was issued for public comment).¹

¹ <http://pcaobus.org/Rules/Rulemaking/Pages/Docket040.aspx>

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WEISERMAZARS LLP IS AN INDEPENDENT MEMBER FIRM OF MAZARS GROUP.





Our comments are included below, as follows:

General Observations

- The PCAOB's stated vision² is to improve audit quality, reduce the risks of auditing failures in the United States public securities market and promote public trust in both the financial reporting process and auditing profession. There are many that believe that the objectives in the PCAOB's stated vision would be compromised if two completely separate sets of auditing standards continue to exist. From a public accounting firm's perspective, to improve audit quality and reduce the risk of audit failures it may be more effective in applying with one framework for auditing standards. Applying and maintaining two sets of auditing guidance (one for issuers and one for non-issuers), along with our applicable firm interpretations, is costly and creates a significant unnecessary burden. Furthermore, professionals are challenged with "standards overload" from a U.S. GAAP perspective.
- We believe that deleting the reference to "interim standards" will eliminate confusion as to what "interim" is intended to mean.
- In response to Mr. Lewis H. Ferguson's comment in his speech on March 26, 2013³ on whether the continued use of the Financial Accounting Standards Board (FASB) superseded references, as a result of the FASB Accounting Standards Codification™ (Codification), may be a source of problems or confusion; we believe that retaining references to superseded literature of the FASB, or any former standard setter that was part of the GAAP Hierarchy should be removed. From the perspective of the Codification this creates a potential risk of misapplying what "used to be" GAAP; this superseded standard is now subject to change through amendments to the Codification section where the particular piece of literature is codified. Retaining the former superseded references seems to defeat the purpose and objectives of the FASB Codification, one of which was to help users locate all necessary and relevant literature.
- We propose the Board further consider the title description of each topic outlined in Appendix 1, "Proposed Framework for Reorganization of PCAOB Auditing Standards." We believe clear descriptions will help users navigate to the literature in a more efficient manner, in both an electronic and hard copy version but is critical when searching for key words in an electronic version. We believe clear descriptions would further achieve the objective of the Board, to make the framework easier to understand and to enable information to be easily retrievable in electronic and hard copy versions.

² PCAOB Mission, Structure & History, <http://pcaobus.org/About/History/Pages/default.aspx>

³ http://pcaobus.org/News/Speech/Pages/03262013_FergusonStatement.aspx



Specific Comments on the Proposed Framework

1. Under Topic 1000 **“General Principles and Responsibilities,”** we believe it would be more appropriate to include the guidance in Section 1011, *“Independence”* before Section 1001, *“Responsibilities and Functions of the Independent Auditor.”* Section 1011 provides the basis for determining whether an auditor is independent, and therefore should precede the sections related to the Independent auditor which include Sections 1001 *“Responsibilities and Functions of the Independent Auditor”* and 1010 *“Training and Proficiency of the Independent Auditor.”*
2. Under Topic 1200, **“General Activities,”** we believe Section 1202, *“Part of the Audit Performed by Other Independent Auditors,”* and Section 1203, *“Using the Work of a Specialist,”* would be more appropriately classified under Topic 2600, **“Special Topics.”** We believe the guidance in Sections 1202 and 1203 are not general activities to be considered in every engagement, but rather in event driven circumstances. If you agree with this suggestion, we believe it is appropriate to retain the order of the remaining Sections in 1200, *“General Activities.”*
3. Under Topic 2200, **“Audit Procedures in Response to Risks-Nature, Timing and Extent,”** we recommend that Section 2204, *“Audit Sampling”* be moved before Section 2203, *“The Confirmation Process.”* Audit sampling is frequently used throughout an audit engagement and is not related solely to the selection of confirmations. Although, audit-sampling techniques are often used to determine the number of confirmations sent to third parties; therefore, to have the audit sampling guidance precede the confirmation process more accurately presents the flow of the audit process.
4. We recommend that Topic 2300, **“Auditing Internal Control Over Financial Reporting”** be moved to follow Section 2103, *“Identifying and Assessing Risks of Material Misstatement,”* because for an integrated audit, testing internal control and determining operating effectiveness of controls factors *into the auditor’s risk assessment and determining the nature, timing, and extent of audit procedures to be performed.*
5. Section 2401, *“Consideration of Fraud in a Financial Statement Audit,”* is included in the grouping “Audit Procedures” sections of the proposed framework. We believe that it would be more appropriate to include this section in the grouping “General Auditing Standards” sections. We believe, as does the PCAOB, that the consideration of fraud should be an ongoing activity throughout the audit process; therefore, we believe it should be considered more than a procedure for “Specific Aspects of the Audit.” Alternatively, if not reclassified to General Auditing Standards, at a minimum include in Topic 2100, **“Audit Planning and Risk Assessment.”** Each client has specific risks that an auditor considers during the planning phase when assessing risks of material misstatement. The specific fraud risk factors applicable to



WeiserMazars

each client can result in modifications to the nature, timing, and extent of planned audit procedures.

6. Sections 2804, *"The Meaning of Present Fairly in Conformity with Generally Accepted Accounting Principles,"* and 2805, *"Evaluating Consistency of Financial Statements"* is being proposed to be included in Topic 2800, **"Concluding Auditing Procedures."** We believe it would be more appropriate to include Section 2804 within Topic 1000 **"General Principles and Responsibilities,"** so that the meaning of this phrase is defined early on in the new proposed framework. In AU Section 110 of the PCAOB's Interim standards, *"Responsibilities and Functions of the Independent Auditor,"* paragraph .01 states:

"The objective of the ordinary audit of financial statements by the independent auditor is the expression of an opinion on *the fairness with which they present*, in all material respects, financial position, results of operations, and its cash flows in conformity with generally accepted accounting principles."

In addition, the reason for proposing Section 2805 to be included in Topic 1000 is that the requirements of this standard should be considered throughout the audit, as opposed to only at the conclusion of audit procedures.

Additionally, we would expect that this section would cover other applicable financial reporting frameworks.

7. With respect to audits of **Emerging Growth Companies (EGC's)** we are not aware of any considerations relating to efficiency, competition, and capital formation or costs or other considerations that the Board should consider.
8. With respect to audits of **Brokers and Dealers**, we have specifically considered it at this time. However, the codification of the existing PCAOB auditing standards should be the priority before the consideration of any industry specific supplements.

We appreciate the opportunity to express our views on these important topics. We would be pleased to discuss our comments or answer any questions that the PCAOB staff or the Board may have. To do so, please contact Denise Moritz (646-225-5913), or Brian Jones (646-435-1583) at your convenience and we will be happy to assist you.

Sincerely,

A handwritten signature in black ink that reads 'WeiserMazars LLP'.

WeiserMazars LLP

NOTICE: This is an unofficial transcript of the portion of the Public Company Accounting Oversight Board's Academic Conference on April 26, 2013 that relates to the Board's proposed framework for reorganization of PCAOB auditing standards and related amendments to PCAOB auditing standards and rules. The other topics discussed during the April 26, 2013 conference are not included in this transcript.

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1 P-R-O-C-E-E-D-I-N-G-S

2 (11:39 a.m.)

3 MR. WILSON: Good morning, everyone. I am going
4 to spend just a few minutes hitting some highlights on
5 the reorganization project, and basically talking about
6 from a release, and open this up for discussion and
7 invitation to dialogue on this.

8 As Marty mentioned, there were some -- the
9 primary reasons that we were taking on this project are
10 to make our standards more usable, easier to navigate,
11 and also to deal with an issue that was coming up. As
12 you all are very familiar, the ASB's new clarity project,
13 they renumbered all of their standards. And in doing so,
14 we created some potential for confusion with our existing
15 interim standards that still had the old AU numbers.

16 So in trying to do all of those three things, we
17 decided that now is the time to try and take another look
18 at putting our standards and reorganizing them in a way
19 and building on some of the things that Gary Holstrum
20 started when he was with us some years ago.

21 So the basic project, as Marty described, is to
22 take our existing standards, essentially intact, changing

1 reference numbers, section numbers, a few titles, but
2 essentially taking them intact and putting them together
3 in a -- what we think is a logical sequence and
4 renumbering them.

5 And this is a different approach from some of the
6 other standard setters that have used sort of a -- what
7 you might call a big bang type of approach, the ASB and
8 IAASB redrafting their standards and then putting them
9 together. And certainly FASB's project was a much --
10 their codification project was a much more significant
11 undertaking as they were trying to blend together a
12 number of different sources of GAAP into one sequence.

13 Here we're starting off putting these standards
14 together in a logical sequence. It then provides us a
15 good first step to go through and continue our process
16 of revising and updating the standards, and over time
17 helping them and to look more seamless and more common
18 as we go forward.

19 So in this proposing release, we have a proposed
20 framework that we are putting out for comment. As Marty
21 mentioned, it is intended to be a logical framework that
22 roughly follows the audit process.

1 We have looked at a number of alternatives for
2 how we might put our standards together. One was sort
3 of keep on doing what we are doing. I don't think anyone
4 would have been happy with chronologically sequenced
5 standards.

6 Another approach we looked at was to just
7 essentially shoehorn our existing sequentially numbered
8 AS standards into the AUs, but that really wasn't going
9 to deal with that issue of potential confusion. We would
10 still have an AU 230 that is our due professional care
11 standard. AICPA would have their AU 230, which would be
12 audit documentation, both important standards but not
13 dealing with the same topics. So that didn't really
14 work.

15 Then, the other -- another alternative that would
16 seem logical as well, why don't you just take what the
17 ASB or IAASB has done and just go with that? That still
18 didn't quite cover the issue, because we did have some
19 -- there are some differences in content between our
20 standards and theirs, and some of the internal
21 organization.

22 For example, we have a single standard on

1 evaluating audit results that's -- we think is important,
2 we think delivers the right approach, and is responsive
3 to some of the things that we have seen in inspections
4 about auditors not connecting the dots.

5 So we think there is some very important value to
6 be gained in the way we have approached the standard.
7 So we expect there to be differences. And if there is
8 going to be differences in content, then it seems like
9 that we shouldn't exactly use the same numbering
10 sequence. We would still have the same issue there.

11 So what we have ended up doing is we felt like
12 the next best step is to have something in this kind of
13 framework. It's not radically different, we don't think,
14 from the other standard setters in the way they have
15 generally approached it, and then to provide some tools
16 once we would implement this structure that would help
17 people map our standards with those of the IAASB and ASB.

18 So that's the approach that we're planning to
19 follow. The framework would have an AS prefix for all
20 of the auditing standards numbers -- that has sort of
21 evolved as the signature for our standards -- and a
22 four-digit sequence, four digits so we would avoid

1 essentially having the risk of tripping over one another
2 as we do our standard setting and other bodies do their
3 standard setting.

4 So that's why we decided to go in sort of this
5 general direction for this proposal, but we're interested
6 in any thoughts that you might have on that.

7 As I said, we are reordering and renumbering
8 existing standards, not trying to make substantive
9 changes in this part of our process. We'll just continue
10 to do that over time in individual projects.

11 We are intending that once we get this structure
12 in place, that we wouldn't issue AS number standards
13 anymore. What we would issue is, in much the same way
14 that FASB is now doing accounting standards updates, we
15 would do auditing standards updates. So we would issue
16 something that would be a new AS section or an amendment
17 to an existing AS section.

18 And, as we roll these out, we would -- we are
19 also looking, interested in trying to enhance our search
20 capabilities and do some other things with our content
21 on the web as we go along. And that's one area that
22 we're really interested in any feedback that you might

1 have in terms of ways to make our standards more usable,
2 easier to consume, easier to understand.

3 So next steps in our process. We certainly have
4 an open comment period that is going to go through just
5 past Memorial Day. Interested in any comments you might
6 have during that process, formal/informal comments you
7 might have, suggestions for improving the usability or
8 navigation of our standards in that process and ongoing.

9 After we get comments and analyze those, our
10 intent is to go back with a second release that will have
11 all of the gory details, if you will, all of the specific
12 amendments that would be necessary to implement a new
13 reorganized structure of auditing standards.

14 And we're also planning to have a companion
15 evaluation version, if you will, on our website that
16 would -- you could go to that, and you could see what our
17 standards will look like in the reorganized format. So
18 we would then have another comment period where we would
19 seek feedback on that and invite people to look at, test,
20 if you will, give us feedback on whether or not you think
21 that is working, whether or not there are some other
22 things that we could do to improve that, help our

1 standards be more understandable.

2 And in this process, I mean, as I mentioned, we
3 are looking to try and provide some additional navigation
4 aids, if you will. Some kind of tools that would be an
5 old versus new kind of cross-referencing tool. Somewhat
6 similar to what the FASB has done. And also some mapping
7 tools that would help people be able to find analogous
8 content between our standards and the other standard
9 setters.

10 Those may not be in the most robust form in the
11 evaluation period, but they're something that ultimately
12 we want to have put in place and improve over time.

13 So, with that, I will open it up. Gary?

14 MR. PREVITS: Yes, Keith. Since we have the GAO
15 present in one form or another, and Tom brought up
16 conflict of interest yesterday, the mapping project that
17 you are suggesting at the end of the process, or at
18 whatever level, I think over the years there have been
19 many times when professional standards and GAO auditing
20 standards have been of interest. And I hope that one of
21 the mapping activities includes those.

22 I'm not sure how the GAO would feel about that,

1 but, particularly in areas such as independence and other
2 areas, I think it might be meaningful.

3 Put Bob on the spot if he has any thoughts about
4 it, but I didn't hear them explicitly identified. And,
5 again, given that Tom mentioned conflict of interest
6 yesterday, which is a new horizon for us through the
7 securities law, I think mapping GAO audit standards might
8 be valuable.

9 MR. WILSON: Okay. That is interesting. Bob,
10 did you want to say something about that?

11 MR. DACEY: I guess I feel somewhat compelled to.
12 But I don't think there would be any challenge or issue
13 there. Particularly if you want to deal with some of the
14 other issues that might get into the attestation of
15 performance and the general standards we have. So I'd
16 be happy to work with you if that is something you want
17 to proceed on.

18 MR. WILSON: Okay. Thanks. That is useful. And
19 another thing I should say is over time -- I mean, the
20 next -- other subsequent phases of this project would be
21 to go into other standards.

22 I think quality control standards may take care

1 of themselves as we look to ultimately have a new suite
2 of quality control standards that would provide the
3 ultimate opportunity to do a reorganization of those at
4 the same time.

5 Others I think may be a little bit more
6 challenging, quite frankly, as we think about what we
7 would do in ethics and independence, and some of those,
8 but that would be part of what we're thinking about.

9 MODERATOR BAUMANN: Yes?

10 MS. HIGGS: I would like to get some input from
11 this group about how to go about teaching auditing
12 standards going forward -- if you start with the ASB and
13 then modify that for yours, or start with yours and
14 modify that for the ASB. And I think that is a challenge
15 a lot of us are going to have to try to figure out.

16 MR. WILSON: We acknowledge that there is some
17 challenge to that. And I think part of what we do in our
18 process today, and as we take on the standard-setting
19 project, is to try and provide some additional
20 information about differences between what we are
21 proposing to do and what the other standards might say.

22 And then as part of that -- and then hopefully

1 with these mapping tools, that will help, also help
2 people understand and provide that, so --

3 MR. GURBUTT: And that question, just for the
4 record, was from Julia Higgs.

5 MR. WILSON: Okay. Zoe-Vonna?

6 MS. PALMROSE: On the record?

7 MR. WILSON: Yes. Actually, we have to do this,
8 just because we're in the open comment period.

9 MS. PALMROSE: Oh. Sorry. So you know who I am.
10 Anyway, I was encouraged that you are thinking about
11 making your website more functional and usable. And
12 from a research standpoint, we really appreciate that,
13 as well as from an educational standpoint, so -- for
14 students to search over it.

15 But, as you think about that, I would suggest you
16 think and maintain the historical record of standards
17 from a research standpoint. We like to be able to go
18 back and see what prior standards were like, so -- even
19 though they have been superseded, that we still have easy
20 access to the prior standard as they existed.

21 And, in that regard, it would also help if we
22 could search over release text, not just the prior

1 standard itself but the release text, too, as part of
2 that. So the functionality of accessing and searching
3 over those would all be appreciated to consider.

4 MR. WILSON: Okay. Thanks. Let me ask you the
5 -- when you are talking about keeping the same version,
6 so what I think I am hearing you say is for the set of
7 standards we have now, make it still accessible some way
8 through our website. Is that right?

9 MS. PALMROSE: Correct. I mean, I have trouble
10 finding AS 2, for example. So maybe nobody cares about
11 AS 2 but me. I shouldn't say that on the public record.
12 Can we purge the public record?

13 (Laughter.)

14 But that is just simply an illustration that,
15 right now, it is difficult to find them. And so the
16 FASB, on their website at least, has the standard as
17 originally issued and then gives you, you know, a choice
18 of whether you want to click on the superseded and/or
19 current standard, so that you have some perspective on
20 the website.

21 MR. WILSON: Right.

22 MS. PALMROSE: So thank you.

1 MR. WILSON: Okay. Right now we have those on a
2 -- we have a superseded page on our website where we
3 house those, but it is a little bit -- we may have to
4 take a different approach when we move to this different
5 organization.

6 MS. PALMROSE: And maybe I just never found that
7 page either.

8 MR. WILSON: Okay.

9 MS. PALMROSE: So thanks.

10 MR. WILSON: Yes. Right. There is a link to the
11 release, but you're right. It's not immediately
12 searchable in the same way that the regular standards
13 are.

14 MS. PALMROSE: No. We appreciate that.

15 MR. WILSON: Yes.

16 MS. PALMROSE: I can find it. It's just hard to
17 search it.

18 MR. WILSON: Right.

19 MS. PALMROSE: Thank you.

20 MR. WILSON: Okay. Julia?

21 MS. HIGGS: I am seeing some standards that are
22 in a format where you have to click on every paragraph

1 to expand it. And I just want to encourage you to format
2 it in such a way that somebody can look at the entire
3 document if they want to without having to click, click,
4 click just to get the pieces.

5 So the codification and accounting research
6 manager is set up that way. They are difficult to use,
7 if you can access it that way.

8 MR. WILSON: Okay. All right. Thanks for that.

9 Other -- yes, Jack?

10 MR. KROGSTAD: Would you entertain a little more
11 general observation?

12 MR. WILSON: Sure.

13 MR. KROGSTAD: Well, sitting here for the last
14 couple of days, my mind runs back to when I entered this
15 profession, and we were a group of professional people
16 that were generally ranked as the most respected
17 profession in society. And I sometimes wonder now.

18 I guess I can show a little political bias, even
19 if it's on the record, but I haven't observed one
20 government function anywhere that I think runs more
21 effectively and efficiently than what happens in the
22 private sector. Corruption, greed, waste is every place.

1 Now, when I look at this set of initiatives, how
2 can I help but not be enthused for your agenda and the
3 chance to make auditing better? But then I wonder about,
4 haven't we become the most regulated group of
5 professionals in society? I mean, I have been trying to
6 think of some group that is more regulated than we are.

7 And Congress never takes a law off the books.
8 They show their work ethic by always passing more laws.

9 Is this an upward curve now that the standards
10 infrastructure is in place, and it's just going to be a
11 trend line right on up because we have got the horses and
12 we can do this? Or is there some equilibrium where we
13 say, "Golly. There's enough regulation here. It's not
14 going to keep working. More regulation won't make it
15 better"? We can observe that in other areas of society.

16 So just I can speak sort of historically. I am
17 probably the oldest person in the room. But do those
18 kinds of thoughts ever cross your mind, like a regular
19 old citizen like me that lives out in farm country in the
20 middle of the country? Those kinds of thoughts run
21 through my mind. I don't know if anyone else feels that
22 way or not.

1 What are students going to be attracted to here
2 five or ten years down the road? And if we want to go
3 further in this direction, why don't we go to work for
4 the GAO and let the government run the auditing function
5 in our society? We might have a better fringe package.
6 We wouldn't have to work 16-hour days. I can guarantee
7 you that.

8 And so, for whatever it's worth, I appreciate the
9 opportunity to just add that commentary.

10 MODERATOR BAUMANN: We appreciate the commentary.
11 Thank you very much. I don't know if auditing is the
12 most regulated profession or industry in the country, but
13 we certainly go through -- and I can't answer all of your
14 questions or comments --

15 MR. KROGSTAD: Oh, I understand.

16 MODERATOR BAUMANN: -- and you're not looking for
17 it, but I must say in our standard-setting projects, we
18 do go through an exercise of, what is the problem we're
19 trying to solve? Is there a problem there? And is this
20 going to improve, rather than just add burden? But your
21 questions go well beyond -- your commentary goes well
22 beyond that, and thank you for it.

1 We're getting close to wrap-up time. Before I
2 turn it over to Greg, any more comments on standard
3 setting, update on independence, or the reorg? One more
4 question in the back?

5 MR. BELL: Yes. Tim Bell --

6 MR. WILSON: Do you have a microphone?

7 MR. BELL: You can't hear me? I find in the
8 ISAs, the comprehensive glossary, pretty useful. And I
9 don't know if you had any intention to pull all of the
10 separate definitions together into a comprehensive
11 glossary. Simple question.

12 MR. WILSON: The short answer is it is on the
13 list of things to do. It is a process to go through
14 that. And we're still trying to think about the right
15 timing to do that, because it is going to involve a
16 pretty comprehensive horizontal combing through our
17 standards.

18 But it is something we have identified as a
19 project to work on and something we do want to do at some
20 point at the right time.

21 MODERATOR BAUMANN: On behalf of Mike and Keith,
22 I want to thank you all for your good questions and your

1 comments and attention during this session.

2 Thank you very much.

3 (Applause.)

4 MR. SCATES: Before you rush off to the airports
5 and Union Station, remember, turn in your CPE forms. If
6 you have a quick thought, again, jot it down, about the
7 program itself and about the conference, about the time
8 we have it, when we have it, where we have it. Any
9 notes along that and any of your thoughts, please write
10 those down real quickly, because we value those
11 evaluations. We go through those in order to try to
12 improve the program. And we look forward to seeing you
13 again next year.

14 Thank you.

15 (Applause.)

16 (Whereupon, at 12:00 noon, the proceedings in the
17 foregoing matter were concluded.)

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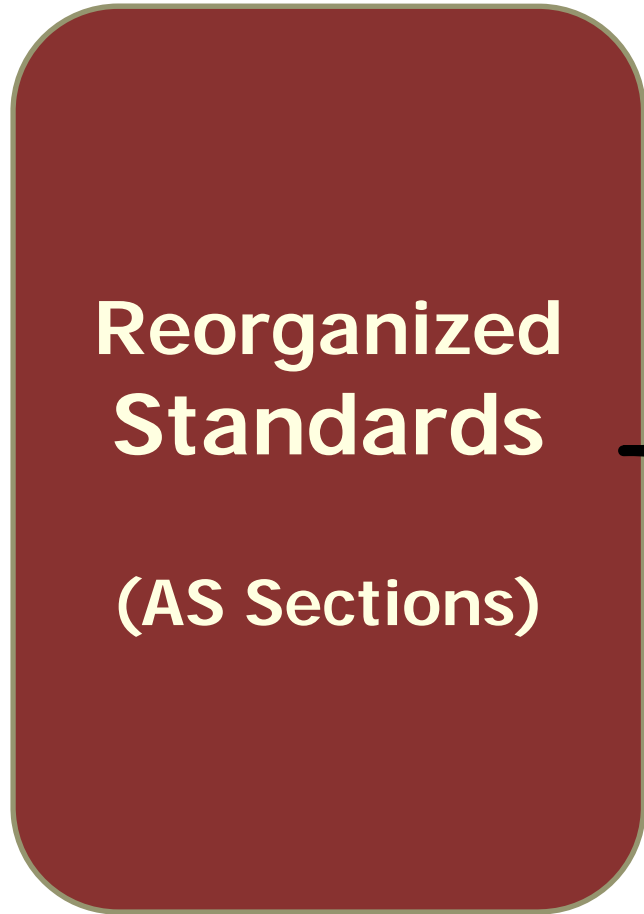
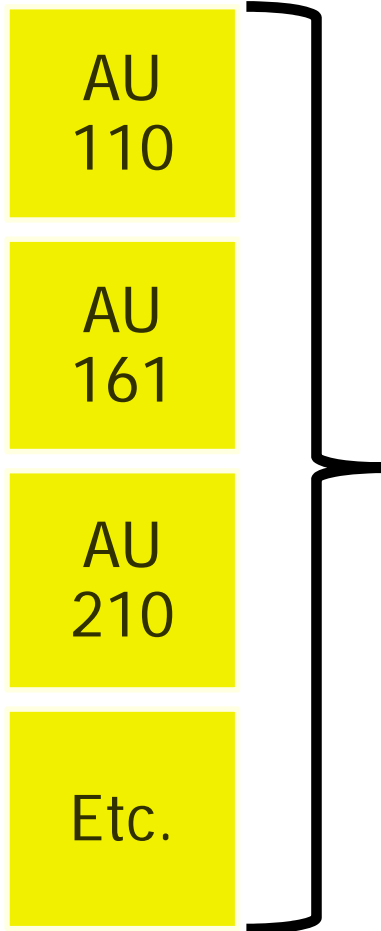
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Proposed Framework for Reorganization of PCAOB Auditing Standards

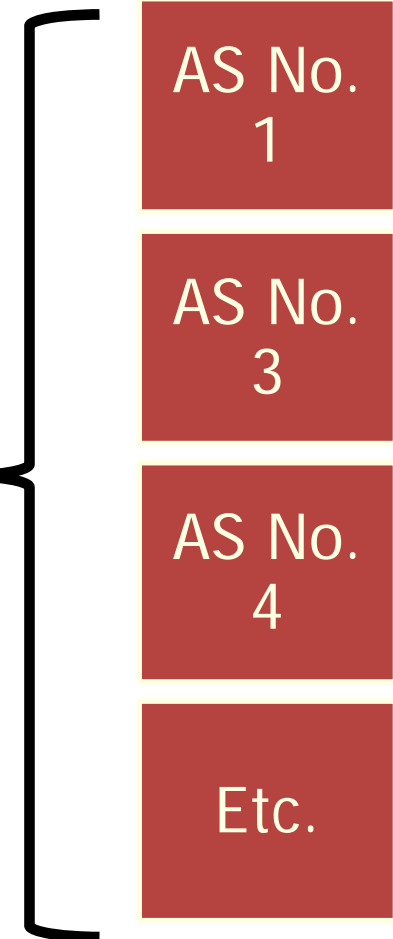
**PCAOB Release No. 2013-002
March 26, 2013**

Reorganization of PCAOB Auditing Standards

“Interim” Standards



Board-Issued Standards



Reorganization of PCAOB Auditing Standards

- **Categories in the proposed framework for the reorganization:**
 - AS 1000 General Auditing Standards
 - AS 2000 Audit Procedures
 - AS 3000 Auditor Reporting
 - AS 4000 Matters Relating to Filings under Federal Securities Laws
 - AS 6000 Other Matters Associated with Audits

Reorganization of PCAOB Auditing Standards

- Intended to:
 - Renumber and reorder existing standards without redrafting or making substantive changes
 - Present standards in a logical order that generally follows the flow of the audit process
 - Enhance usability through improved navigation
 - Provide structure for future standard-setting

Reorganization of PCAOB Auditing Standards

- Next steps include:
 - Consideration of comments received on the proposing release
 - Release for public comment all amendments necessary to implement the reorganization of the auditing standards
 - Release an online version of the proposed reorganized auditing standards
 - Undertake reorganization of other PCAOB professional practice standards

NOTICE: This is an unofficial transcript of the portion of the Public Company Accounting Oversight Board's Standing Advisory Group meeting on May 15, 2013 that relates to the Board's proposed framework for reorganization of PCAOB auditing standards and related amendments to PCAOB auditing standards and rules. The other topics discussed during the May 15, 2013 meeting are not included in this transcript excerpt.

The Public Company Accounting Oversight Board does not certify the accuracy of this unofficial transcript, which may contain typographical or other errors or omissions. An archive of the webcast of the entire meeting can be found on the Public Company Accounting Oversight Board's website at:

http://pcaobus.org/News/Events/Pages/05152013_SAG.aspx.

PUBLIC COMPANY ACCOUNTING OVERSIGHT BOARD

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STANDING ADVISORY GROUP

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MEETING

+ + + + +

WEDNESDAY
MAY 15, 2013

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The Standing Advisory Group convened at the Westin City Center Hotel, located at 1400 M Street, Northwest, Washington, D.C. at 8:30 a.m., Martin Baumann, Standing Advisory Group Chairman, presiding.

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MR. BAUMANN:

4 The third thing we did since the last meeting,
5 and Jim made a reference to this as well, was we proposed
6 a framework for the reorganization of PCAOB standards on
7 March 26th of this year. Comments on that proposal are
8 due on May 28th.

9 I'll turn to Keith Wilson in just a moment and
10 Keith will go over some of the highlights of that
11 framework.

12 But again, when the Board was founded, the Board
13 adopted the standards of the Auditing Standards Board,
14 the AICPA, as its interim standards for purposes of
15 audits and then inspections. But along the way we've
16 been developing new standards, AS-1 through AS-16. Those
17 standards are ordered in just a sequentially numbered
18 basis with no logical framework to them. The interim
19 standards of the profession did have a logical framework
20 to them dealing with general standards, standards of
21 field work and reporting standards, but many of them have
22 been superseded by AS standards and we're now we're left

1 with two bodies of literature. And so we felt and we've
2 heard from the SAG about a number of things about
3 codifying and reorganizing our standards. And yes, John
4 White, dealing with our staff audit guidance as well,
5 which we'll get to that after this project.

6 But the first step was the reorganization of the
7 standards. So, Keith, maybe you could give an update to
8 the group about that proposal for the reorganization and
9 see if anyone has comments. This is in an open comment
10 period and therefore this is valuable to us. If you have
11 comments, they become part of the rulemaking docket, any
12 views that you express today, just like a comment letter.

13 MR. WILSON: Okay. Thanks, Marty. Right off the
14 bat, I guess the idea -- as Marty and as the Chairman had
15 mentioned, the overall objective of the project is to try
16 and make our standards more easy to use, easier to
17 navigate, easier to find things, and part of, a big part
18 of doing that is putting them together in a logical way.
19 As Marty mentioned, we have standards that are in
20 different sequences, almost two completely separate
21 buckets of standards organized in different ways. And
22 the idea here is to take them -- and if you think of them

1 as individual blocks, not to redraft them but to reorder
2 them and give them a common numbering sequence.

3 So it's a little different from some of the
4 things that you may have seen happen in auditing or
5 accounting standards in that we're not doing a lot of
6 redrafting as part of this project. We're simply putting
7 the standards together in a more-logical-easier-
8 hopefully-to-understand-and-follow-and-navigate
9 framework. And we would then plan to take these and move
10 forward and redraft as we review and revise standards in
11 the course of normal standard-setting projects.

12 We looked at a number of alternatives for how
13 we'd organize the standards, various different approaches
14 that we looked at. They're laid out in the release.
15 What we set upon was something that we thought was going
16 to be follow this kind of framework that you see. Here's
17 the high level of the categories. General auditing
18 standards and then auditing procedures and reporting that
19 more or less follows the typical flow of an audit. So
20 that hopefully will make it very intuitive, easier for
21 auditors to understand and others to understand and
22 follow.

1 We intentionally chose an AS structure because
2 the AS is something that's become sort of synonymous with
3 our standards and we're using a four-digit sequence to
4 identify our individual standards. The primary reason
5 for that is so that we will be able to keep our
6 standards, have plenty of room to grow and also not to
7 have to worry about creating conflicts between standards
8 that we would number a certain way versus standards that
9 say the IAASB or the Auditing Standards Board would. For
10 example, right now our interim standard AU-230 is due
11 care. It covers professional skepticism. A very
12 important topic. The AICPA's new clarified standard, AU-
13 230, is audit documentation. Again, a very important
14 standard, but they're different topics.

15 So to avoid potential confusion with having two
16 sets of standards with the same number, we went to a
17 slightly different numbering structure. And what we
18 intend to do is provide a mapping sequence through our
19 web site so that if one is accustomed to looking at an
20 ISA or an ASB standard, they can look at that and then
21 find what the equivalent corresponding AS standard under
22 our standards framework would be.

1 So I think we've covered the first three bullets
2 here. The other part, much like the FASB's approach now
3 after its codification where it issues accounting
4 standards updates, we would expect that, in the future,
5 once this reorganization is put in place, that what we
6 would do is issue auditing standards updates that would
7 be revisions or updated sections to our auditing
8 standards framework.

9 So we have the proposed framework out seeking
10 comments. The comment period ends through the end of
11 Labor Day. We're asking a lot of questions not just
12 about the section numbers, but we're also interested in
13 other things that we might be able to do to make our
14 standards easier to use, easier to follow. Other tools,
15 we might have suggestions around guidance and other
16 things that we might do. So we're interested in any
17 feedback that we can get about the specifics of this
18 framework or others, topics related to this. We plan to
19 take those and then our typical process is we'll create
20 a set of amendments that we'll again put out for comment.

21 Something we're planning to do a little different
22 is we'll have an online version of the reorganized

1 standards that would go up. It would be those standards
2 with the section numbers changed, presented in the new
3 numbering structure with all the references updated and
4 that sort of thing, put it out for people to look at that
5 in conjunction with the more detailed amendments. And
6 then after that we would hope to get comments on that and
7 then finalize those standards and move onto looking at
8 other standards, guidance, other things that we might do
9 to enhance the overall usability of our standards.

10 So that's the overall goal of the project. Bob
11 Herz?

12 MR. HERZ: Are you going to or have you considered
13 in terms of the online platform for this using the same
14 platform technology that's in the FASB's codification,
15 you know, with all the navigation and search
16 functionalities and all of that? And I'd say that
17 because (A), it's been developed. There's four years of
18 refinement in it. And then (B), people -- you know,
19 presumably there's an overlap between the user groups.
20 So kind of a familiarity aspect to it.

21 MR. WILSON: That's an interesting idea. I
22 haven't heard that one. I think that's something we'll

1 have to turn around

2 and -- I will say we have had some discussions with FASB
3 staff and understand some of the lessons that they've
4 learned in the course of developing theirs and had some
5 agreement to continue to have some dialogue and learn
6 what we can from them. It's an interesting suggestion,
7 something we'll have to give some thought to. Thanks.

8 MR. BAUMANN: Wayne Kolins.

9 MR. KOLINS: Yes, have you considered liaising
10 with the Auditing Standards Board and/or the IAASB in
11 terms of what could be done as to a framework, the same
12 kind of framework, even though the standards might be
13 different, but at least the framework onto which the
14 auditing standards could be hung to harmonize that?

15 MR. WILSON: Well, in the course of developing
16 the framework we had, we certainly looked at the
17 frameworks that the Auditing Standards Board and the
18 IAASB have in place. And I think what you'll see is
19 there is a fair amount of commonality between what we
20 have and what they have. And certainly we'll continue
21 to look at that as we move forward. Obviously we're
22 starting in different places, and there are some reasons

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1 that we do have differences in the content of our
2 individual standard sections that we're still needing to
3 think about and account for. So there are some necessary
4 differences, but we are trying to look at and consider
5 ways that we can make it easier for people who are
6 looking at one set of standards and compare that to the
7 other set of standards.

8 MR. BAUMANN: We might have something in one
9 standard and that same topic might be in two different
10 standards of the ASB or the IAASB. And so a clear one-
11 to-one linkage really can't be made. And that's why if
12 you look at the release, we've mentioned some of those
13 challenges. And at the end of the day what seemed to us
14 to be the best version was to go to a completely
15 different numbering system but have road maps to the
16 IAASB standards and road maps to the ASB standards and
17 have a general logical format that's similar to in terms
18 of the flow of the audit and how one thinks about the
19 audit process. But again, we're interested in comments
20 about how we're approaching this.

21 Kevin Reilly?

22 MR. REILLY: Yes, Keith, just maybe a naïve

1 question, but one of the points you made on an earlier
2 slide is that the reorganization is intended to provide
3 structure for future standard-setting, and I would have
4 thought the reorganization codification is just simply
5 a residual of the standards that are set as opposed to
6 driving standard-setting itself. So I'd appreciate any
7 color commentary on that. Maybe I just didn't understand
8 it.

9 MR. WILSON: Right. Well, that was intended to
10 be -- I guess the way we were trying to describe that was
11 we are -- what we're intending is to -- going forward
12 issuing auditing standards updates. Instead of issuing
13 some sort of sequentially-numbered standard and making
14 major revisions, we're thinking and hoping that with help
15 from commenters that we'll end up with a structure that
16 will be somewhat evergreen. Now there may be individual
17 section numbers that may ultimately we may decide to
18 combine at some point in the future, or add a new
19 section, but the idea is that things would be thought of
20 within the basic framework that we have now. So we're
21 not going to rigidly tie ourselves to each and every
22 section number, but the overall general framework we're

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1 hoping will be evergreen and something that can evolve
2 over time during the course of individual standard-
3 setting projects.

4 MR. BAUMANN: And nothing we're doing here is
5 driving standard-setting. This is simply a
6 reorganization project to take what is, as I said before,
7 an old body of literature of interim standards and new
8 standards that are totally separate in the way in which
9 they're organized and tough to navigate and make them
10 just more navigable. But it's not driving standard-
11 setting in any fashion.

12 Gaylen Hansen?

13 MR. HANSEN: Yes, just an observation, and I
14 think to Bob Herz' point. I mean I think there is a lot
15 to be learned from some of these other organizations in
16 terms of what they've gone through on codification
17 projects. And in particular, I found it particularly
18 helpful to have the standard laid out and then in a
19 different manner the guidance. And maybe this is phase
20 2 or 3 or down the road, but in particular -- and to John
21 White's continuing commentary on the alerts, some of
22 those could potentially be integrated into some of these

1 materials, not as the standard, but as to guidance that
2 could pop up, and especially in online versions so that
3 it could be more usable and helpful to find things.

4 MR. WILSON: Yes, that's a good point. It is
5 something we're trying to look and see what we can do
6 today and down the road. You may now that currently on
7 our web site auditing interpretations -- for example,
8 there's a link from the standard to auditing
9 interpretations. We're going to look and see the extent
10 to which we can do that with related guidance, the
11 practice alerts or staff Qs and As that we've issued
12 related to topics as part of this, but some of that's
13 going to be probably a longer-term initiative as we think
14 about ways to organize related guidance going forward.
15 But that's a good point.

16 MR. BAUMANN: Thanks, Keith, and thanks for the
17 comments. It's not a typical standard-setting project,
18 but we think it's a very important platform for making
19 our standards usable to the profession, usable to
20 students and others, and easy to navigate, and, as well
21 Keith said at the end and the good suggestions that came
22 in from Gaylen and others, to be able to link in other

1 types of guidance ultimately into this new framework.
2 So it's the platform for building a better environment
3 and a basis for the PCAOB's literature. And the comment
4 period on this ends May 28th, so certainly take a look
5 at that release and share with us any comments you have.

Proposed Framework for Reorganization of PCAOB Auditing Standards

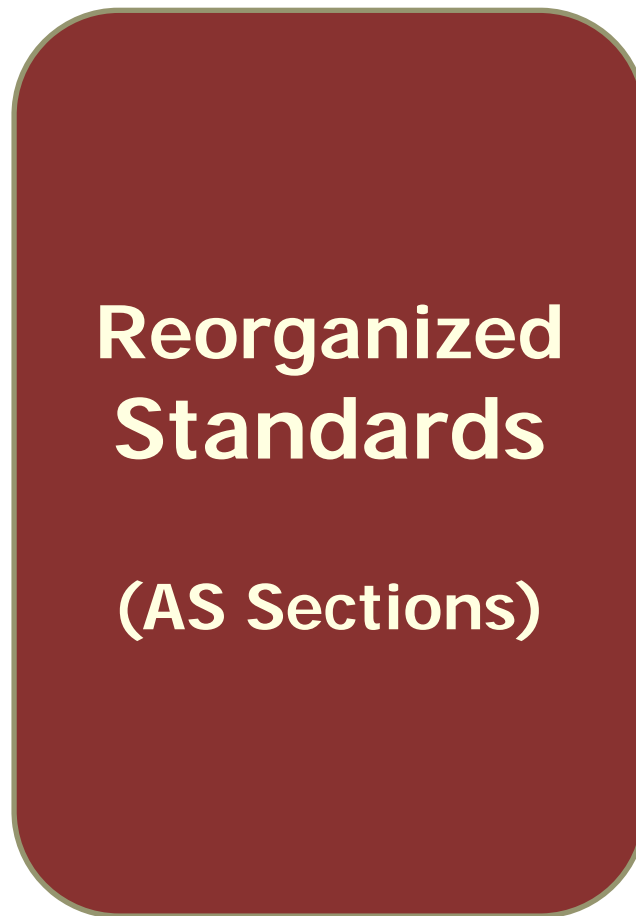
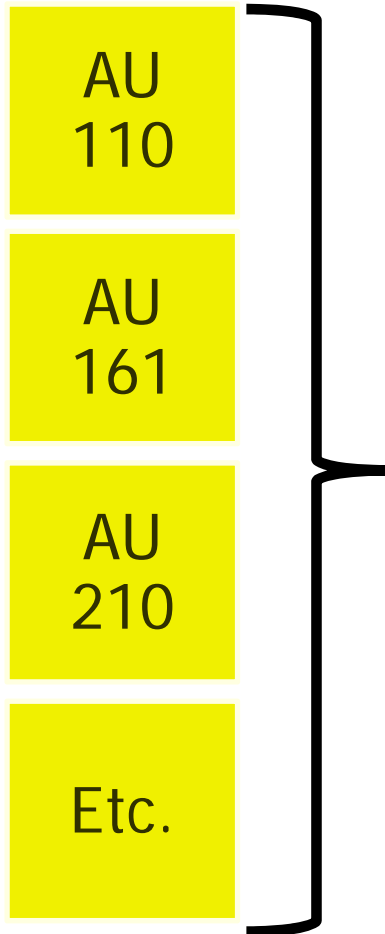
**PCAOB Release No. 2013-002
March 26, 2013**

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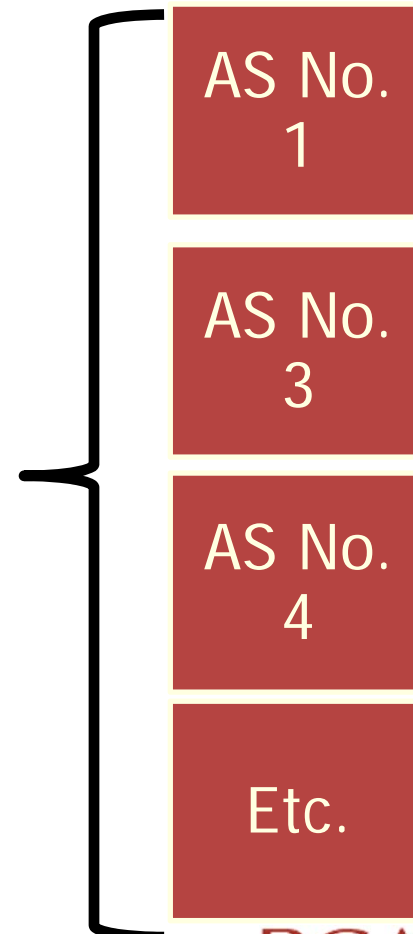
- The views expressed by each of the presenters are their own personal views and not necessarily those of the PCAOB, members of the Board, or the PCAOB staff.

Reorganization of PCAOB Auditing Standards

“Interim” Standards



Board-Issued Standards



Reorganization of PCAOB Auditing Standards

- **Categories in the proposed framework for the reorganization:**
 - AS 1000 General Auditing Standards
 - AS 2000 Audit Procedures
 - AS 3000 Auditor Reporting
 - AS 4000 Matters Relating to Filings under Federal Securities Laws
 - AS 6000 Other Matters Associated with Audits

Reorganization of PCAOB Auditing Standards

- Intended to:
 - Renumber and reorder existing standards without redrafting or making substantive changes
 - Present standards in a logical order that generally follows the flow of the audit process
 - Enhance usability through improved navigation
 - Provide structure for future standard-setting

Reorganization of PCAOB Auditing Standards

- Next steps include:
 - Consideration of comments received on the proposing release
 - Release for public comment all amendments necessary to implement the reorganization of the auditing standards
 - Release an online version of the proposed reorganized auditing standards
 - Undertake reorganization of other PCAOB professional practice standards



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SUPPLEMENTAL REQUEST FOR COMMENT:
PROPOSED FRAMEWORK FOR
REORGANIZATION OF PCAOB AUDITING
STANDARDS AND RELATED AMENDMENTS
TO PCAOB AUDITING STANDARDS AND
RULES

)
) PCAOB Release No. 2014-001
) May 7, 2014
)
) PCAOB Rulemaking
) Docket Matter No. 40
)
)

Summary: The Public Company Accounting Oversight Board ("PCAOB" or "Board") is issuing a supplemental request for comment on its proposed framework for reorganization of PCAOB auditing standards and related amendments to PCAOB auditing standards and rules and reopening the comment period on the proposed reorganization. This supplemental request for comment presents the proposed amendments to implement the proposed reorganization. In conjunction with this supplemental request for comment, the Board also is releasing on its website a demonstration version of the reorganized auditing standards to facilitate review and comment on the proposed amendments.

Public Comment: Interested persons may submit written comments to the Board. Such comments should be sent to the Office of the Secretary, PCAOB, 1666 K Street, N.W., Washington, D.C. 20006-2803. Comments also may be submitted via email to comments@pcaobus.org or through the Board's website at <http://www.pcaobus.org>. All comments should refer to PCAOB Rulemaking Docket Matter No. 40 in the subject or reference line and should be received by the Board no later than July 8, 2014.

Board Contacts: Martin F. Baumann, Chief Auditor (202/207-9192, baumannm@pcaobus.org); Keith Wilson, Deputy Chief Auditor (202/207-9134, wilsonk@pcaobus.org); Greg Fletcher, Associate Chief Auditor (202/207-9203, fletcher@pcaobus.org); and Robert Ravas, Assistant Chief Auditor (202/591-4306, ravasr@pcaobus.org).

* * * * *



I. Background

In 2013, the PCAOB proposed a framework for reorganizing its auditing standards.^{1/} As discussed in that proposal, PCAOB auditing standards currently consist of two types of equally authoritative auditing standards: (1) standards issued by the Board and (2) preexisting standards adopted by the Board on an interim transitional basis. Each type of auditing standard has its own organizational structure. The proposed reorganization of PCAOB auditing standards is intended to create a standardized organizational structure of PCAOB auditing standards to enhance the usability of the standards and help users navigate the standards more easily. This could help auditors find more easily the relevant requirements in PCAOB standards for a particular area of the audit, which in turn could facilitate compliance with the standards. The proposed reorganization also would help avoid potential confusion between the Board's standards and those of the Auditing Standards Board of the American Institute of Certified Public Accountants ("AICPA"), if the same reference is used for different standards covering different topics.^{2/} Finally, the proposed reorganization framework is intended to provide a structure for updating PCAOB standards in the future in that new auditing standards adopted by the Board are expected to be issued in the form of amended or new sections of the reorganized standards rather than sequentially numbered standards.

The proposing release set forth a framework for reordering and renumbering the PCAOB's existing auditing standards in their entirety, without redrafting the standards, imposing new requirements on auditors, or making substantive changes to the requirements. The proposing release also presented certain amendments to PCAOB auditing standards and rules related to the proposed reorganization, including amendments to rescind certain interim auditing standards that the Board believes are no longer necessary.

^{1/} See *Proposed Framework for Reorganization of PCAOB Auditing Standards and Related Amendments to PCAOB Auditing Standards and Rules*, PCAOB Release No. 2013-002 (March 26, 2013) ("proposing release").

^{2/} For example, the PCAOB's interim auditing standard AU section ("sec.") 230, *Due Professional Care in the Performance of Work*, describes the auditor's responsibilities for applying due professional care in planning and performing audits, whereas, the ASB's auditing standard with the same reference number relates to audit documentation.

In the proposing release, the Board stated that it intended to release and seek public comment on all of the amendments necessary to implement the reorganization of the auditing standards. The Board also indicated its intention to provide a functioning online version of the reorganized auditing standards to facilitate review of the proposed amendments.

This supplemental request for comment presents all of the implementing amendments and provides information on accessing the online demonstration version of the reorganized auditing standards. In conjunction with developing the implementing amendments, the Board also identified certain refinements to the initially proposed reorganization framework and certain technical changes to PCAOB standards, which are discussed in Section II. The proposed amendments in this release reflect those refinements and include the additional technical changes.

In conjunction with issuing this supplemental request for comment, the Board is reopening the comment period and renewing its request for comments. In addition, the Board continues to evaluate the comments received previously, as discussed in Section I.A.

To facilitate review and comment on the proposed amendments, the Board also is releasing on its website a demonstration version of the reorganized auditing standards, which presents the Board's existing auditing standards as they would look if reorganized under the proposed framework and proposed amendments.^{3/}

A. Comments on the Proposing Release

The Board has received 19 comment letters in response to the proposing release.^{4/} The Board continues to consider those comments and will consider additional comments received in response to this supplemental request for comment. If, after consideration of comments, the Board decides to adopt the reorganization, the accompanying release will more fully discuss the Board's responses to comments received on the proposed reorganization. This section provides information about certain comments received to date, in order to aid potential commenters on this supplemental request for comment.

^{3/} The demonstration version of the reorganized auditing standards can be accessed at <http://pcaobus.org/Rules/Rulemaking/Pages/Docket040.aspx>. The demonstration version includes an email link that allows individuals to comment on any aspect of the proposed reorganization while reviewing the demonstration version.

^{4/} Comment letters on the proposal are available on the Board's website.

Comments, in general, indicated support for the proposed reorganization of the PCAOB auditing standards. Some commenters made statements about the standard-setting process more generally, such as that the Board should defer the reorganization to devote more time to other standard-setting projects, converge with the auditing standards of the International Auditing and Assurance Standards Board, or collaborate with other auditing standard setters on developing a unified framework for auditing standards.

Various commenters suggested a variety of individual changes to the titles, order, groupings, or numbering sequence of the reorganization framework. For example, changes suggested by commenters include (1) reclassifying certain auditing standards within the proposed framework, (2) combining certain categories or subcategories in the proposed framework, and (3) creating certain new categories or subcategories. However, there was little commonality among the suggested changes.

The Board also received comments regarding its plans to rescind certain standards that it believes are no longer necessary.^{5/} Some commenters suggested other standards that could be rescinded or suggested retaining one or more of the standards, including AU sec. 532. Regarding AU sec. 532, some commenters suggested that auditors sometimes need to restrict the use of their reports, and they cited examples of situations covered by other standards that the Board is proposing to retain.^{6/} The Board requests specific examples of situations, other than those covered by other PCAOB standards, for which rescinding AU sec. 532 would result in an inappropriate outcome.

While the Board continues to evaluate the comments received to date, the Board is issuing this supplemental request for comment containing the implementing amendments for the reorganization as initially proposed, except for certain refinements described in Section II. The issuance of this supplemental request for comment should

^{5/} Those standards are AU sec. 150, *Generally Accepted Auditing Standards*, AU sec. 201, *Nature of the General Standards*, AU sec. 410, *Adherence to Generally Accepted Accounting Principles*, AU sec. 532, *Restricting the Use of an Auditor's Report*, and AU sec. 901, *Public Warehouses—Controls and Auditing Procedures for Goods Held*.

^{6/} Specifically, commenters cited situations covered by AU sec. 325, *Communications About Control Deficiencies in an Audit of Financial Statements*, and AU sec. 623, *Special Reports*. Commenters also cited Auditing Standard No. 16, *Communications with Audit Committees*, but that standard, by its terms, does not require the auditor to restrict the use of audit committee communications.



not be construed as reflecting the Board's complete and final consideration of any particular comment.

II. Proposed Amendments

A. Overview of Proposed Amendments

Appendix 4 presents the proposed amendments to PCAOB auditing standards and rules to implement the proposed reorganization, including changes to update the section numbers and cross-references in the standards. The proposed amendments in Appendix 4 also include certain amendments discussed in the proposing release, which generally related to rescinding certain auditing standards (as discussed in Section I.A.), deleting certain appendices and exhibits to the interim auditing standards,^{7/} and related changes to PCAOB Rule 3101, *Certain Terms Used in Auditing and Related Professional Practice Standards*, and Rule 3200T, *Interim Auditing Standards*. These amendments are carried forward in this supplemental request for comment largely as proposed, allowing commenters to review all of the proposed amendments in one document.^{8/}

In conjunction with developing the proposed amendments, the Board has identified certain refinements to the proposed reorganization framework and certain technical changes to PCAOB standards that are intended to further the objective of enhancing the usability of the auditing standards. These refinements and amendments are not expected to impose new requirements on auditors or change the substance of the requirements for performing and reporting on audits under PCAOB standards. These proposed refinements and changes are discussed in Section II.B. and are reflected in the appendices to this release.

^{7/} The term "interim auditing standards" refers to the auditing standards of the AICPA adopted by the Board as of April 16, 2003, to the extent not superseded or amended by the Board.

^{8/} In some cases, the amendments in Appendix 4 are updated versions of amendments in the proposing release, as discussed further in Section II.B. of this release.

B. Refinements to the Reorganization Framework and Other Changes

The proposed amendments in Appendix 4 reflect certain refinements to the proposed reorganization framework in Appendix 1 to the proposing release^{9/} and certain other technical changes to PCAOB standards, as follows:

- Changes to the titles of certain auditing standards and subcategories to: (1) promote more consistency in the styling of standards or (2) clarify the subject of the standard.^{10/} In addition, the title of subcategory 2700 is changed from "Auditor's Responsibilities Regarding Other Information" to "Auditor's Responsibilities Regarding Supplementary and Other Information" to clarify the topics of the standards within this subcategory.
- Expansion of the numbering interval within subcategories to allow more flexibility for future standards. For example, in the proposed reorganization framework, standards that were numbered consecutively within the four-digit numbering structure are now proposed to be renumbered using increments of five.^{11/}

^{9/} Appendix 1 to this release presents the revised proposed reorganization framework, and the proposed titles, numbering, and categorization of standards.

^{10/} The proposed reorganization in Appendix 1 reflects the following changes to auditing standard titles to make them more consistent in style with other standards: (1) removing the phrase "The Auditor's" from AS 2415, *The Auditor's Consideration of an Entity's Ability to Continue as a Going Concern*; (2) adding the term "Auditing" to AS 2510, *Inventories*; (3) adding the phrase "Consideration of an Entity's Use of" to AS 2601, *Service Organizations*; and (4) removing the phrases "The Auditor's" and "in an Audit of Financial Statements" from AS 2605, *The Auditor's Consideration of the Internal Audit Function in an Audit of Financial Statements*. The proposed reorganization also reflects a change to add the phrase "Initial Audits" to AS 2610, *Communications Between Predecessor and Successor Auditors* to clarify the subject of the standard.

^{11/} The proposed amendments would not adjust the interval between AS 2501, *Auditing Accounting Estimates*, AS 2502, *Auditing Fair Value Measurements and Disclosures*, and AS 2503, *Auditing Derivative Instruments, Hedging Activities, and Investments in Securities*, as the Board has a standard-setting project that is, among other things, considering a combined standard to include the topics addressed by these standards.

- Reordering of the subcategory "Auditing Internal Control Over Financial Reporting" to follow the subcategory "Audit Planning and Risk Assessment," as this sequence is a clearer representation of the integrated audit process.
- Movement of Auditing Standard No. 4, *Reporting on Whether a Previously Reported Material Weakness Continues to Exist*, from AS 2302 in the "Audit Procedures" category, as initially proposed, to AS 6115 in the "Other Matters Associated with Audits" category as this category describes more clearly the nature of the work covered by this standard.^{12/}
- Replacement of references to generally accepted auditing standards ("GAAS") throughout the auditing standards with references to the standards of the PCAOB or PCAOB auditing standards, and, as a result, superseding Auditing Standard No. 1, *References in Auditors' Reports to the Standards of the Public Company Accounting Oversight Board*.^{13/}
- Eliminating certain inoperative language in auditing standards and interpretations and eliminating inoperative references to AICPA standards or rules, such as the provisions of the AICPA Code of Professional Conduct or ethics rules that were not adopted as interim standards of the PCAOB, and replacing those references to AICPA standards with references to PCAOB standards, where appropriate.^{14/}

^{12/} Separately, the proposed reorganization in Appendix 1 also reflects the renumbering of AU sec. 504, *Association With Financial Statements*, from AS 3301 to AS 3320, while maintaining that standard in the same subcategory as initially proposed.

^{13/} This standard provides that, whenever the auditor is required by existing standards to reference GAAS in a report, the auditor must instead refer to the standards of the PCAOB. Auditing Standard No. 1 also includes a requirement for the report to include the city and state, or country, of the auditor. If Auditing Standard No. 1 is superseded, that requirement would be added to the Board's other standards on auditor reporting. Also, since Auditing Standard No. 1 applies to reports issued pursuant to the PCAOB's attestation standards, the Board is proposing to make analogous changes to the interim attestation standards. See Appendix 4 for the proposed amendments.

^{14/} For example, the Board is proposing to delete from AS 1005, *Independence*, and AS 2605 references to AICPA independence requirements that were never adopted by the Board. Similar types of changes were made to AS 2705, *Unaudited Supplementary Information Included in Audited Financial Statements*, AS



III. Next Steps

After considering comments received on the proposing release and the supplemental request for comment, the Board will determine whether, or in what form, to adopt and implement the framework for the PCAOB's reorganized auditing standards.

The Board may undertake future phases of the reorganization project that build on the improvements from the initial phase to provide further benefits. Such phases could include, for example, addressing outdated references to generally accepted accounting principles. Another phase might address potential reorganization of content in existing standards. For example, standards that cover multiple aspects of the audit could be disaggregated and topics moved to other sections to further align with the flow of the audit process. Other possible phases may include reorganization of other PCAOB standards or reorganization of staff guidance.

IV. Economic Considerations and Application to Audits of Emerging Growth Companies

As discussed in the proposing release, the proposed reorganization is intended to create a standardized organizational structure of PCAOB auditing standards to enhance the usability of the standards and help users navigate the standards more easily. As previously discussed, this could help auditors find more easily the relevant requirements in PCAOB standards for a particular area of the audit, which could facilitate compliance with PCAOB standards.

The proposing release noted that the proposed reorganization was not expected to increase costs other than one-time costs to registered firms of updating references within firm methodologies, related reference materials, and practice aids to reflect the new citations to PCAOB auditing standards. The proposing release also noted that these cost considerations are not expected to be different for audits of emerging growth

6101, *Letters for Underwriters and Certain Other Requesting Parties*, AS 6105, *Reports on the Application of Accounting Principles*, AI 24, *Special Reports: Auditing Interpretations of AS 3305*, and AI 25, *Association with Financial Statements: Auditing Interpretations of AS 3320*. The Board also is proposing to remove references to superseded standards in AS 3305, *Special Reports*, AS 4105, *Reviews of Interim Financial Information*, AI 23, *Reports on Audited Financial Statements: Auditing Interpretations of AS 3101*, AI 24, *Special Reports: Auditing Interpretations of AS 3305*, AT Section 701, *Management's Discussion and Analysis*, AT Section 9101, *Attest Engagements: Attest Engagements Interpretations of Section 101*, and ET Section 101, *Independence*.



companies ("EGCs"), as defined by the Jumpstart Our Business Startups Act ("JOBS Act").

None of the proposed amendments in this supplemental request for comment, including the refinements to those presented in the proposing release, are expected to change the economic considerations discussed in the proposing release.

The Board continues to seek comment on any economic considerations associated with the proposed reorganization including for audits of EGCs whether it is "necessary or appropriate in the public interest, after considering the protection of investors, and whether the action will promote efficiency, competition, and capital formation."^{15/}

V. Opportunity for Public Comment

The Board has reopened the comment period for 60 days to seek comment on the matters discussed in the proposing release and the implementing amendments in Appendix 4.^{16/} Interested persons are encouraged to submit their views to the Board. Written comments should be sent to the Office of the Secretary, PCAOB, 1666 K Street, N.W., Washington, D.C. 20006-2803. Comments also may be submitted by email to comments@pcaobus.org or through the Board's website at <http://www.pcaobus.org>. All comments should refer to PCAOB Rulemaking Docket Matter No. 40 in the subject or reference line and should be received by the Board no later than July 8, 2014.

* * *

^{15/} Pub. L. No. 112-106 (April 5, 2012). See Section 103(a)(3)(C) of the Sarbanes-Oxley Act of 2002, (15 U.S.C. 7213(a)(3)), as added by Section 104 of the JOBS Act.

^{16/} See pages 17 and 18 of the proposing release for questions related to the proposed reorganization of PCAOB auditing standards.



PCAOB Release No. 2014-001
May 7, 2014
Page 10

On the 7th day of May, in the year 2014, the foregoing was, in accordance with the bylaws of the Public Company Accounting Oversight Board,

ADOPTED BY THE BOARD.

/s/ Phoebe W. Brown

Phoebe W. Brown

Secretary

May 7, 2014

APPENDIX 1—Proposed Framework for Reorganization of PCAOB Auditing Standards

APPENDIX 2—Comparison of Existing PCAOB Auditing Standards to Proposed Framework for Reorganization of PCAOB Auditing Standards

APPENDIX 3—Comparison of Proposed Framework for Reorganization of PCAOB Auditing Standards to Existing PCAOB Auditing Standards and the Standards of the International Auditing and Assurance Standards Board and Auditing Standards Board

APPENDIX 4—Proposed Amendments to PCAOB Rules and Standards



Appendix 1—Proposed Framework for Reorganization of PCAOB Auditing Standards^{1/}

General Auditing Standards

1000 *General Principles and Responsibilities*

1001	Responsibilities and Functions of the Independent Auditor
1005	Independence
1010	Training and Proficiency of the Independent Auditor
1015	Due Professional Care in the Performance of Work

1100 *General Concepts*

1101	Audit Risk
1105	Audit Evidence
1110	Relationship of Auditing Standards to Quality Control Standards ^{2/}

1200 *General Activities*

1201	Supervision of the Audit Engagement
1205	Part of the Audit Performed by Other Independent Auditors
1210	Using the Work of a Specialist

^{1/} The PCAOB's website has a demonstration version of the auditing standards, reorganized pursuant to this supplemental request for comment. The demonstration version can be accessed at <http://pcaobus.org/Rules/Rulemaking/Pages/Docket040.aspx>.

^{2/} AU sec. 161 is currently entitled, *The Relationship of Generally Accepted Auditing Standards to Quality Control Standards*. The Board proposes to amend the title of this standard to make it more consistent in style with other standards without changing its substance.



1215	Audit Documentation
1220	Engagement Quality Review
1300	<i>Auditor Communications</i>
1301	Communications with Audit Committees
1305	Communications About Control Deficiencies in an Audit of Financial Statements
Audit Procedures	
2100	<i>Audit Planning and Risk Assessment</i>
2101	Audit Planning
2105	Consideration of Materiality in Planning and Performing an Audit
2110	Identifying and Assessing Risks of Material Misstatement
2200	<i>Auditing Internal Control Over Financial Reporting</i>
2201	An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements
2300	<i>Audit Procedures in Response to Risks—Nature, Timing, and Extent</i>
2301	The Auditor's Responses to the Risks of Material Misstatement
2305	Substantive Analytical Procedures
2310	The Confirmation Process
2315	Audit Sampling
2400	<i>Audit Procedures for Specific Aspects of the Audit</i>
2401	Consideration of Fraud in a Financial Statement Audit
2405	Illegal Acts by Clients



2410	Related Parties
2415	Consideration of an Entity's Ability to Continue as a Going Concern ^{3/}
2500	<i>Audit Procedures for Certain Accounts or Disclosures</i>
2501	Auditing Accounting Estimates
2502	Auditing Fair Value Measurements and Disclosures
2503	Auditing Derivative Instruments, Hedging Activities, and Investments in Securities
2505	Inquiry of a Client's Lawyer Concerning Litigation, Claims, and Assessments
2510	Auditing Inventories ^{4/}
2600	<i>Special Topics</i>
2601	Consideration of an Entity's Use of a Service Organization ^{5/}
2605	Consideration of the Internal Audit Function ^{6/}

^{3/} AU sec. 341 is currently entitled, *The Auditor's Consideration of an Entity's Ability to Continue as a Going Concern*. The Board proposes to amend the title of this standard to make it more consistent in style with other standards without changing its substance.

^{4/} AU sec. 331 is currently entitled, *Inventories*. The Board proposes to amend the title of this standard to make it more consistent in style with other standards without changing its substance.

^{5/} AU sec. 324 is currently entitled, *Service Organizations*. The Board proposes to amend the title of this standard to make it more consistent in style with other standards without changing its substance.

^{6/} AU sec. 322 is currently entitled, *The Auditor's Consideration of the Internal Audit Function in an Audit of Financial Statements*. The Board proposes to amend the title of this standard to make it more consistent in style with other standards without changing its substance.



2610 Initial Audits—Communications Between Predecessor and Successor Auditors^{7/}

2700 Auditor's Responsibilities Regarding Supplementary and Other Information^{8/}

2701 Auditing Supplemental Information Accompanying Audited Financial Statements^{9/}

2705 Unaudited Supplementary Information Included in Audited Financial Statements^{10/}

2710 Other Information in Documents Containing Audited Financial Statements^{11/}

2800 Concluding Audit Procedures

2801 Subsequent Events

^{7/} AU sec. 315 is currently entitled, *Communications Between Predecessor and Successor Auditors*. The Board proposes to amend the title of this standard to clarify the subject of the standard without changing its substance.

^{8/} The title of this subcategory has been changed from "Auditor's Responsibilities Regarding Other Information" in the proposing release to clarify the topics of the standards within this subcategory.

^{9/} Since the proposing release of the reorganization framework, the Board has adopted, and the SEC has approved, Auditing Standard No. 17, *Auditing Supplemental Information Accompanying Audited Financial Statements*, which superseded AU sec. 551. See PCAOB Release No. 2013-008 (October 10, 2013). The title of this section has been updated to conform to the title of Auditing Standard No. 17.

^{10/} AU sec. 558 is currently entitled, *Required Supplementary Information*. The Board proposes to amend the title of this standard to distinguish it more clearly from Auditing Standard No. 17 without changing the substance of the standard.

^{11/} The Board has proposed a new auditing standard, *The Auditor's Responsibilities Regarding Other Information in Certain Documents Containing Audited Financial Statements and the Related Auditor's Report*. See PCAOB Release No. 2013-005 (August 13, 2013). If adopted by the Board and approved by the SEC, that proposed standard would become AS 2710.



2805	Management Representations
2810	Evaluating Audit Results
2815	The Meaning of "Present Fairly in Conformity with Generally Accepted Accounting Principles"
2820	Evaluating Consistency of Financial Statements
2900	<i>Post-Audit Matters</i>
2901	Consideration of Omitted Procedures After the Report Date
2905	Subsequent Discovery of Facts Existing at the Date of the Auditor's Report

Auditor Reporting

3100	<i>Reporting on Audits of Financial Statements</i>
3101	Reports on Audited Financial Statements ^{12/}
3105	Dating of the Independent Auditor's Report
3200	<i>Reserved</i>
3300	<i>Other Reporting Topics</i>
3305	Special Reports

^{12/} The Board has proposed a new auditing standard, *The Auditor's Report on an Audit of Financial Statements When the Auditor Expresses an Unqualified Opinion* and amendments to AU sec. 508. See PCAOB Release No. 2013-005 (August 13, 2013). If adopted by the Board and approved by the SEC, that proposed standard would become AS 3101. In addition, the former AU sec. 508 would become AS 3105, *Departures from Unqualified Opinions and Other Reporting Circumstances*, and AS 3105, *Dating of the Independent Auditor's Report*, would become AS 3110.



3310	Special Reports on Regulated Companies ^{13/}
3315	Reporting on Condensed Financial Statements and Selected Financial Data
3320	Association with Financial Statements

Matters Relating to Filings Under Federal Securities Laws

4101	Responsibilities Regarding Filings Under Federal Securities Statutes ^{14/}
4105	Reviews of Interim Financial Information ^{15/}
5000	<i>Reserved</i>

Other Matters Associated with Audits

6101	Letters for Underwriters and Certain Other Requesting Parties
6105	Reports on the Application of Accounting Principles
6110	Compliance Auditing Considerations in Audits of Recipients of Governmental Financial Assistance ^{16/}
6115	Reporting on Whether a Previously Reported Material Weakness Continues to Exist

^{13/} AU sec. 544 is currently entitled, *Lack of Conformity With Generally Accepted Accounting Principles*. The Board proposes to amend the title of this standard to clarify the subject of the standard without changing its substance.

^{14/} AU sec. 711 is currently entitled, *Filings Under Federal Securities Statutes*. The Board proposes to amend the title of this standard to clarify the subject of the standard without changing its substance.

^{15/} AU sec. 722 is currently entitled, *Interim Financial Information*. The Board proposes to amend the title of this standard to clarify the subject of the standard without changing its substance.

^{16/} AU sec. 801 is currently entitled, *Compliance Auditing Considerations in Audits of Governmental Entities and Recipients of Governmental Financial Assistance*. The Board proposes to amend the title of this standard to clarify the subject of the standard without changing its substance.



Appendix 2—Comparison of Existing PCAOB Auditing Standards to Proposed Framework for Reorganization of PCAOB Auditing Standards

This appendix presents the existing PCAOB auditing standards ("AS No." or "AU sec.") along with their respective AS reference under the proposed framework for reorganization of PCAOB auditing standards. For the convenience of readers we have carried forward this appendix from the proposing release,^{1/} updated for certain changes discussed in Section II.B. to this release.

Standards that note "Rescind" in the Proposed AS Reference column are existing standards that the Board proposes to rescind in conjunction with the proposed reorganization.

Current PCAOB Reference (AU section or AS No.)	Current Title	Proposed AS Reference
AS No. 1	References in Auditors' Reports to the Standards of the Public Company Accounting Oversight Board	Supersede ^{2/}
AS No. 3	Audit Documentation	1215
AS No. 4	Reporting on Whether a Previously Reported Material Weakness Continues to Exist	6115
AS No. 5	An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements	2201
AS No. 6	Evaluating Consistency of Financial Statements	2820

^{1/} See *Proposed Framework for Reorganization of PCAOB Auditing Standards and Related Amendments to PCAOB Auditing Standards and Rules*, PCAOB Release No. 2013-002 (March 26, 2013).

^{2/} Auditing Standard No. 1 would be superseded as a result of the proposed amendments made to other standards.



PCAOB Release No. 2014-001
May 7, 2014
Appendix 2 – Comparison
Page A2–2

Current PCAOB Reference (AU section or AS No.)	Current Title	Proposed AS Reference
AS No. 7	Engagement Quality Review	1220
AS No. 8	Audit Risk	1101
AS No. 9	Audit Planning	2101
AS No. 10	Supervision of the Audit Engagement	1201
AS No. 11	Consideration of Materiality in Planning and Performing an Audit	2105
AS No. 12	Identifying and Assessing Risks of Material Misstatement	2110
AS No. 13	The Auditor's Responses to the Risks of Material Misstatement	2301
AS No. 14	Evaluating Audit Results	2810
AS No. 15	Audit Evidence	1105
AS No. 16	Communications with Audit Committees	1301
AS No. 17	Auditing Supplemental Information Accompanying Audited Financial Statements	2701
AU sec. 110	Responsibilities and Functions of the Independent Auditor	1001
AU sec. 150	Generally Accepted Auditing Standards	Rescind
AU sec. 161	The Relationship of Generally Accepted Auditing Standards to Quality Control Standards	1110



PCAOB Release No. 2014-001
May 7, 2014
Appendix 2 – Comparison
Page A2–3

Current PCAOB Reference (AU section or AS No.)	Current Title	Proposed AS Reference
AU sec. 201	Nature of the General Standards	Rescind
AU sec. 210	Training and Proficiency of the Independent Auditor	1010
AU sec. 220	Independence	1005
AU sec. 230	Due Professional Care in the Performance of Work	1015
AU sec. 315	Communications Between Predecessor and Successor Auditors	2610
AU sec. 316	Consideration of Fraud in a Financial Statement Audit	2401
AU sec. 317	Illegal Acts by Clients	2405
AU sec. 322	The Auditor's Consideration of the Internal Audit Function in an Audit of Financial Statements	2605
AU sec. 324	Service Organizations	2601
AU sec. 325	Communications About Control Deficiencies in an Audit of Financial Statements	1305
AU sec. 328	Auditing Fair Value Measurements and Disclosures	2502
AU sec. 329	Substantive Analytical Procedures	2305
AU sec. 330	The Confirmation Process	2310
AU sec. 331	Inventories	2510
AU sec. 332	Auditing Derivative Instruments, Hedging Activities, and Investments in Securities	2503



PCAOB Release No. 2014-001
May 7, 2014
Appendix 2 – Comparison
Page A2–4

Current PCAOB Reference (AU section or AS No.)	Current Title	Proposed AS Reference
AU sec. 333	Management Representations	2805
AU sec. 334	Related Parties	2410
AU sec. 336	Using the Work of a Specialist	1210
AU sec. 337	Inquiry of a Client's Lawyer Concerning Litigation, Claims, and Assessments	2505
AU sec. 341	The Auditor's Consideration of an Entity's Ability to Continue as a Going Concern	2415
AU sec. 342	Auditing Accounting Estimates	2501
AU sec. 350	Audit Sampling	2315
AU sec. 390	Consideration of Omitted Procedures After the Report Date	2901
AU sec. 410	Adherence to Generally Accepted Accounting Principles	Rescind
AU sec. 411	The Meaning of Present Fairly in Conformity With Generally Accepted Accounting Principles	2815
AU sec. 504	Association With Financial Statements	3320
AU sec. 508	Reports on Audited Financial Statements	3101
AU sec. 530	Dating of the Independent Auditor's Report	3105
AU sec. 532	Restricting the Use of an Auditor's Report	Rescind
AU sec. 534	Reporting on Financial Statements Prepared for Use in	Not Included



PCAOB Release No. 2014-001
May 7, 2014
Appendix 2 – Comparison
Page A2–5

Current PCAOB Reference (AU section or AS No.)	Current Title	Proposed AS Reference
	Other Countries	
AU sec. 543	Part of Audit Performed by Other Independent Auditors	1205
AU sec. 544	Lack of Conformity With Generally Accepted Accounting Principles	3310
AU sec. 550	Other Information in Documents Containing Audited Financial Statements	2710
AU sec. 552	Reporting on Condensed Financial Statements and Selected Financial Data	3315
AU sec. 558	Required Supplementary Information	2705
AU sec. 560	Subsequent Events	2801
AU sec. 561	Subsequent Discovery of Facts Existing at the Date of the Auditor's Report	2905
AU sec. 623	Special Reports	3305
AU sec. 625	Reports on the Application of Accounting Principles	6105
AU sec. 634	Letters for Underwriters and Certain Other Requesting Parties	6101
AU sec. 711	Filings Under Federal Securities Statutes	4101
AU sec. 722	Interim Financial Information	4105
AU sec. 801	Compliance Auditing Considerations in Audits of Governmental Entities and Recipients of Governmental Financial Assistance	6110



PCAOB Release No. 2014-001
May 7, 2014
Appendix 2 – Comparison
Page A2–6

Current PCAOB Reference (AU section or AS No.)	Current Title	Proposed AS Reference
AU sec. 901	Public Warehouses—Controls and Auditing Procedures for Goods Held	Rescind



Appendix 3—Comparison of Proposed Framework for Reorganization of PCAOB Auditing Standards to Existing PCAOB Auditing Standards and the Standards of the International Auditing and Assurance Standards Board and Auditing Standards Board

This appendix presents the proposed framework for reorganization of PCAOB auditing standards ("AS") along with their current references in existing PCAOB auditing standards and the analogous standards of the International Auditing and Assurance Standards Board ("IAASB") and the Auditing Standards Board of the American Institute of Certified Public Accountants ("ASB"). For the convenience of readers we have carried forward this appendix from the proposing release,^{1/} updated for the changes discussed in Section II.B. to this release.

Proposed AS Reference	Proposed Title	Current PCAOB Reference (AU section or AS No.)	Analogous IAASB Standard (ISA)	Analogous ASB Standard (AU-C)
1001	Responsibilities and Functions of the Independent Auditor	AU sec. 110	200 ^{2/}	200
1005	Independence	AU sec. 220	200	200
1010	Training and Proficiency of the Independent Auditor	AU sec. 210	200	200
1015	Due Professional Care in the Performance of Work	AU sec. 230	200	200

^{1/} See *Proposed Framework for Reorganization of PCAOB Auditing Standards and Related Amendments to PCAOB Auditing Standards and Rules*, PCAOB Release No. 2013-002 (March 26, 2013).

^{2/} The responsibilities, functions, training, and proficiency of the independent auditor; independence requirements; exercising due professional care; and audit risk are included in multiple PCAOB standards (AS 1001, 1005, 1010, 1015, and 1101, respectively) but are included in one IAASB standard (ISA 200) and one ASB standard (AU-C 200).



Proposed AS Reference	Proposed Title	Current PCAOB Reference (AU section or AS No.)	Analogous IAASB Standard (ISA)	Analogous ASB Standard (AU-C)
1101	Audit Risk	AS No. 8	200	200
1105	Audit Evidence	AS No. 15	500	500
1110	Relationship of Auditing Standards to Quality Control Standards	AU sec. 161	220 ^{3/}	220
1201	Supervision of the Audit Engagement	AS No. 10	220	220
1205	Part of the Audit Performed by Other Independent Auditors	AU sec. 543	600	600
1210	Using the Work of a Specialist	AU sec. 336	620	620
1215	Audit Documentation	AS No. 3	230	230
1220	Engagement Quality Review	AS No. 7	220	220
1301	Communications with Audit Committees	AS No. 16	210, 260 ^{4/}	210, 260

^{3/} The relationship of auditing standards to quality control standards, supervision of the audit engagement, and engagement quality review are covered in separate PCAOB standards (AS 1110, 1201, and 1220, respectively) but are included in one IAASB standard (ISA 220) and one ASB standard (AU-C 220).

^{4/} Under PCAOB standards, agreeing to the terms of an audit and communications with audit committees are covered in one standard, whereas those subjects are covered by separate standards under IAASB standards (ISA 210 and 260, respectively) and ASB standards (AU-C 210 and 260, respectively).



Proposed AS Reference	Proposed Title	Current PCAOB Reference (AU section or AS No.)	Analogous IAASB Standard (ISA)	Analogous ASB Standard (AU-C)
1305	Communications About Control Deficiencies in an Audit of Financial Statements	AU sec. 325	265	265
2101	Audit Planning	AS No. 9	300	300
2105	Consideration of Materiality in Planning and Performing an Audit	AS No. 11	320	320
2110	Identifying and Assessing Risks of Material Misstatement	AS No. 12	315	315
2201	An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements	AS No. 5	N/A ^{5/}	AT 501
2301	The Auditor's Responses to the Risks of Material Misstatement	AS No. 13	330	330
2305	Substantive Analytical Procedures	AU sec. 329	520 ^{6/}	520

^{5/} The PCAOB has a standard for auditing internal control over financial reporting when auditing financial statements. The IAASB does not have a standard on auditing internal control over financial reporting, and the ASB addresses that subject in its attestation standards (AT 501).

^{6/} Under PCAOB standards, substantive analytical procedures are covered in a separate standard (AS 2305) and analytical procedures performed in the overall review are included in the standard on evaluating audit results (AS 2810), whereas those subjects are both included in one IAASB standard (ISA 520) and one ASB standard (AU-C 520).



Proposed AS Reference	Proposed Title	Current PCAOB Reference (AU section or AS No.)	Analogous IAASB Standard (ISA)	Analogous ASB Standard (AU-C)
2310	The Confirmation Process	AU sec. 330	505	505
2315	Audit Sampling	AU sec. 350	530	530
2401	Consideration of Fraud in a Financial Statement Audit	AU sec. 316	240	240
2405	Illegal Acts by Clients	AU sec. 317	250	250
2410	Related Parties	AU sec. 334	550	550
2415	Consideration of an Entity's Ability to Continue as a Going Concern	AU sec. 341	570	570
2501	Auditing Accounting Estimates	AU sec. 342	540 ^{7/}	540
2502	Auditing Fair Value Measurements and Disclosures	AU sec. 328	540	540
2503	Auditing Derivative Instruments,	AU sec. 332	N/A ^{8/}	501

^{7/} The PCAOB has separate standards for auditing accounting estimates (AS 2501) and auditing fair value measurements and disclosures (AS 2502), whereas the IAASB and ASB standards each have one standard on auditing accounting estimates including fair value estimates and disclosures (ISA 540 and AU-C 540, respectively).

^{8/} The PCAOB has a separate standard for auditing derivative instruments, hedging activities, and investments in securities (AS 2503). In ASB standards, that subject is included in the standard on specific considerations regarding audit evidence (AU-C 501). The IAASB has a practice note on auditing financial instruments but does not have a standard on the subject.



PCAOB Release No. 2014-001
 May 7, 2014
 Appendix 3 – Comparison
 Page A3–5

Proposed AS Reference	Proposed Title	Current PCAOB Reference (AU section or AS No.)	Analogous IAASB Standard (ISA)	Analogous ASB Standard (AU-C)
	Hedging Activities, and Investments in Securities			
2505	Inquiry of a Client's Lawyer Concerning Litigation, Claims, and Assessments	AU sec. 337	501 ^{9/}	501
2510	Auditing Inventories	AU sec. 331	501 ^{10/}	501
2601	Consideration of an Entity's Use of a Service Organization	AU sec. 324	402	402
2605	Consideration of the Internal Audit Function	AU sec. 322	610	610
2610	Initial Audits—Communications Between Predecessor and Successor Auditors	AU sec. 315	510	510
2701	Auditing Supplemental Information Accompanying Audited Financial Statements	AS No. 17	N/A	725
2705	Unaudited Supplementary Information Included in Audited Financial Statements	AU sec. 558	N/A	730

^{9/} The PCAOB has separate standards on inquiry of a client's lawyers (AS 2505) and auditing inventories (AS 2510). In IAASB and ASB standards, those subjects are included in the standard on specific considerations regarding audit evidence (ISA 501 and AU-C 501, respectively).

^{10/} *Id.*



Proposed AS Reference	Proposed Title	Current PCAOB Reference (AU section or AS No.)	Analogous IAASB Standard (ISA)	Analogous ASB Standard (AU-C)
2710	Other Information in Documents Containing Audited Financial Statements	AU sec. 550	720	720
2801	Subsequent Events	AU sec. 560	560 ^{11/}	560
2805	Management Representations	AU sec. 333	580	580
2810	Evaluating Audit Results	AS No. 14	240, 330, 450, 520 ^{12/}	240, 330, 450, 520
2815	The Meaning of "Present Fairly in	AU sec. 411	700 ^{13/}	700

^{11/} In PCAOB standards, the subjects of subsequent events and subsequent discovery of facts existing at the report date are covered by separate standards (AS 2801 and 2905, respectively). In IAASB and ASB standards, those subjects are included in the standard on subsequent events (ISA 560 and AU-C 560, respectively).

^{12/} In PCAOB standards, the subject of evaluating audit results is covered in one standard (AS 2810). In IAASB and ASB standards, various topics related to evaluating audit results are covered in multiple standards, particularly, the standards related to the auditor's responsibilities regarding fraud, the auditor's responses to assessed risks, evaluation of misstatements, and analytical procedures (ISA 240, 330, 450, and 520 and AU-C 240, 330, 450, and 520, respectively).

^{13/} The PCAOB has separate standards on the subjects of present fairly in conformity with generally accepted accounting principles (AS 2815) and reporting on audited financial statements, including emphasis paragraphs, departures from the standard opinion, and reporting on comparative statements (AS 3101). In IAASB and ASB standards, the subject of presenting fairly is included in the standard on forming an opinion and reporting on audited financial statements (ISA 700 and AU-C 700, respectively), but there are separate standards for emphasis paragraphs and departures from the standard opinion (ISA 705 and 706, respectively, and AU-C 705 and 706, respectively). In IAASB standards, reporting on comparative financial



Proposed AS Reference	Proposed Title	Current PCAOB Reference (AU section or AS No.)	Analogous IAASB Standard (ISA)	Analogous ASB Standard (AU-C)
	Conformity with Generally Accepted Accounting Principles"			
2820	Evaluating Consistency of Financial Statements	AS No. 6	N/A	708
2901	Consideration of Omitted Procedures After the Report Date	AU sec. 390	N/A	585
2905	Subsequent Discovery of Facts Existing at the Date of the Auditor's Report	AU sec. 561	560	560
3101	Reports on Audited Financial Statements	AU sec. 508	700, 705, 706, 710	700, 705, 706
3105	Dating of the Independent Auditor's Report	AU sec. 530	560, 700 ^{14/}	560, 700
3305	Special Reports	AU sec. 623	800, 805 ^{15/}	800, 805, 806

statements also is covered in a separate standard (ISA 710), whereas that subject is included in the ASB standard on forming an opinion and reporting on audited financial statements (AU-C 700).

^{14/} Under PCAOB standards, the subject of dating the independent auditor's report is covered in a single standard (AS 3105). Under IAASB and ASB standards, the standard requirement for dating the auditor's report is covered in the reporting standard (ISA 700 and AU-C 700, respectively), and the subject of dating the auditor's report when there is a subsequent discovery of facts is covered in the subsequent events standard (ISA 560 and AU-C 560, respectively).

^{15/} Under PCAOB standards, financial statements prepared in accordance with special purpose frameworks and reporting on specified elements, accounts or items of a financial statement are covered in one standard (AS 3305). Under IAASB and



Proposed AS Reference	Proposed Title	Current PCAOB Reference (AU section or AS No.)	Analogous IAASB Standard (ISA)	Analogous ASB Standard (AU-C)
3310	Special Reports on Regulated Companies	AU sec. 544	210 ^{16/}	800
3315	Reporting on Condensed Financial Statements and Selected Financial Data	AU sec. 552	810	810
3320	Association with Financial Statements	AU sec. 504	N/A	Withdrawn by ASB
4101	Responsibilities Regarding Filings Under Federal Securities Statutes	AU sec. 711	N/A	925
4105	Reviews of Interim Financial Information	AU sec. 722	ISRE 2410 ^{17/}	930

ASB standards, those subjects are covered by separate standards (ISA 800 and 805, respectively) and ASB standards (AU-C 800 and 805, respectively). Reporting on compliance with contractual agreements or regulatory requirements in connection with audited financial statements also is covered by the PCAOB standard, whereas that subject is not covered by the IAASB standards and is covered by a separate ASB standard (AU-C 806).

^{16/} Under PCAOB standards, the subject of reporting on financial statements prepared in accordance with a regulatory basis of accounting is covered in a separate standard (AS 3310). That subject is covered in the IAASB standard on agreeing to the terms of audit engagements (ISA 210) and in the ASB standard on financial statements prepared in accordance with special purpose frameworks (AU-C 800).

^{17/} In PCAOB standards, the subject of conducting a review of interim financial information is covered in AS 4105. Under IAASB standards, that subject is covered in their review standards (ISRE 2410). Reviewing interim financial information is covered by the ASB standards in AU-C 930.



PCAOB Release No. 2014-001
May 7, 2014
Appendix 3 – Comparison
Page A3–9

Proposed AS Reference	Proposed Title	Current PCAOB Reference (AU section or AS No.)	Analogous IAASB Standard (ISA)	Analogous ASB Standard (AU-C)
6101	Letters for Underwriters and Certain Other Requesting Parties	AU sec. 634	N/A	920
6105	Reports on the Application of Accounting Principles	AU sec. 625	N/A	915
6110	Compliance Auditing Considerations in Audits of Recipients of Governmental Financial Assistance	AU sec. 801	N/A	935
6115	Reporting on Whether a Previously Reported Material Weakness Continues to Exist	AS No. 4	N/A	N/A



Appendix 4—Proposed Amendments to PCAOB Rules and Standards

This appendix presents the proposed amendments to implement the Board's proposed reorganization of PCAOB auditing standards and related changes to PCAOB rules and attestation, quality control, and ethics and independence standards. The PCAOB's website has a demonstration version of the reorganized auditing standards, as proposed (with refinements described in this release), that can be accessed at <http://pcaobus.org/Rules/Rulemaking/Pages/Docket040.aspx>.

I. Proposed Amendments to Rules of the Board

Rule 3101. Certain Terms Used in Auditing and Related Professional Practice Standards

Rule 3101. Certain Terms Used in Auditing and Related Professional Practice Standards, is amended as follows:

In paragraph (b), the phrase "adopted in Rules 3200T, 3300T, 3400T, 3500T, and 3600T" is deleted.

Rule 3200T. Interim Auditing Standards

Rule 3200T. Interim Auditing Standards, is amended as follows:

- The letter "T" is removed from the reference to Rule 3200T.
- The word "Interim" is removed from the title of the rule.
- The text of the rule is replaced with the following:

In connection with the preparation or issuance of any audit report, a registered public accounting firm and its associated persons shall comply with all applicable auditing standards adopted by the Board and approved by the SEC, including, to the extent not superseded or amended by the Board, AICPA Statements on Auditing Standards as in existence on April 16, 2003.



II. Proposed Amendments to PCAOB Standards

Auditing Standards and Interpretations

Auditing Standard No. 1, *References in Auditors' Reports to the Standards of the Public Company Accounting Oversight Board*^{1/}

Auditing Standard No. 1, *References in Auditors' Reports to the Standards of the Public Company Accounting Oversight Board*, is superseded.

Auditing Standard No. 3, *Audit Documentation*

Auditing Standard No. 3, *Audit Documentation*, as amended, is amended as follows:

- a. The section number "Auditing Standard No. 3" is replaced with "AS 1215."
- b. In the references before paragraph 1, the phrase "[supersedes SAS No. 96, *Audit Documentation*]" is deleted.
- c. Paragraph numbers 1 through 21 are replaced with .01 through .21.
- d. In footnote 1 to paragraph 4, the reference to "paragraph 12" is replaced with "paragraph .12."
- e. In footnote 2 to paragraph 6, the reference to "paragraphs 28–33 of Auditing Standard No. 5" is replaced with "paragraphs .28–.33 of AS 2201."
- f. In paragraph 9:
 - The parenthetical reference to "paragraph 15" is replaced with "paragraph .15."
 - In the first bullet, the reference to "paragraph 16" is replaced with "paragraph .16."
 - In the second bullet, the reference to "AU sec. 390" is replaced with "AS 2901."

^{1/} The captions in this section refer to the numbers and titles of the current PCAOB auditing standards and interpretations.



- g. In footnote 2A to paragraph 12a:
- The reference to "paragraphs 12–13 of Auditing Standard No. 12" is replaced with "paragraphs .12–.13 of AS 2110."
 - The reference to "AU sec. 316" is replaced with "AS 2401."
- h. In footnote 2B to paragraph 12c, the reference to "paragraphs 10–23 of Auditing Standard No. 14" is replaced with "paragraphs .10–.23 of AS 2810."
- i. In footnote 2C to paragraph 12f:
- The reference to "paragraph 74 of Auditing Standard No. 12, *Identifying and Assessing Risks of Material Misstatement*," is replaced with "AS 2110.74."
 - The reference to "paragraph 36 of Auditing Standard No. 14, *Evaluating Audit Results*" is replaced with "AS 2810.36."
- j. In the second sentence of paragraph 17, the reference to "AU sec. 711, *Filings Under Federal Securities Statutes*" is replaced with "AS 4101, *Responsibilities Regarding Filings Under Federal Securities Statutes*."
- k. In the first sentence of paragraph 18, the reference to "paragraphs 4–13" is replaced with "paragraphs .04–.13."
- l. In paragraph 19a, the reference to "paragraphs 12 and 13" is replaced with "paragraphs .12 and .13."
- m. In paragraph 19c, the reference to "paragraph 8" is replaced with "paragraph .08."
- n. In the last sentence of paragraph 19, the reference to "AU sec. 543, *Part of Audit Performed by Other Independent Auditors*," is replaced with "AS 1205, *Part of the Audit Performed by Other Independent Auditors*."

Auditing Standard No. 4, Reporting on Whether a Previously Reported Material Weakness Continues to Exist

Auditing Standard No. 4, *Reporting on Whether a Previously Reported Material Weakness Continues to Exist*, as amended, is amended as follows:

- a. The section number "Auditing Standard No. 4" is replaced with "AS 6115."



- b. Paragraph numbers 1 through 65 are replaced with .01 through .65.
- c. In Note 1 to paragraph 1, the reference to "Auditing Standard No. 5" is replaced with "AS 2201."
- d. In paragraph 2:
 - In item (1), the reference to "Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*," is replaced with "AS 2201."
 - In item (2), the reference to "Auditing Standard No. 5" is replaced with "AS 2201."
 - The parenthetical reference to "paragraph 26" is replaced with "paragraph .26."
 - In the note, the reference to "Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*," is replaced with "AS 2201."
- e. In the last sentence of paragraph 4, the reference to "Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*," is replaced with "AS 2201."
- f. In paragraph 7e, the reference to "paragraph 48" is replaced with "paragraph .48."
- g. In paragraph 8, the reference to "paragraph 7" is replaced with "paragraph .07."
- h. In paragraph 9, the reference to "Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*" is replaced with "AS 2201."
- i. In paragraph 10:
 - In the first sentence, the reference to "Paragraph 5 of Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*," is replaced with "AS 2201.05."



- In the first sentence of the note, the reference to "Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*," is replaced with "AS 2201."
- j. In paragraph 11, the reference to "Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*" is replaced with "AS 2201."
- k. In footnote 2 to paragraph 13, the reference to "paragraph 42 of Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*" is replaced with "AS 2201.42."
- l. In the last sentence of the note to paragraph 17, the reference to "Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*" is replaced with "AS 2201."
- m. In Note 2 to paragraph 18, the reference to "Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*" is replaced with "AS 2201."
- n. In the first sentence of paragraph 23, the reference to "paragraph 20 of Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*" is replaced with "AS 2201.20."
- o. In the last sentence of paragraph 24, the reference to "paragraph 9 of Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*" is replaced with "AS 2201.09."
- p. In paragraph 25:
 - In the last sentence, the reference to "Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*," is replaced with "AS 2201."
 - In the note:
 - Each reference to "Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated*



with An Audit of Financial Statements," is replaced with "AS 2201."

- In the second sentence, the reference to "paragraphs 26a–b and 27" is replaced with "paragraphs .26a–b and .27."
 - In the last sentence, the reference to "paragraphs 26 and 27" is replaced with "paragraphs .26 and .27."
- q. In paragraph 26:
- In the first sentence, the reference to "paragraph 5" is replaced with "paragraph .05."
 - In footnote 3, the reference to "paragraph .02 of AU sec. 315, *Communications Between Predecessor and Successor Auditors*" is replaced with "paragraph .02 of AS 2610, *Initial Audits—Communications Between Predecessor and Successor Auditors*."
- r. In the first sentence of paragraph 26a, the reference to "paragraphs 22–27 of Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*" is replaced with "AS 2201.22–.27."
- s. In paragraph 26b, the reference to "paragraphs 34–38 of Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*" is replaced with "AS 2201.34–.38."
- t. In the first sentence of paragraph 26c, the reference to "AU sec. 315, *Communications Between Predecessor and Successor Auditors*" is replaced with "AS 2610."
- u. In paragraph 27:
- In the first sentence, the reference to "paragraph 26" is replaced with "paragraph .26."
 - In the last sentence, the reference to "Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*" is replaced with "AS 2201."



- v. In the last sentence of paragraph 28, the reference to "paragraph 7" is replaced with "paragraph .07."
- w. In the last sentence of paragraph 31, the reference to "paragraphs 42–43 of Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*" is replaced with "AS 2201.42–.43."
- x. In paragraph 32:
 - In the first sentence, the reference to "paragraphs 44–45 of Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*" is replaced with "AS 2201.44–.45."
 - In the last sentence, the reference to "paragraphs 50–54 of Auditing Standard No. 5" is replaced with "AS 2201.50–.54."
- y. In the third sentence of paragraph 33, the reference to "paragraphs 22–24 of Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*" is replaced with "AS 2201.22–.24."
- z. In paragraph 35:
 - The reference to "paragraphs B10–B16" is replaced with "paragraphs .B10–.B16."
 - The reference to "Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*," is replaced with "AS 2201."
- aa. In the last sentence of paragraph 36, the reference to "paragraphs 16–19 of Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*" is replaced with "AS 2201.16–.19."
- bb. In the first sentence of paragraph 38, the reference to "Paragraphs 18–19 of Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*," is replaced with "AS 2201.18–.19."



- cc. In the first sentence of paragraph 40, the reference to "AU sec. 543, *Part of Audit Performed by Other Independent Auditors*" is replaced with "AS 1205, *Part of the Audit Performed by Other Independent Auditors*."
- dd. In the first sentence of the note to paragraph 43, the reference to "paragraph 51" is replaced with "paragraph .51."
- ee. In the second sentence of paragraph 46, the reference to "paragraph 43" is replaced with "paragraph .43."
- ff. In paragraph .47:
- In the first sentence, the reference to "Auditing Standard No. 3" is replaced with "AS 1215."
 - In the second sentence, the reference to "Paragraph 14 of Auditing Standard No. 3" is replaced with "AS 1215.14."
 - In the third sentence, the reference to "paragraph 29" is replaced with "paragraph .29."
 - In the last sentence, the reference to "Auditing Standard No. 3" is replaced with "AS 1215."
- gg. In the first sentence of paragraph 48, the reference to "paragraph 7e" is replaced with "paragraph .07e."
- hh. In the first sentence of the note to paragraph 51b, the reference to "Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*" is replaced with "AS 2201."
- ii. In the note to paragraph 51g, the reference to "paragraph 31" is replaced with "paragraph .31."
- jj. In the first sentence of the note to paragraph 51l, the reference to "Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*" is replaced with "AS 2201."
- kk. In the note to paragraph 51o, the reference to "Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*" is replaced with "AS 2201."



- ll. In the first sentence of paragraph 52, the reference to "Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*" is replaced with "AS 2201."
- mm. In paragraph 53:
- In the first sentence, the reference to "paragraph 3" is replaced with "paragraph .03."
 - In the last sentence, the reference to "paragraph 51" is replaced with "paragraph .51."
- nn. In paragraph 54a, the parenthetical reference to "paragraph 56" is replaced with "paragraph .56."
- oo. In paragraph 54b, the parenthetical reference to "paragraphs 57 and 58" is replaced with "paragraphs .57 and .58."
- pp. In paragraph 54c, the parenthetical reference to "paragraphs 59 through 60" is replaced with "paragraphs .59 through .60."
- qq. In the first sentence of paragraph 55, the reference to "paragraph 43" is replaced with "paragraph .43."
- rr. In the third sentence of paragraph 57, the reference to "paragraph 44" is replaced with "paragraph .44."
- ss. In the first sentence of paragraph 58, the reference to "paragraph 61" is replaced with "paragraph .61."
- tt. In the first sentence of paragraph 59, the reference to "paragraph 48" is replaced with "paragraph .48."
- uu. In the note to paragraph 60, each reference to "paragraph 59" is replaced with "paragraph .59."
- vv. In the first sentence of paragraph 62, the reference to "paragraph 55" is replaced with "paragraph .55."
- ww. In paragraph 63, the reference to "paragraphs 7 and 29–32 of AU sec. 722, *Interim Financial Information*" is replaced with "paragraphs .07 and .29–.32 of AS 4105, *Reviews of Interim Financial Information*."



- xx. In paragraph 64:
- In the second sentence, the reference to "paragraph 56" is replaced with "paragraph .56."
 - In the last sentence, the reference to "paragraphs 7 and 29–32 of AU 722, *Interim Financial Information*" is replaced with "AS 4105.07 and AS 4105.29–.32."
- yy. In Appendix A, in the first sentence of the first paragraph, the reference to "Paragraphs 51 through 60" is replaced with "Paragraphs .51 through .60."

Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*

Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*, as amended, is amended as follows:

- a. The section number "Auditing Standard No. 5" is replaced with "AS 2201."
- b. Paragraph numbers 1 through 98 are replaced with .01 through .98.
- c. In footnote 3 to paragraph 2, the reference to "Paragraph A5" is replaced with "Paragraph .A5."
- d. In footnote 5 to paragraph 3, the reference to "AU sec. 230" is replaced with "AS 1015."
- e. In paragraph 4:
 - In the first sentence, the phrase "The general standards" is replaced with the phrase "The standards, AS 1005, *Independence*, AS 1010, *Training and Proficiency of the Independent Auditor*, and AS 1015, *Due Professional Care in the Performance of Work*."
 - Footnote 6 is deleted.
- f. In the second sentence to paragraph 14:
 - The reference to "paragraph 22" is replaced with "paragraph .22."
 - The reference to "paragraph 39" is replaced with "paragraph .39."



- In footnote 10, the reference to "Auditing Standard No. 12" is replaced with "AS 2110."
- g. In paragraph 15, the reference to "paragraphs 65–69 of Auditing Standard No. 12, *Identifying and Assessing Risks of Material Misstatement*" is replaced with "AS 2110.65–.69."
- h. In the last sentence of paragraph 16, the reference to "AU sec. 322, *The Auditor's Consideration of the Internal Audit Function in an Audit of Financial Statements*" is replaced with "AS 2605, *Consideration of the Internal Audit Function*."
- i. In the third sentence of paragraph 18, the reference to "paragraphs .09 through .11 of AU sec. 322" is replaced with "AS 2605.09 through .11."
- j. In footnote 11 to paragraph 20, the reference to "Auditing Standard No. 11" is replaced with "AS 2105."
- k. In footnote 12 to paragraph 28, the reference to "Auditing Standard No. 15" is replaced with "AS 1105."
- l. In footnote 13 to the note to paragraph 31:
 - The first parenthetical reference to "paragraph 14 of Auditing Standard No. 14" is replaced with "paragraph .14 of AS 2810."
 - The second parenthetical reference to "paragraph 61 and paragraph 5 of Auditing Standard No. 13" is replaced with "paragraph .61 and paragraph .05 of AS 2301."
- m. In paragraph 35:
 - The reference to "paragraph 34" is replaced with "paragraph .34."
 - The reference to "AU sec. 322" is replaced with "AS 2605."
- n. In the second sentence of paragraph 36:
 - The reference to "paragraph 29" is replaced with "paragraph .29."
 - The reference to "Auditing Standard No. 12, *Identifying and Assessing Risks of Material Misstatement*" is replaced with "AS 2110."



- o. In the first sentence of paragraph 37, the reference to "paragraph 34" is replaced with "paragraph .34."
- p. In paragraph 53, the parenthetical reference to "paragraph B1" is replaced with "paragraph .B1."
- q. In the last sentence of paragraph 57, the reference to "paragraphs 46 through 56" is replaced with "paragraphs .46 through .56."
- r. In paragraph 58, the reference to "paragraph 47" is replaced with "paragraph .47."
- s. In the first sentence of paragraph 59, the reference to "paragraphs 47 and 58" is replaced with "paragraphs .47 and .58."
- t. In the last sentence of paragraph 60, the reference to "paragraph B28" is replaced with "paragraph .B28."
- u. In paragraph 73, the reference to "paragraph C2" is replaced with "paragraph .C2."
- v. In paragraph 74, the parenthetical reference to "paragraphs C3 through C7" is replaced with "paragraphs .C3 through .C7."
- w. In paragraph 75g, the reference to "paragraphs 78 and 80" is replaced with "paragraphs .78 and .80."
- x. In paragraph 76, the reference to "paragraph C3" is replaced with "paragraph .C3."
- y. In paragraph 77, the reference to "AU sec. 333" is replaced with "AS 2805."
- z. In the last sentence of paragraph 84:
 - The reference to "AU sec. 316" is replaced with "AS 2401."
 - The reference to "AU sec. 317" is replaced with "AS 2405."
- aa. In paragraph 85e, the reference to "paragraph A5" is replaced with "paragraph .A5."
- bb. In paragraph 90:



- In the first sentence, the reference to "Paragraphs 62 through 70" is replaced with "Paragraphs .62 through .70."
 - In footnote 19, the reference to "paragraph C3" is replaced with "paragraph .C3."
- cc. In the first bullet of paragraph 91, the reference to "paragraph A7" is replaced with "paragraph .A7."
- dd. In the first sentence of the note to paragraph 92, the reference to "paragraphs 88 and 91" is replaced with "paragraphs .88 and .91."
- ee. In the last sentence of paragraph 93, the reference to "paragraph 75h" is replaced with "paragraph .75h."
- ff. In the second sentence of paragraph 95, the reference to "AU sec. 560" is replaced with "AS 2801."
- gg. In paragraph 96:
- The parenthetical reference to "paragraph C2" is replaced with "paragraph .C2."
 - In the last sentence, the reference to "paragraph C13" is replaced with "paragraph .C13."
- hh. In the last sentence of paragraph 98, the reference to "AU sec. 561" is replaced with "AS 2905."
- ii. In Appendix A, paragraph numbers A1 through A11 are replaced with .A1 through .A11.
- jj. In Appendix B, paragraph numbers B1 through B33 are replaced with .B1 through .B33.
- kk. In the first sentence of paragraph B5, the reference to "paragraph B2" is replaced with "paragraph .B2."
- ll. In paragraph B13, the reference to "paragraph 61" is replaced with "paragraph .61."
- mm. In the fifth sentence of paragraph B16, the reference to "AU sec. 722, *Interim Financial Information*" is replaced with "AS 4105, *Reviews of Interim Financial Information*."



- nn. In paragraph B17:
- In the first sentence, the reference to "AU sec. 324, *Service Organizations*," is replaced with "AS 2601, *Consideration of an Entity's Use of a Service Organization*."
 - In the last sentence, the reference to "AU sec. 324" is replaced with "AS 2601."
- oo. In the first sentence of paragraph B18, the reference to "AU sec. 324.03" is replaced with "AS 2601.03."
- pp. In the first sentence of paragraph B19, the reference to "AU sec. 324.07" is replaced with "AS 2601.07."
- qq. In the first sentence of paragraph B20, the reference to "AU sec. 324.12" is replaced with "AS 2601.12."
- rr. In the note to paragraph B20a:
- In the first sentence, the parenthetical reference to "AU sec. 324.24b" is replaced with "AS 2601.24b."
 - In the second sentence, the parenthetical reference to "AU sec. 324.24a" is replaced with "AS 2601.24a."
 - In the last sentence, the reference to "AU sec. 324" is replaced with "AS 2601."
- ss. In the note to paragraph B21, the reference to "AU sec. 324.16" is replaced with "AS 2601.16."
- tt. In the last sentence to paragraph B23, the reference to "AU sec. 543, *Part of Audit Performed by Other Independent Auditors*" is replaced with "AS 1205, *Part of the Audit Performed by Other Independent Auditors*."
- uu. In Appendix C, paragraph numbers C1 through C17 are replaced with .C1 through .C17.
- vv. In the last sentence of paragraph C2, the reference to "paragraph 91" is replaced with "paragraph .91."
- ww. In paragraph C4, the parenthetical reference to "paragraph 85" is replaced with "paragraph .85."



- xx. In paragraph C5:
- In the first bullet, the reference to "paragraph A7" is replaced with "paragraph .A7."
 - In the last sentence of the second bullet, the reference to "paragraph 91" is replaced with "paragraph .91."
- yy. In the note to paragraph C6, the reference to "paragraph 89" is replaced with "paragraph .89."
- zz. In the second sentence of paragraph C8, the reference to "AU sec. 543, *Part of Audit Performed by Other Independent Auditors*" is replaced with "AS 1205, *Part of the Audit Performed by Other Independent Auditors*."
- aaa. In the last sentence of paragraph C9, the reference to "AU sec. 543" is replaced with "AS 1205."
- bbb. In footnote 1 to paragraph C10, the reference to "paragraph B15" is replaced with "paragraph .B15."
- ccc. In paragraph C12, the reference to "paragraph 72" is replaced with "paragraph .72."
- ddd. In paragraph C14:
- In the last sentence, the reference to "AU sec. 317" is replaced with "AS 2405."
 - In the first sentence of the note, the reference to "paragraph C12" is replaced with "paragraph .C12."
- eee. In paragraph C15:
- In the first sentence, the reference to "AU sec. 722, *Interim Financial Information*" is replaced with "AS 4105, *Reviews of Interim Financial Information*."
 - In the last sentence, the reference to "AU sec. 722" is replaced with "AS 4105."
- fff. In paragraph C16:



- In the first sentence, the reference to "AU sec. 711, *Filings Under Federal Securities Statutes*" is replaced with "AS 4101, *Responsibilities Regarding Filings Under Federal Securities Statutes*."
- In the second sentence, the reference to "AU sec. 711" is replaced with "AS 4101."
- In the last sentence, the reference to "AU sec. 711.10" is replaced with "AS 4101.10."

Auditing Standard No. 6, *Evaluating Consistency of Financial Statements*

Auditing Standard No. 6, *Evaluating Consistency of Financial Statements*, as amended, is amended as follows:

- a. The section number "Auditing Standard No. 6" is replaced with "AS 2820."
- b. In the references before paragraph 1, the phrase "*Supersedes AU secs. 420 and 9420*" is deleted.
- c. Paragraph numbers 1 through 11 are replaced with .01 through .11.
- d. In paragraph 8:
 - In the second sentence, the reference to "paragraph 7" is replaced with "paragraph .07."
 - Each reference to "AU sec. 508" is replaced with "AS 3101."
 - In the last sentence of the note, the reference to "AU sec. 508" is replaced with "AS 3101."
- e. In paragraph 9, the reference to "AU sec. 508" is replaced with "AS 3101."
- f. In the last sentence of paragraph 10:
 - The reference to "paragraph 31" is replaced with "paragraph .31."
 - The reference to "Auditing Standard No. 14" is replaced with "AS 2810."
 - The reference to "AU sec. 508" is replaced with "AS 3101."



- g. In paragraph 11:
- In the fifth sentence, the reference to "paragraphs 7 and 8 and AU sec. 508" is replaced with "paragraphs .07 and .08 and AS 3101."
 - In the last sentence, the reference to "paragraphs 9 and 10 and AU sec. 508" is replaced with "paragraphs .09 and .10 and AS 3101."

Auditing Standard No. 7, *Engagement Quality Review*

Auditing Standard No. 7, *Engagement Quality Review*, as amended, is amended as follows:

- a. The section number "Auditing Standard No. 7" is replaced with "AS 1220."
- b. In the references before paragraph 1, the phrase "*Supersedes SECPS Requirements of Membership § 1000.08(f)*." is deleted.
- c. Paragraph numbers 1 through 21 are replaced with .01 through .21.
- d. In the last sentence of footnote 1 to paragraph 2, the reference to "AU section ("sec.") 722, *Interim Financial Information*" is replaced with "AS 4105, *Reviews of Interim Financial Information*."
- e. In the last sentence of paragraph 9, the reference to "paragraphs 10 and 11" is replaced with "paragraphs .10 and .11."
- f. In footnote 4 to paragraph 10e, the reference to "Paragraph 13 of PCAOB Auditing Standard No. 3" is replaced with "Paragraph .13 of AS 1215."
- g. In footnote 5 to paragraph 10g:
 - The reference to "AU sec. 550" is replaced with "AS 2710."
 - The reference to "AU sec. 711, *Filings Under Federal Securities Statutes*" is replaced with "AS 4101, *Responsibilities Regarding Filings Under Federal Securities Statutes*."
- h. In the first sentence of paragraph 11, the reference to "paragraph 10" is replaced with "paragraph .10."
- i. In footnote 6 to paragraph 12, the reference to "AU sec. 230" is replaced with "AS 1015."



- j. In the last sentence of paragraph 14, the reference to "paragraphs 15 and 16" is replaced with "paragraphs .15 and .16."
- k. In paragraph 15c, the reference to "paragraphs 10.d and 10.e" are replaced with "paragraphs .10d and .10e."
- l. In footnote 8 to paragraph 15e:
 - The reference to "AU sec. 722.18f" is replaced with "AS 4105.18f"
 - The reference to "AU sec. 711" is replaced with "AS 4101."
- m. In paragraph 15f, the reference to "paragraphs 10.h and 10.i" are replaced with "paragraphs .10h and .10i."
- n. In paragraph 16, the reference to "paragraph 15" is replaced with "paragraph .15."
- o. In paragraph 21, the reference to "PCAOB Auditing Standard No. 3, *Audit Documentation*," is replaced with "AS 1215."

Auditing Standard No. 8, *Audit Risk*

Auditing Standard No. 8, *Audit Risk*, is amended as follows:

- a. The section number "Auditing Standard No. 8" is replaced with "AS 1101."
- b. Paragraph numbers 1 through 11 are replaced with .01 through .11.
- c. In the first sentence of footnote 1 to paragraph 1, the reference to "Auditing Standard No. 5" is replaced with "AS 2201."
- d. In paragraph 3:
 - In footnote 2, the reference to "Auditing Standard No. 14" is replaced with "AS 2810."
 - In footnote 3:
 - The reference to "AU sec. 110" is replaced with "AS 1001."
 - The reference to "AU sec. 230" is replaced with "AS 1015."
- e. In paragraph 5:



- In the last sentence, the reference to "Auditing Standard No. 12" is replaced with "AS 2110."
 - In footnote 4, the reference to "Auditing Standard No. 15" is replaced with "AS 1105."
 - In footnote 5, the reference to "Paragraph 59 of Auditing Standard No. 12" is replaced with "AS 2110.59."
- f. In paragraph 8:
- In footnote 6, the reference to "Paragraph 59.a. of Auditing Standard No. 12" is replaced with "AS 2110.59a."
 - In footnote 7, the reference to "Paragraphs 32–34 of Auditing Standard No. 13" is replaced with "Paragraphs .32–.34 of AS 2301."
- g. In footnote 8 to paragraph 11, the reference to "Paragraph 37 of Auditing Standard No. 13" is replaced with "AS 2301.37."

Auditing Standard No. 9, *Audit Planning*

Auditing Standard No. 9, *Audit Planning*, as amended, is amended as follows:

- a. The section number "Auditing Standard No. 9" is replaced with "AS 2101."
- b. Paragraph numbers 1 through 19 are replaced with .01 through .19.
- c. In the second sentence of footnote 3 to paragraph 6a, the reference to "AU sec. 161, *The Relationship of Generally Accepted Auditing Standards to Quality Control Standards*" is replaced with "AS 1110, *Relationship of Auditing Standards to Quality Control Standards*."
- d. In paragraph 6c, the reference to "Auditing Standard No. 16" is replaced with "AS 1301."
- e. In paragraph 7:
 - In the second sentence, the reference to "paragraphs 8–10" is replaced with "paragraphs .08–.10."



- In footnote 5, the reference to "Auditing Standard No. 11" is replaced with "AS 2105."
- f. In the first sentence of footnote 7 to paragraph 9a, the reference to "Auditing Standard No. 16, *Communications with Audit Committees*" is replaced with "AS 1301."
- g. In footnote 8 to paragraph 9b, the reference to "paragraph 6 of Auditing Standard No. 10" is replaced with "paragraph .06 of AS 1201."
- h. In paragraph 9c:
 - The reference to "paragraph 7" is replaced with "paragraph .07."
 - In footnote 9, the reference to "Paragraph 6" is replaced with "Paragraph .06."
- i. In footnote 10 to paragraph 9d:
 - The reference to "AU sec. 230" is replaced with "AS 1015."
 - The reference to "paragraph 16" is replaced with "paragraph .16."
 - The reference to "paragraph 5.a." is replaced with "paragraph .05a."
 - The reference to "Auditing Standard No. 13" is replaced with "AS 2301."
- j. In footnote 11 to paragraph 10a, the reference to "Auditing Standard No. 12" is replaced with "AS 2110."
- k. In footnote 12 to paragraph 10b:
 - The reference to "Auditing Standard No. 13" is replaced with "AS 2301."
 - The reference to "Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*" is replaced with "AS 2201."
- l. In footnote 14 to paragraph 12a, the reference to "AU sec. 316" is replaced with "AS 2401."



- m. In footnote 15 to paragraph 12b, the reference to "Paragraph 10 of Auditing Standard No. 11" is replaced with "AS 2105.10."
- n. In paragraph 12:
- In the note, the reference to "Auditing Standard No. 5" is replaced with "AS 2201, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements.*"
 - In footnote 17 to the note, the reference to "Paragraphs B10–B16 of Auditing Standard No. 5" is replaced with "AS 2201.B10–.B16."
- o. In paragraph 13:
- In the first sentence:
 - The reference to "AU sec. 322, *The Auditor's Consideration of the Internal Audit Function in an Audit of Financial Statements*" is replaced with "AS 2605, *Consideration of the Internal Audit Function.*"
 - The reference to "Auditing Standard No. 5" is replaced with "AS 2201."
 - In the last sentence:
 - The reference to "AU sec. 322" is replaced with "AS 2605."
 - The reference to "Auditing Standard No. 5" is replaced with "AS 2201."
- p. In paragraph 14:
- In the first sentence, the reference to "AU sec. 543, *Part of Audit Performed by Other Independent Auditors*" is replaced with "AS 1205, *Part of the Audit Performed by Other Independent Auditors.*"
 - In the last sentence, the reference to "paragraphs 11–13" is replaced with "paragraphs .11–.13."
 - In footnote 18, the reference to "paragraphs C8–C11 of Auditing Standard No. 5" is replaced with "AS 2201.C8–.C11."



- q. In paragraph 18b, the reference to "AU sec. 315, *Communications Between Predecessor and Successor Auditors*" is replaced with "AS 2610, *Initial Audits—Communications Between Predecessor and Successor Auditors*."
- r. In footnote 19 to paragraph 19, the reference to "paragraph 3 of Auditing Standard No. 6" is replaced with "paragraph .03 of AS 2820."
- s. In Appendix A, paragraph numbers A1 through A2 are replaced with .A1 through .A2.

Auditing Standard No. 10, *Supervision of the Audit Engagement*

Auditing Standard No. 10, *Supervision of the Audit Engagement*, is amended as follows:

- a. The section number "Auditing Standard No. 10" is replaced with "AS 1201."
- b. Paragraph numbers 1 through 6 are replaced with .01 through .06.
- c. In paragraph 3:
 - In the last sentence, the reference to "Paragraphs 5–6" is replaced with "Paragraphs .05–.06."
 - In footnote 2, the reference to "AU sec. 336" is replaced with "AS 1210."
 - In footnote 3, the reference to "AU sec. 543, *Part of Audit Performed by Other Independent Auditors*" is replaced with "AS 1205, *Part of the Audit Performed by Other Independent Auditors*."
 - In footnote 4, the reference to "AU sec. 322, *The Auditor's Consideration of the Internal Audit Function in an Audit of Financial Statements*" is replaced with "AS 2605, *Consideration of the Internal Audit Function*."
 - In footnote 5, the reference to "Paragraphs 16–19 of Auditing Standard No. 5" is replaced with "Paragraphs .16–.19 of AS 2201."
 - In footnote 6, the reference to "AU sec. 230" is replaced with "AS 1015."



- d. In paragraph 5a:
- In footnote 7 to paragraph 5a:
 - The reference to "AU sec. 230.06" is replaced with "AS 1015.06."
 - The reference to "paragraph 5 of Auditing Standard No. 13" is replaced with "paragraph .05 of AS 2301."
 - In footnote 8 to item (3), the reference to "Auditing Standard No. 12" is replaced with "AS 2110."
- e. In footnote 9 to paragraph 5b:
- The reference to "paragraph 15 of Auditing Standard No. 9" is replaced with "paragraph .15 of AS 2101."
 - The reference to "paragraph 74 of Auditing Standard No. 12" is replaced with "AS 2110.74."
 - The reference to "paragraphs 20–23 and 35–36 of Auditing Standard No. 14" is replaced with "paragraphs .20–.23 and .35–.36 of AS 2810."
- f. In the note to paragraph 5, the reference to "AU sec. 230" is replaced with "AS 1015."
- g. In footnote 10 to item (3) of paragraph 5c:
- The reference to "Auditing Standard No. 14" is replaced with "AS 2810."
 - The reference to "Auditing Standard No. 3" is replaced with "AS 1215."
- h. In footnote 11 to paragraph 6a, the reference to "Paragraph 10 of Auditing Standard No. 12" is replaced with "AS 2110.10."
- i. In footnote 12 to paragraph 6d:
- The reference to "paragraph 5.a. of Auditing Standard No. 13" is replaced with "AS 2301.05a."



- The reference to "AU sec. 230.06" is replaced with "AS 1015.06."
- j. In the note to paragraph 6:
- The reference to "paragraph 5 of Auditing Standard No. 13, *The Auditor's Responses to the Risks of Material Misstatement*," is replaced with "AS 2301.05."
 - In footnote 13, the reference to "Paragraph 5.b. of Auditing Standard No. 13" is replaced with "AS 2301.05b."
- k. In Appendix A, paragraph numbers A1 and A2 are replaced with .A1 and .A2.

Auditing Standard No. 11, *Consideration of Materiality in Planning and Performing an Audit*

Auditing Standard No. 11, *Consideration of Materiality in Planning and Performing an Audit*, is amended as follows:

- a. The section number "Auditing Standard No. 11" is replaced with "AS 2105."
- b. Paragraph numbers 1 through 12 are replaced with .01 through .12.
- c. In footnote 1 to paragraph 1, the reference to "Auditing Standard No. 14" is replaced with "AS 2810."
- d. In paragraph 3:
- In the third sentence, the reference to "Auditing Standard No. 14" is replaced with "AS 2810."
 - In footnote 4, the reference to "Auditing Standard No. 14" is replaced with "AS 2810."
- e. In paragraph 4:
- The reference to "Auditing Standard No. 5" is replaced with "AS 2201."
 - In footnote 5, the reference to "Paragraph 20 of Auditing Standard No. 5" is replaced with "AS 2201.20."



- f. In paragraph 12:
- In the note, the reference to "Auditing Standard No. 14" is replaced with "AS 2810."
 - In footnote 6 to the note, the reference to "Paragraph 17 of Auditing Standard No. 14" is replaced with "AS 2810.17."

Auditing Standard No. 12, *Identifying and Assessing Risks of Material Misstatement*

Auditing Standard No. 12, *Identifying and Assessing Risks of Material Misstatement*, is amended as follows:

- a. The section number "Auditing Standard No. 12" is replaced with "AS 2110."
- b. Paragraph numbers 1 through 74 are replaced with .01 through .74.
- c. In footnote 1 to paragraph 1, the reference to "Paragraphs 5–8 of Auditing Standard No. 8" is replaced with "Paragraphs .05–.08 of AS 1101."
- d. In paragraph 2:
- In the first sentence, the reference to "Paragraphs 4–58" is replaced with "Paragraphs .04–.58."
 - In the last sentence, the reference to "Paragraphs 59–73" is replaced with "Paragraphs .59–.73."
- e. In paragraph 4:
- In footnote 3, the reference to "AU sec. 316" is replaced with "AS 2401."
 - In footnote 4, the reference to "Auditing Standard No. 15" is replaced with "AS 1105."
- f. In paragraph 5a, the parenthetical reference to "paragraphs 7–17" is replaced with "paragraphs .07–.17."
- g. In paragraph 5b, the parenthetical reference to "paragraphs 18–40" is replaced with "paragraphs .18–.40."



- h. In paragraph 5c, the parenthetical reference to "paragraphs 41–45" is replaced with "paragraphs .41–.45."
- i. In paragraph 5d, the parenthetical reference to "paragraphs 46–48" is replaced with "paragraphs .46–.48."
- j. In paragraph 5e, the parenthetical reference to "paragraphs 49–53" is replaced with "paragraphs .49–.53."
- k. In paragraph 5f, the parenthetical reference to "paragraphs 54–58" is replaced with "paragraphs .54–.58."
- l. In footnote 5 to the note to paragraph 5, the reference to "Paragraph 11 of Auditing Standard No. 15" is replaced with "AS 1105.11."
- m. In footnote 7 to paragraph 9, the reference to "AU sec. 317" is replaced with "AS 2405."
- n. In the note to paragraph 10, the reference to "AU sec. 334" is replaced with "AS 2410."
- o. In paragraph 11, the reference to "paragraph 7" is replaced with "paragraph .07."
- p. In footnote 8 to paragraph 18, the reference to "Paragraphs 21–22" is replaced with "Paragraphs .21–.22."
- q. In paragraph 19:
 - In footnote 9, the reference to "Paragraph 13 of Auditing Standard No. 5" is replaced with "Paragraph .13 of AS 2201."
 - In footnote 10 to the note, the reference to "Paragraph 10 of Auditing Standard No. 15" is replaced with "AS 1105.10."
- r. In paragraph 20:
 - In the last sentence of the first note, the reference to "paragraphs 37–38" is replaced with "paragraphs .37–.38."
 - In the last sentence of the second note, the reference to "paragraphs 37–38" is replaced with "paragraphs .37–.38."
- s. In paragraph 22:



- In the third sentence, the reference to "Auditing Standard No. 5" is replaced with "AS 2201."
 - In the last sentence, the reference to "paragraphs 23–36" is replaced with "paragraphs .23–.36."
 - In footnote 13, the reference to "Paragraph 5 of Auditing Standard No. 5" is replaced with "AS 2201.05."
- t. In the note to paragraph 24:
- In the first sentence, the reference to "paragraph 23" is replaced with "paragraph .23."
 - In the last sentence, the reference to "Auditing Standard No. 5" is replaced with "AS 2201."
 - In footnote 14, the reference to "Paragraph 25 of Auditing Standard No. 5" is replaced with "AS 2201.25."
- u. In paragraph 25:
- The reference to "paragraphs 65–66" is replaced with "paragraphs .65–.66."
 - In footnote 15, the reference to "Paragraph A3 of Auditing Standard No. 5" is replaced with "AS 2201.A3."
- v. In paragraph 32:
- The reference to "paragraph 28.e." is replaced with "paragraph .28e."
 - In footnote 17, the reference to "Paragraphs 12–13" is replaced with "Paragraphs .12–.13."
- w. In paragraph 34:
- In the first sentence, the reference to "paragraph 18" is replaced with "paragraph .18."
 - In footnote 18, the reference to "paragraph B5" is replaced with "paragraph .B5."



- x. In footnote 19 to paragraph 35, the reference to "AU sec. 322, *The Auditor's Consideration of the Internal Audit Function in an Audit of Financial Statements*" is replaced with "AS 2605, *Consideration of the Internal Audit Function*."
- y. In paragraph 37:
- In the first sentence, the reference to "paragraph 20" is replaced with "paragraph .20."
 - In the first and last sentences of the note, the references to "Auditing Standard No. 5" are replaced with "AS 2201."
 - In footnote 20 to the note, the reference to "paragraphs 34–38 of Auditing Standard No. 5" is replaced with "AS 2201.34–.38."
- z. In paragraph 39:
- In the first sentence, the reference to "paragraph 18" is replaced with "paragraph .18."
 - In footnote 21, the reference to "Paragraphs 16–35 of Auditing Standard No. 13" is replaced with "Paragraphs .16–.35 of AS 2301."
 - In footnote 22, the reference to "Paragraph B1 of Auditing Standard No. 5" is replaced with "AS 2201.B1."
- aa. In paragraph 40:
- In the first sentence, the reference to "Auditing Standard No. 5" is replaced with "AS 2201."
 - In footnote 23, the reference to "Paragraph 22 of Auditing Standard No. 5" is replaced with "AS 2201.22."
 - In footnote 24, the reference to "paragraph 24 of Auditing Standard No. 5" is replaced with "AS 2201.24."
- bb. In the last sentence of paragraph 41, the reference to "paragraph 59" is replaced with "paragraph .59."



- cc. In paragraph 42, the reference to "paragraph 8" is replaced with "paragraph .08."
- dd. In paragraph 44, the reference to "AU sec. 722, *Interim Financial Information*" is replaced with "AS 4105, *Reviews of Interim Financial Information*."
- ee. In footnote 26 to paragraph 45, the reference to "Paragraph 7 of Auditing Standard No. 9" is replaced with "Paragraph .07 of AS 2101."
- ff. In the last sentence of paragraph 47, the reference to "AU sec. 722" is replaced with "AS 4105."
- gg. In paragraph 49:
 - In footnote 28 to the first note to paragraph 49, the reference to "Paragraphs 52–53" is replaced with "Paragraphs .52–.53."
 - In the second note, the reference to "paragraph 67" is replaced with "paragraph .67."
- hh. In footnote 29 to paragraph 51, the reference to "paragraph 29 of Auditing Standard No. 14" is replaced with "paragraph .29 of AS 2810."
- ii. In paragraph 53:
 - In the first bullet, the reference to "AU sec. 316" is replaced with "AS 2401."
 - In footnote 30 to the first bullet, the reference to "AU sec. 316.13" is replaced with "AS 2401.13."
 - In the second bullet, the parenthetical reference to "Auditing Standard No. 14" is replaced with "AS 2810."
 - In footnote 31 to the third bullet, the reference to "Paragraphs 20–23 of Auditing Standard No. 14" is replaced with "AS 2810.20–.23."
- jj. In paragraph 59a:
 - The parenthetical reference to "paragraphs 4–58" is replaced with "paragraphs .04–.58."



- In the note, the reference to "paragraphs 65–69" is replaced with "paragraphs .65–69."
- kk. In footnote 32 to the note to paragraph 59d, the reference to "Paragraphs 16–35 of Auditing Standard No. 13" is replaced with "AS 2301.16–.35."
- ll. In paragraph 59e:
- The parenthetical reference to "paragraphs 60–64" is replaced with "paragraphs .60–.64."
 - In footnote 33, the reference to "Paragraph A10 of Auditing Standard No. 5" is replaced with "AS 2201.A10."
 - In footnote 34, the reference to "Paragraph A9 of Auditing Standard No. 5" is replaced with "AS 2201.A9."
- mm. In paragraph 59f, the parenthetical reference to "paragraphs 70–71" is replaced with "paragraphs .70–.71."
- nn. In the first sentence of paragraph 60, the reference to "paragraph 59.e." is replaced with "paragraph .59e."
- oo. In the note to paragraph 62:
- In the second sentence of footnote 35, the reference to "paragraphs 11, 14, and 25 of Auditing Standard No.14" is replaced with "AS 2810.11, .14, and .25."
 - In the last sentence of footnote 35:
 - The reference to "paragraph 61 of Auditing Standard No. 5" is replaced with "AS 2201.61."
 - The reference to "paragraph 5.c. of Auditing Standard No. 13" is replaced with "AS 2301.5c."
- pp. In paragraph 65:
- In the fourth sentence, the reference to "AU sec. 316.85" is replaced with "AS 2401.85."
 - In the first sentence of the note, the reference to "AU sec. 316.85" is replaced with "AS 2401.85."



- qq. In paragraph 71a, the reference to "paragraph 60" is replaced with "paragraph .60."
- rr. In paragraph 72:
- The reference to "paragraphs 18–40" is replaced with "paragraphs .18–.40."
 - In footnote 36, the reference to "Auditing Standard No. 13" is replaced with "AS 2301."
- ss. In footnote 37 to paragraph 73:
- The reference to "AU sec. 316.88" is replaced with "AS 2401.88."
 - The reference to "paragraph 14 of Auditing Standard No. 5" is replaced with "AS 2201.14."
- tt. In footnote 38 to paragraph 74, the reference to "paragraph 46 of Auditing Standard No. 13" is replaced with "AS 2301.46."
- uu. In Appendix A, paragraph numbers A1 through A5 are replaced with .A1 through .A5.
- vv. In Appendix B, paragraph numbers B1 through B6 are replaced with .B1 through .B6.
- ww. In paragraph B1:
- In footnote 1, the reference to "AU sec. 324, *Service Organizations*" is replaced with "AS 2601, *Consideration of an Entity's Use of a Service Organization*."
 - In footnote 2, the reference to "paragraphs 16–17 of Auditing Standard No. 9" is replaced with "paragraphs .16–.17 of AS 2101."

Auditing Standard No. 13, *The Auditor's Responses to the Risks of Material Misstatement*

Auditing Standard No. 13, *The Auditor's Responses to the Risks of Material Misstatement*, is amended as follows:

- a. The section number "Auditing Standard No. 13" is replaced with "AS 2301."



- b. Paragraph numbers 1 through 47 are replaced with .01 through .47.
- c. In paragraph 3, the reference to "Auditing Standard No. 12" is replaced with "AS 2110."
- d. In paragraph 4a, the reference to "paragraphs 5–7" is replaced with "paragraphs .05–.07."
- e. In paragraph 4b, the reference to "paragraphs 8–46" is replaced with "paragraphs .08–.46."
- f. In footnote 1 to paragraph 5a, the reference to "AU sec. 230" is replaced with "AS 1015."
- g. In paragraph 5b, the parenthetical reference to "paragraphs 5–6 of Auditing Standard No. 10" is replaced with "paragraphs .05–.06 of AS 1201."
- h. In footnote 2 to item (5) of paragraph 5c, the reference to "paragraphs 61 and B13 of Auditing Standard No. 5" is replaced with "paragraphs .61 and .B13 of AS 2201."
- i. In footnote 3 to paragraph 5d:
 - In the first sentence, the reference to "Paragraphs 12–13 of Auditing Standard No. 12" is replaced with "AS 2110.12–.13."
 - In the last sentence:
 - The reference to "AU sec. 316" is replaced with "AS 2401."
 - The reference to "AU sec. 411, *The Meaning of Present Fairly in Conformity With Generally Accepted Accounting Principles*" is replaced with "AS 2815, *The Meaning of 'Present Fairly in Conformity with Generally Accepted Accounting Principles.'*"
- j. In footnote 4 to paragraph 7, the reference to "AU secs. 230.07–.09" is replaced with "AS 1015.07–.09."
- k. In footnote 5 to paragraph 7, the reference to "AU secs. 316.13" is replaced with "AS 2401.13."
- l. In paragraph 9c:



- In footnote 7 to item (1), the reference to "paragraph 7.b. of Auditing Standard No. 8" is replaced with "paragraph .07b of AS 1101."
 - In the note to item (2), the reference to "Auditing Standard No. 5" is replaced with "AS 2201."
- m. In paragraph 10:
- In the last sentence:
 - The reference to "Paragraphs 16–35" is replaced with "Paragraphs .16–35."
 - The reference to "paragraphs 36–46" is replaced with "paragraphs .36–46."
 - In the first sentence of the note, the reference to "Paragraphs 16–17" is replaced with "Paragraphs .16–.17."
- n. In paragraph 11:
- In the note, the reference to "Auditing Standard No. 12" is replaced with "AS 2110."
 - In footnote 10 to the note, the reference to "paragraph 71 of Auditing Standard No. 12" is replaced with "AS 2110.71."
- o. In paragraph 12:
- In the second note, the reference to "Auditing Standard No. 5" is replaced with "AS 2201."
 - In footnote 11 to the second note, the reference to "Paragraphs 14–15 of Auditing Standard No. 5" is replaced with "AS 2201.14–.15."
- p. In the last sentence of paragraph 13, the reference to "paragraphs 16–17" is replaced with "paragraphs .16–.17."
- q. In the note to paragraph 14, the reference to "AU secs. 316.54–.67" is replaced with "AS 2401.54–.67."
- r. In paragraph 15, the reference to "AU sec. 316" is replaced with "AS 2401."



- s. In paragraph 15a, the parenthetical reference to "AU secs. 316.58–.62" is replaced with "AS 2401.58–.62."
- t. In paragraph 15b, the parenthetical reference to "AU secs. 316.63–.65" is replaced with "AS 2401.63–.65."
- u. In paragraph 15c, the parenthetical reference to "AU secs. 316.66–.67" is replaced with "AS 2401.66–.67."
- v. In footnote 14 to paragraph 17:
 - The reference to "Paragraph 10 of Auditing Standard No. 15" is replaced with "Paragraph .10 of AS 1105."
 - The reference to "AU sec. 329" is replaced with "AS 2305."
- w. In footnote 15 to paragraph 20, the reference to "Paragraphs 37–38 of Auditing Standard No. 12" is replaced with "AS 2110.37–.38."
- x. In the note to paragraph 27, the reference to "AU sec. 350" is replaced with "AS 2315."
- y. In the last sentence of paragraph 28, the reference to "Paragraph 16" is replaced with "Paragraph .16."
- z. In the last sentence of footnote 16 to the ninth bullet of paragraph 31, the reference to "paragraph B28 of Auditing Standard No. 5" is replaced with "AS 2201.B28."
- aa. In the note to paragraph 34:
 - In the first sentence, the reference to "Auditing Standard No. 5" is replaced with "AS 2201."
 - In the last sentence, the reference to "AU sec. 325" is replaced with "AS 1305."
- bb. In paragraph 35:
 - Each reference to "Auditing Standard No. 5" is replaced with "AS 2201."
 - In footnote 17, the reference to "Paragraph B1 of Auditing Standard No. 5" is replaced with "AS 2201.B1."



- cc. In paragraph 38:
- In footnote 18, the reference to "Paragraph A5 of Auditing Standard No. 5" is replaced with "AS 2201.A5."
 - In footnote 19, the reference to "AU sec. 328" is replaced with "AS 2502."
- dd. In the note to paragraph 39, the reference to "Auditing Standard No. 15" is replaced with "AS 1105."
- ee. In paragraph 40, the reference to "paragraph 9.b." is replaced with "paragraph .09b."
- ff. In the note to paragraph 41b, the reference to "AU secs. 316.58–.62" is replaced with "AS 2401.58–.62."
- gg. In item (1) of paragraph 44a, the reference to "paragraphs 32–34" is replaced with "paragraphs .32–.34."
- hh. In footnote 20 to paragraph 47, the reference to "AU sec. 350" is replaced with "AS 2315."
- ii. In Appendix A, paragraph numbers A1 through A3 are replaced with .A1 through .A3.

Auditing Standard No. 14, *Evaluating Audit Results*

Auditing Standard No. 14, *Evaluating Audit Results*, is amended as follows:

- a. The section number "Auditing Standard No. 14" is replaced with "AS 2810."
- b. Paragraph numbers 1 through 37 are replaced with .01 through .37.
- c. In footnote 3 to paragraph 6b:
- The reference to "Auditing Standard No. 12" is replaced with "AS 2110."
 - The reference to "AU sec. 329" is replaced with "AS 2305."
- d. In the note to paragraph 6, the reference to "paragraph 36" is replaced with "paragraph .36."



- e. In footnote 4 to paragraph 7, the reference to "Paragraph 47 of Auditing Standard No. 12" is replaced with "AS 2110.47."
- f. In the first sentence of paragraph 9, the reference to "paragraph 6.b." is replaced with "paragraph .06b."
- g. In the second sentence of the note to paragraph 10, the reference to "Auditing Standard No. 11" is replaced with "AS 2105."
- h. In paragraph 12:
 - In the last sentence:
 - The reference to "paragraph 13" is replaced with "paragraph .13."
 - The reference to "AU sec. 350" is replaced with "AS 2315."
 - In footnote 5, the reference to "AU sec. 350.26" is replaced with "AS 2315.26."
- i. In the last sentence of the note to paragraph 13, the reference to "Paragraph 27" is replaced with "Paragraph .27."
- j. In footnote 6 to paragraph 14b, the reference to "Auditing Standard No. 11" is replaced with "AS 2105."
- k. In paragraph 17:
 - In footnote 7:
 - In the first sentence, the reference to "AU sec. 508" is replaced with "AS 3101."
 - In the last sentence, the reference to "AU sec. 508.35" is replaced with "AS 3101.35."
 - In footnote 11 to the second note, the reference to "AU sec. 317" is replaced with "AS 2405."
 - In the third note, the reference to "Auditing Standard No. 11" is replaced with "AS 2105."



- In footnote 12 to the third note, the reference to "Paragraphs 11–12 of Auditing Standard No. 11" is replaced with "AS 2105.11–.12."
- l. In paragraph 18, the reference to "paragraph 17" is replaced with "paragraph .17."
- m. In the last sentence of paragraph 19, the reference to "paragraph 36" is replaced with "paragraph .36."
- n. In the last sentence of paragraph 20, the reference to "AU sec. 316" is replaced with "AS 2401."
- o. In footnote 14 to paragraph 20, the reference to "AU sec. 316.05" is replaced with "AS 2401.05."
- p. In paragraph 23, the reference to "AU secs. 316.79–.82A, AU sec. 317" is replaced with "AS 2401.79–.82A, AS 2405."
- q. In the note to paragraph 25a, the reference to "paragraph 15" is replaced with "paragraph .15."
- r. In footnote 15 to paragraph 25c, the reference to "Paragraph 5.d. of Auditing Standard No. 13" is replaced with "Paragraph .05d of AS 2301."
- s. In footnote 16 to paragraph 25d, the reference to "Paragraph 27" is replaced with "Paragraph .27."
- t. In the note to paragraph 27, the reference to "AU secs. 316.64–.65" is replaced with "AS 2401.64–.65."
- u. In footnote 17 to paragraph 28:
 - The first parenthetical reference to "paragraph 9" is replaced with "paragraph .09."
 - The second parenthetical reference to "paragraphs 20–23" is replaced with "paragraphs .20–.23."
 - The third parenthetical reference to "paragraphs 24–27" is replaced with "paragraphs .24–.27."
- v. In the note to paragraph 29, the parenthetical reference to "paragraphs 49–51 of Auditing Standard No. 12" is replaced with "paragraphs .49–.51 of AS 2110."



- w. In the first note to paragraph 30:
- In the first sentence, the reference to "AU sec. 411, *The Meaning of Present Fairly in Conformity With Generally Accepted Accounting Principles*" is replaced with "AS 2815, *The Meaning of 'Present Fairly in Conformity with Generally Accepted Accounting Principles.'*"
 - In the last sentence, the reference to "Auditing Standard No. 6" is replaced with "AS 2820."
- x. In paragraph 31:
- In the note, the reference to "AU sec. 508" is replaced with "AS 3101."
 - In footnote 18 to the note, the reference to "AU secs. 508.41–.44" is replaced with "AS 3101.41–.44."
- y. In paragraph 32:
- The reference to "Auditing Standard No. 8" is replaced with "AS 1101."
 - In footnote 19, the reference to "Paragraph 3 of Auditing Standard No. 8" is replaced with "AS 1101.03."
- z. In paragraph 34a, the parenthetical reference to "paragraphs 14 and 17–19" is replaced with "paragraphs .14 and .17–.19."
- aa. In paragraph 34b, the parenthetical reference to "paragraphs 20–23 and 28–29" is replaced with "paragraphs .20–.23 and .28–.29."
- bb. In paragraph 34c, the parenthetical reference to "paragraph 36" is replaced with "paragraph .36."
- cc. In footnote 20 to paragraph 34e, the reference to "Paragraphs 7–9 of Auditing Standard No. 15" is replaced with "Paragraphs .07–.09 of AS 1105."
- dd. In paragraph 35:



- In the last sentence, the reference to "AU sec. 508" is replaced with "AS 3101."
 - In footnote 21, the reference to "AU sec 508.22–.34" is replaced with "AS 3101.22–.24."
- ee. In the note to paragraph 36:
- In the first sentence, the reference to "Auditing Standard No. 12" is replaced with "AS 2110."
 - In footnote 22, the reference to "Paragraph 74 of Auditing Standard No.12" is replaced with "AS 2110.74."
 - In the last sentence, the reference to "Auditing Standard No. 13" is replaced with "AS 2301."
 - In footnote 23, the reference to "Paragraphs 32–34 of Auditing Standard No. 13" is replaced with "AS 2301.32–.34."
- ff. In paragraph 37:
- Each reference to "Auditing Standard No. 5" is replaced with "AS 2201."
 - In footnote 24:
 - The reference to "Paragraphs 62–70 of Auditing Standard No. 5" is replaced with "AS 2201.62–.70."
 - The reference to "paragraphs 71–73 of Auditing Standard No. 5" is replaced with "AS 2201.71–.73."
- gg. In Appendix A, paragraph numbers A1 through A3 are replaced with .A1 through .A3.
- hh. In footnote 2 to paragraph A2, the reference to "AU sec. 316" is replaced with "AS 2401."
- ii. In footnote 3 to paragraph A3, the reference to "Paragraph 10" is replaced with "Paragraph .10."
- jj. In Appendix B, paragraph numbers B1 through B2 are replaced with .B1 through .B2.



- kk. In paragraph B1:
 - The reference to "Paragraph 17" is replaced with "Paragraph .17."
 - In footnote 1:
 - In the first sentence, the reference to "AU sec. 508" is replaced with "AS 3101."
 - In the last sentence, the reference to "AU sec. 508.35" is replaced with "AS 3101.35."
 - In footnote 5 to the second note, the reference to "AU sec. 317" is replaced with "AS 2405."
- ll. In paragraph B2o, the reference to "paragraph B2.l" is replaced with "paragraph .B2l."
- mm. In Appendix C, paragraph number C1 is replaced with .C1.
- nn. In paragraph C1, the reference to "paragraph 28" is replaced with "paragraph .28."
- oo. In footnote 1 to item (2) of paragraph C1b, the reference to "Paragraph 9 of Auditing Standard No. 15" is replaced with "Paragraph .09 of AS 1105."
- pp. In the parenthetical reference of footnote 2 to item (1) of paragraph C1c:
 - The reference to "Auditing Standard No. 5" is replaced with "AS 2201."
 - The reference to "AU sec. 508" is replaced with "AS 3101."

Auditing Standard No. 15, *Audit Evidence*

Auditing Standard No. 15, *Audit Evidence*, is amended as follows:

- a. The section number "Auditing Standard No. 15" is replaced with "AS 1105."
- b. Paragraph numbers 1 through 29 are replaced with .01 through .29.
- c. In footnote 1 to paragraph 3:



- In the first sentence, the reference to "Auditing Standard No. 14" is replaced with "AS 2810."
 - In the second sentence, the reference to "Auditing Standard No. 3" is replaced with "AS 1215."
- d. In footnote 2 to the first bullet of paragraph 5, the reference to "Paragraph A5 of Auditing Standard No. 12" is replaced with "Paragraph .A5 of AS 2110."
- e. In footnote 3 to paragraph 10:
- In the first sentence, the reference to "AU sec. 336" is replaced with "AS 1210."
 - In the last sentence:
 - The reference to "AU sec. 324, *Service Organizations*" is replaced with "AS 2601, *Consideration of an Entity's Use of a Service Organization*."
 - The reference to "Auditing Standard No. 5" is replaced with "AS 2201."
- f. In footnote 5 to paragraph 12, the reference to "paragraph 28 of Auditing Standard No. 5" is replaced with "AS 2201.28."
- g. In footnote 6 to paragraph 13a, the reference to "Auditing Standard No.12" is replaced with "AS 2110."
- h. In footnote 7 to paragraph 13b, the reference to "Auditing Standard No. 13" is replaced with "AS 2301."
- i. In the first sentence of paragraph 14, the reference to "Paragraphs 15–21" is replaced with "Paragraphs .15–.21."
- j. In footnote 8 to paragraph 16, the reference to "AU sec. 331, *Inventories*" is replaced with "AS 2510, *Auditing Inventories*."
- k. In footnote 9 to paragraph 17, the reference to "AU sec. 333" is replaced with "AS 2805."
- l. In footnote 10 to paragraph 18, the reference to "AU sec. 330" is replaced with "AS 2310."



- m. In footnote 11 to paragraph 21, the reference to "AU sec. 329" is replaced with "AS 2305."
- n. In paragraph 27, the reference to "paragraphs 25–26" is replaced with "paragraphs .25–.26."
- o. In footnote 12 to paragraph 27, the reference to "paragraphs 12–13 and paragraphs 17–19 of Auditing Standard No. 14" is replaced with "AS 2810.12–.13 and AS 2810.17–.19."
- p. In footnote 13 to paragraph 28, the reference to "AU sec. 350" is replaced with "AS 2315."

Auditing Standard No. 16, *Communications with Audit Committees*

Auditing Standard No. 16, *Communications with Audit Committees*, is amended as follows:

- a. The section number "Auditing Standard No. 16" is replaced with "AS 1301."
- b. Paragraph numbers 1 through 26 are replaced with .01 through .26.
- c. In the first sentence to footnote 5 to paragraph 8, the reference to "paragraphs 5.f. and 54–57 of Auditing Standard No. 12" is replaced with "paragraphs .05f and .54–.57 of AS 2110."
- d. In the first sentence of footnote 6 to paragraph 8, the reference to "AU sec. 317" is replaced with "AS 2405."
- e. In footnote 7 to paragraph 9, the reference to "paragraphs 8–9 of Auditing Standard No. 9" is replaced with "paragraphs .08–.09 of AS 2101."
- f. In the first sentence of footnote 8 to paragraph 9, the reference to "Auditing Standard No. 12" is replaced with "AS 2110."
- g. In footnote 9 to paragraph 10a, the reference to "paragraph 16 of Auditing Standard No. 9" is replaced with "paragraph .16 of AS 2101."
- h. In footnote 10 to paragraph 10b, the reference to "AU sec. 322, *The Auditor's Consideration of the Internal Audit Function in an Audit of Financial Statements*" is replaced with "AS 2605, *Consideration of the Internal Audit Function*."



- i. In footnote 11 to paragraph 10c, the reference to "paragraphs 16–19 of Auditing Standard No. 5" is replaced with "paragraphs .16–.19 of AS 2201."
- j. In footnote 12 to paragraph 10d, the reference to "paragraphs 8–14 of Auditing Standard No. 9" is replaced with "AS 2101.08–.14."
- k. In footnote 13 to paragraph 10e, the reference to "AU sec. 543, *Part of Audit Performed by Other Independent Auditors*" is replaced with "AS 1205, *Part of the Audit Performed by Other Independent Auditors*."
- l. In footnote 14 to paragraph 11, the reference to "paragraph 15 of Auditing Standard No. 9" is replaced with "AS 2101.15."
- m. In footnote 17 to item (1) of paragraph 12c, the reference to "AU sec. 342" is replaced with "AS 2501."
- n. In footnote 20 to item (1) of paragraph 12d, the reference to "paragraph 71.g. of Auditing Standard No. 12" is replaced with "AS 2110.71g."
- o. In the first sentence of the note to paragraph 12, the reference to "paragraph 12" is replaced with "paragraph .12."
- p. In footnote 21 to item (1) of paragraph 13a, the reference to "paragraphs 24–27 of Auditing Standard No. 14" is replaced with "paragraphs .24–.27 of AS 2810."
- q. In footnote 22 to item (2) of paragraph 13a, the reference to "paragraph 27 of Auditing Standard No. 14" is replaced with "AS 2810.27."
- r. In footnote 23 to paragraph 13c, the reference to "AU sec. 342" is replaced with "AS 2501."
- s. In footnote 24 to paragraph 13d, the reference to "AU sec. 316" is replaced with "AS 2401."
- t. In footnote 25 to paragraph 13e:
 - In the first sentence, the reference to "paragraphs 30–31 of Auditing Standard No. 14" is replaced with "AS 2810.30–.31."
 - In the last sentence:
 - The reference to "AU sec. 334" is replaced with "AS 2410."



- The reference to "AU sec. 341, *The Auditor's Consideration of an Entity's Ability to Continue as a Going Concern*" is replaced with "AS 2415, *Consideration of an Entity's Ability to Continue as a Going Concern*."
- u. In footnote 27 to paragraph 14:
 - In the first sentence, the reference to "AU sec. 550" is replaced with "AS 2710."
 - In the last sentence:
 - The reference to "AU sec. 550" is replaced with "AS 2710."
 - The reference to "Auditing Standard No. 17" is replaced with "AS 2701."
 - The reference to "AU sec. 558, *Required Supplementary Information*" is replaced with "AS 2705, *Unaudited Supplementary Information Included in Audited Financial Statements*."
 - The reference to "AU sec. 711, *Filings Under Federal Securities Statutes*" is replaced with "AS 4101, *Responsibilities Regarding Filings Under Federal Securities Statutes*."
- v. In footnote 28 to paragraph 17:
 - In the first sentence, the reference to "AU sec. 341" is replaced with "AS 2415."
 - In the last sentence, the reference to "AU secs. 341.03a–c" is replaced with "AS 2415.03a–c."
- w. In footnote 29 of paragraph 17a:
 - The reference to "AU sec. 341.06" is replaced with "AS 2415.06."
 - The reference to "AU sec 341.07" is replaced with "AS 2415.07."
- x. In footnote 30 to paragraph 17b, the reference to "AU sec. 341.08" is replaced with "AS 2415.08."



- y. In footnote 31 to paragraph 17c:
 - In the first sentence, the reference to "AU sec. 341.12" is replaced with "AS 2415.12."
 - In the last sentence, the reference to "AU sec. 341.03c" is replaced with "AS 2415.03c."
- z. In footnote 32 to item (1) of paragraph 17c, the reference to "AU sec. 341.10" is replaced with "AS 2415.10."
- aa. In footnote 33 to item (2) of paragraph 17c, the reference to "AU sec. 341.12–.16" is replaced with "AS 2415.12–.16."
- bb. In footnote 34 to paragraph 18, the reference to "paragraph 20 of Auditing Standard No. 14" is replaced with "paragraph .20 of AS 2810."
- cc. In footnote 36 to paragraph 18, the reference to "Auditing Standard No. 14" is replaced with "AS 2810."
- dd. In footnote 37 to paragraph 19, the reference to "paragraph 10 of Auditing Standard No. 14" is replaced with "AS 2810.10."
- ee. In footnote 39 to the note to paragraph 23, the reference to "AU sec. 508" is replaced with "AS 3101."
- ff. In footnote 40 to paragraph 24:
 - The reference to "AU sec. 316.79–.81" is replaced with "AS 2401.79–.81."
 - The reference to "AU sec. 317.17" is replaced with "AS 2405.17."
- gg. Footnote 41 to paragraph 25 is deleted.
- hh. In footnote 42 to paragraph 25, the reference to "Auditing Standard No. 3" is replaced with "AS 1215."
- ii. In the note to paragraph 25, the reference to "paragraphs 12 or 18" is replaced with "paragraphs .12 or .18."
- jj. In Appendix A, paragraph numbers A1 through A4 are replaced with .A1 through .A4.



kk. Appendix B of Auditing Standard No.16 is replaced with the following:

This appendix identifies other PCAOB rules and standards related to the audit that require communication of specific matters between the auditor and the audit committee.

- AS 6115, *Reporting on Whether a Previously Reported Material Weakness Continues to Exist*, paragraphs .60, .62, and .64
- AS 2201, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*, paragraphs .78–.81, .91, .C7, and .C14
- AS 2110, *Identifying and Assessing Risks of Material Misstatement*, paragraphs .05f and .54–.57
- Attestation Standard No. 1, *Examination Engagements Regarding Compliance Reports of Brokers and Dealers*, paragraphs 34 and 35
- Attestation Standard No. 2, *Review Engagements Regarding Exemption Reports of Brokers and Dealers*, paragraph 15
- PCAOB Rule 3524, *Audit Committee Pre-approval of Certain Tax Services*
- PCAOB Rule 3525, *Audit Committee Pre-approval of Non-audit Services Related to Internal Control Over Financial Reporting*
- PCAOB Rule 3526, *Communication with Audit Committees Concerning Independence*
- AS 2401, *Consideration of Fraud in a Financial Statement Audit*, paragraphs .79–.81
- AS 2405, *Illegal Acts by Clients*, paragraphs .08, .17, and .20
- AS 1305, *Communications About Control Deficiencies in an Audit of Financial Statements*, paragraphs .04–.07 and .09
- AS 2502, *Auditing Fair Value Measurements and Disclosures*, paragraph .50
- AS 2805, *Management Representations*, paragraph .05



- *AS 2710, Other Information in Documents Containing Audited Financial Statements*, paragraphs .04 and .06
 - *AS 4101, Responsibilities Regarding Filings Under Federal Securities Statutes*, paragraph .13
 - *AS 4105, Reviews of Interim Financial Information*, paragraphs .08–.09, .30–.31, and .33–.36
- ll. In Appendix C, paragraph numbers C1 through C2 are replaced with .C1 through .C2.
- mm. In footnote 2 to item 2b of paragraph .C1b, the reference to "AU sec. 325" is replaced with "AS 1305."
- nn. In footnote 3 to item (b) of paragraph .C2, the reference to "AU sec. 722, *Interim Financial Information*" is replaced with "AS 4105, *Reviews of Interim Financial Information*."

Auditing Standard No. 17, *Auditing Supplemental Information Accompanying Audited Financial Statements*

Auditing Standard No. 17, *Auditing Supplemental Information Accompanying Audited Financial Statements*, is amended as follows:

- a. The section number "Auditing Standard No. 17" is replaced with "AS 2701."
- b. Paragraph numbers 1 through 15 are replaced with .01 through .15.
- c. In footnote 3 to the note to paragraph 3b, the reference to "Auditing Standard No. 11" is replaced with "AS 2105."
- d. In footnote 6 to paragraph 7, the reference to "paragraph 10 of Auditing Standard No. 14" is replaced with "paragraph .10 of AS 2810."
- e. In footnote 7 to the note to paragraph 8, the reference to "paragraph 17 of Auditing Standard No. 14" is replaced with "AS 2810.17."
- f. In footnote 8 to paragraph 12b:
 - In the first sentence, the reference to "AU sec. 561" is replaced with "AS 2905."



- In the second sentence, the reference to "AU sec. 561" is replaced with "AS 2905."
- g. In Appendix A, paragraph numbers A1 and A2 are replaced with .A1 and .A2.

AU sec. 110, "Responsibilities and Functions of the Independent Auditor"

SAS No. 1, "Codification of Auditing Standards and Procedures," section 110, "Responsibilities and Functions of the Independent Auditor" (AU sec. 110, "Responsibilities and Functions of the Independent Auditor"), as amended, is amended as follows:

- a. The section number "AU Section 110" is replaced with "AS 1001."
- b. In the third sentence of paragraph .01, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
- c. In paragraph 02:
- In footnote 1:
 - In the first sentence, the reference to "Auditing Standard No. 11" is replaced with "AS 2105."
 - In the second sentence, the reference to "section 317" is replaced with "AS 2405."
 - In footnote 2, the phrase "section 230, *Due Professional Care in the Performance of Work*, paragraphs .10 through .13" is replaced with "paragraphs .10 through .13 of AS 1015, *Due Professional Care in the Performance of Work*."
- d. In the first sentence of paragraph .05, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
- e. In the first bracketed sentence of paragraphs [.06–.09], the reference to "section 316" is replaced with "Statement on Auditing Standards Nos. 82 and 99."
- f. Paragraph .10 is deleted.
- g. Paragraph .11 and its following note is added:



The auditor should be aware of and consider auditing interpretations applicable to his or her audit. If the auditor does not apply the auditing guidance included in an applicable auditing interpretation, the auditor should be prepared to explain how he or she complied with the provisions of the auditing standard addressed by such auditing guidance.

Note: The term "auditing interpretations," as used in this paragraph, refers to the publications entitled "Auditing Interpretation" issued by the American Institute of Certified Public Accountants' Auditing Standards Board as in existence on April 16, 2003, and in effect.

AU sec. 150, "Generally Accepted Auditing Standards"

SAS No. 95, "Generally Accepted Auditing Standards" (AU sec. 150, "Generally Accepted Auditing Standards"), as amended, is rescinded.

AU sec. 161, "The Relationship of Generally Accepted Auditing Standards to Quality Control Standards"

SAS No. 25, "The Relationship of Generally Accepted Auditing Standards to Quality Control Standards," (AU sec. 161, "The Relationship of Generally Accepted Auditing Standards to Quality Control Standards"), as amended, is amended as follows:

- a. The section number "AU Section 161" is replaced with "AS 1110."
- b. The title "The Relationship of Generally Accepted Auditing Standards to Quality Control Standards" is replaced with "Relationship of Auditing Standards to Quality Control Standards."
- c. In the references before paragraph .01, the phrase "(Supersedes SAS No. 4)" is deleted.
- d. In paragraph .01:
 - In the first sentence, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
 - The last sentence is deleted.
- e. In the second sentence of paragraph .02, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
- f. In paragraph .03:



- In the first sentence, the phrase "Generally accepted auditing standards" is replaced with "Auditing standards."
- In the second sentence, the phrase "generally accepted auditing standards" is replaced with "auditing standards."
- In the third sentence, the phrase "generally accepted auditing standards" is replaced with "the auditing standards."

AU sec. 201, "Nature of the General Standards"

SAS No. 1, "Codification of Auditing Standards and Procedures" (AU sec. 201, "Nature of the General Standards"), is rescinded.

AU sec. 210, "Training and Proficiency of the Independent Auditor"

SAS No. 1, "Codification of Auditing Standards and Procedures" section 210 "Training and Proficiency of the Independent Auditor" (AU sec. 210, "Training and Proficiency of the Independent Auditor"), as amended, is amended as follows:

- a. The section number "AU Section 210" is replaced with "AS 1010."
- b. In paragraph .01, the introductory phrase "The first general standard is:" is deleted.
- c. In paragraph .02, the phrase "This standard" is replaced with the phrase "The statement in the preceding paragraph."

AU sec. 220, "Independence"

SAS No. 1, "Codification of Auditing Standards and Procedures" section 220 "Independence" (AU sec. 220, "Independence"), as amended, is amended as follows:

- a. The section number "AU Section 220" is replaced with "AS 1005."
- b. In paragraph .01, the introductory phrase "The second general standard is:" is deleted.
- c. In the first sentence of paragraph .02, the phrase "This standard" is replaced with the phrase "The statement in the preceding paragraph."
- d. In paragraph .05, the phrase "that differ from the AICPA requirements in certain respects" is deleted.



AU sec. 230, "Due Professional Care in the Performance of Work"

SAS No. 1, "Codification of Auditing Standards and Procedures" section 230 "Due Professional Care in the Performance of Work" (AU sec. 230, "Due Professional Care in the Performance of Work"), as amended, is amended as follows:

- a. The section number "AU Section 230" is replaced with "AS 1015."
- b. Footnote * to the title of the standard is deleted.
- c. In paragraph .01:
 - The introductory phrase "The third general standard is:" is deleted.
 - Footnote 1 is deleted.
- d. In the first sentence of paragraph .02, the phrase "This standard" is replaced with "The statement in the preceding paragraph."
- e. In footnote 4 to paragraph .06, the reference to "Auditing Standard No. 10" is replaced with "AS 1201."
- f. In footnote 5 to paragraph .11, the reference to "section 342" is replaced with "AS 2501."
- g. In paragraph .12:
 - In the fifth sentence, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
 - In the sixth sentence, the parenthetical reference to "paragraph 9 of Auditing Standard No. 15" is replaced with "paragraph .09 of AS 1105."

AU sec. 315, "Communications Between Predecessor and Successor Auditors"

SAS No. 84, "Communications Between Predecessor and Successor Auditors" (AU sec. 315, "Communications Between Predecessor and Successor Auditors"), as amended, is amended as follows:

- a. The section number "AU Section 315" is replaced with "AS 2610."



- b. The title "Communications Between Predecessor and Successor Auditors" is replaced with "Initial Audits—Communications Between Predecessor and Successor Auditors."
- c. In the references before paragraph .01, the phrase "(Supersedes SAS No. 7)" is deleted.
- d. In last sentence of paragraph .01, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
- e. In footnote 5 to the third bullet of paragraph .09:
 - The reference to "section 316" is replaced with "AS 2401."
 - The reference to "section 317" is replaced with "AS 2405."
 - The reference to "section 325" is replaced with "AS 1305."
- f. In the last sentence of footnote 8 to paragraph .12, the reference to "section 543, *Part of Audit Performed by Other Independent Auditors*, paragraph 10a" is replaced with "paragraph .10a of AS 1205, *Part of the Audit Performed by Other Independent Auditors*."
- g. In paragraph .16:
 - In the first sentence, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
 - In the second sentence, the reference to "section 543, *Part of Audit Performed by Other Independent Auditors*" is replaced with "AS 1205."
 - In the last sentence:
 - The reference to "AU sec. 336" is replaced with "AS 1210."
 - The reference to "AU sec. 322, *The Auditor's Consideration of the Internal Audit Function in an Audit of Financial Statements*," is replaced with "AS 2605, *Consideration of the Internal Audit Function*."
 - The reference to "paragraphs 16–19 of PCAOB Auditing Standard No. 5" is replaced with "paragraphs .16–.19 of AS 2201."



- h. In the first sentence of paragraph .20, the reference to "section 331, *Inventories*" is replaced with "AS 2510, *Auditing Inventories*."
- i. In paragraph .21:
- In the last sentence, the reference to "section 561" is replaced with "AS 2905."
 - In footnote 9, the reference to "section 508, *Reports on Audited Financial Statements*, paragraphs .70 through .74" is replaced with "paragraphs .70 through .74 of AS 3101, *Reports on Audited Financial Statements*."
- j. Under item 1 of paragraph 25:
- In the first sentence of the illustrative letter's first paragraph, the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
 - In the first bullet, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
 - In item (2) of the illustrative paragraph, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."

AU sec. 316, "Consideration of Fraud in a Financial Statement Audit"

SAS No. 99, "Consideration of Fraud in a Financial Statement Audit" (AU sec. 316, "Consideration of Fraud in a Financial Statement Audit"), as amended, is amended as follows:

- a. The section number "AU Section 316" is replaced with "AS 2401."
- b. In the references before paragraph .01, the phrase "(Supersedes SAS No. 82)" is deleted.
- c. In the first sentence of paragraph .01, the reference to "Section 110, *Responsibilities and Functions of the Independent Auditor*, paragraph .02" is replaced with "Paragraph .02 of AS 1001, *Responsibilities and Functions of the Independent Auditor*."



- d. In paragraph .01:
- In the note, the reference to "paragraphs 14–15 of PCAOB Auditing Standard No. 5" is replaced with "paragraphs .14–.15 of AS 2201."
 - In the first sentence of footnote 1, the reference to "section 317" is replaced with "AS 2405."
- e. In paragraph .01A:
- In the first sentence, the reference to "Auditing Standard No. 12" is replaced with "AS 2110."
 - In the second sentence, the reference to "Auditing Standard No. 13" is replaced with "AS 2301."
 - In the last sentence, the reference to "Auditing Standard No. 14" is replaced with "AS 2810."
- f. In the second sentence of paragraph .04, the reference to "section 110.03" is replaced with "AS 1001.03."
- g. In the fifth sentence of paragraph .09, the term "GAAS" is replaced with "the standards of the PCAOB."
- h. In footnote 7 to paragraph .12, the reference to "section 230, *Due Professional Care in the Performance of Work*, paragraphs .10 through .13" is replaced with "paragraphs .10 through .13 of AS 1015, *Due Professional Care in the Performance of Work*."
- i. In the first sentence of paragraph .13, the phrase "section 230, *Due Professional Care in the Performance of Work*, paragraphs .07 through .09" is replaced with "AS 1015.07 through .09."
- j. In paragraph .52:
- In the first sentence, the reference to "Paragraph 8 of Auditing Standard No. 13, *The Auditor's Responses to the Risks of Material Misstatement*," is replaced with "AS 2301.08."
 - In the last sentence, the reference to "Paragraph 12 of Auditing Standard No. 13" is replaced with "AS 2301.12."



- In the note, the reference to "Paragraph 71.b. of Auditing Standard No. 12, *Identifying and Assessing Risks of Material Misstatement*," is replaced with "AS 2110.71b."
- k. In paragraph .53:
- In footnote 20 to the fourth bullet, the reference to "AU sec. 329" is replaced with "AS 2305."
 - In the fifth bullet, the parenthetical reference to "paragraph 54 of Auditing Standard No. 12, *Identifying and Assessing Risks of Material Misstatement*" is replaced with "AS 2110.54."
- l. In paragraph .54:
- In footnote 21 to the second sub-bullet of the first bullet, the reference to "AU sec. 330" is replaced with "AS 2310."
 - In footnote 22 to the second bullet, the reference to "AU sec. 336" is replaced with "AS 1210."
 - In the third bullet:
 - In the fourth sentence, the reference to "section 342" is replaced with "AS 2501."
 - In the fifth sentence, the parenthetical reference to "section 342.09 through .14" is replaced with "AS 2501.09 through .14."
- m. In the second sentence of paragraph .56, the reference to "paragraphs 8 through 15 of Auditing Standard No. 13, *The Auditor's Responses to the Risks of Material Misstatement*," is replaced with "AS 2301.08 through .15."
- n. In footnote 23 to item 1 of paragraph .58, the reference to "paragraphs 28 through 32 of Auditing Standard No. 12, *Identifying and Assessing Risks of Material Misstatement*" is replaced with "AS 2110.28 through .32."
- o. In the last sentence of the fifth bullet of paragraph .61, the reference to "paragraphs 11 through 14 of Auditing Standard No. 9" is replaced with "paragraphs .11 through .14 of AS 2101."



- p. In the last sentence of paragraph .63, the reference to "Paragraphs 24 through 27 of Auditing Standard No. 14, *Evaluating Audit Results*" is replaced with "AS 2810.24 through .27."
- q. In footnote 24 to paragraph .63, the reference to "section 342, *Auditing Accounting Estimates*, paragraphs .02 and .16," is replaced with "AS 2501.02 and .16."
- r. In footnote 25 to the fifth bullet of paragraph .67:
- The reference to "Section 334" is replaced with "AS 2410."
 - The parenthetical reference to "section 334.06" is replaced with "AS 2410.06."
- s. In paragraph .80:
- In the second sentence, the parenthetical reference to "section 325, 'Communications About Control Deficiencies in An Audit of Financial Statements,' paragraph 4" is replaced with "paragraph .04 of AS 1305, *Communications About Control Deficiencies in an Audit of Financial Statements*."
 - In the third sentence, the parenthetical reference to "paragraphs 72–73 of Auditing Standard No. 12, *Identifying and Assessing Risks of Material Misstatement*" is replaced with "AS 2110.72–.73."
- t. In the second sentence of paragraph .81, the parenthetical reference to "paragraphs 12–13 of Auditing Standard No. 16" is replaced with "paragraphs .12–.13 of AS 1301."
- u. In item 2 of paragraph .82, the reference to "section 315, *Communications Between Predecessor and Successor Auditors*" is replaced with "AS 2610, *Initial Audits—Communications Between Predecessor and Successor Auditors*."
- v. In footnote 40 to paragraph .82, the reference to "Section 315" is replaced with "AS 2610."
- w. In paragraph .83:



- In the first bullet, the parenthetical reference to "paragraphs 52 and 53 of Auditing Standard No. 12, *Identifying and Assessing Risks of Material Misstatement*" is replaced with "AS 2110.52 and .53."
 - In the second bullet, the parenthetical reference to "paragraph 47, paragraphs 56 through 58, and paragraphs 65 through 69 of Auditing Standard No. 12, *Identifying and Assessing Risks of Material Misstatement*" is replaced with "AS 2110.47, AS 2110.56 through .58, and AS 2110.65 through .69."
 - In the third bullet:
 - The first parenthetical reference to "paragraphs 59 through 69 of Auditing Standard No. 12, *Identifying and Assessing Risks of Material Misstatement*" is replaced with "AS 2110.59 through .69."
 - The second parenthetical reference to "paragraphs 5 through 15 of Auditing Standard No. 13, *The Auditor's Response to the Risks of Material Misstatement*" is replaced with "AS 2301.05 through .15."
 - In the fourth bullet, the parenthetical reference to "paragraph 68 of Auditing Standard No. 12, *Identifying and Assessing Risks of Material Misstatement*" is replaced with "AS 2110.68."
 - In the fifth bullet, the parenthetical reference to "paragraph 15 of Auditing Standard No. 13, *The Auditor's Responses to the Risks of Material Misstatements*" is replaced with "AS 2301.15."
 - In the sixth bullet, the parenthetical reference to "paragraphs 5 through 9 of Auditing Standard No. 14, *Evaluating Audit Results*" is replaced with "AS 2810.05 through .09."
- x. In the first sentence of item A.1 of paragraph .85, the reference to "paragraphs 65 through 69 of Auditing Standard No. 12, *Identifying and Assessing Risks of Material Misstatement*" is replaced with "AS 2110.65 through .69."
- y. Paragraphs .86 through .88 are deleted.
- z. Footnotes 5 and 6 to paragraph .86 are deleted.



- aa. Footnote 8 to paragraph .87 is deleted.
- bb. Footnotes 1 through 11 to paragraph .88 are deleted.

AU sec. 317, "Illegal Acts by Clients"

SAS No. 54, "Illegal Acts by Clients" (AU sec. 317, "Illegal Acts by Clients"), as amended, is amended as follows:

- a. The section number "AU Section 317" is replaced with "AS 2405."
- b. In the references before paragraph .01, the phrase "(Supersedes section 328)" is deleted.
- c. In the first sentence of paragraph .01, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
- d. In the last sentence of paragraph .05, the reference to "section 110" is replaced with "AS 1001."
- e. In the last sentence of paragraph .07, the phrase "generally accepted auditing standards" is replaced with "PCAOB auditing standards."
- f. In paragraph .08:
 - In the first sentence, the phrase "generally accepted auditing standards" is replaced with "PCAOB auditing standards."
 - The parenthetical reference to "section 333" is replaced with "AS 2805."
- g. In footnote 2 to paragraph .21, the reference to "section 508" is replaced with "AS 3101."
- h. In the subtitle before paragraph .22, the phrase "in Accordance With Generally Accepted Auditing Standards" is deleted.
- i. In paragraph .23b:
 - The reference to "section 315, *Communications Between Predecessor and Successor Auditors*" is replaced with "AS 2610, *Initial Audits—Communications Between Predecessor and Successor Auditors*."



- In footnote 5, the reference to "section 315" is replaced with "AS 2610."

AU sec. 9317, "Illegal Acts by Clients: Auditing Interpretations of Section 317"

AU sec. 9317, "Illegal Acts by Clients: Auditing Interpretations of Section 317," is amended as follows:

- a. The section number "AU Section 9317" is replaced with "AI 13."
- b. The title "Illegal Acts by Clients: Auditing Interpretations of Section 317" is replaced with "Illegal Acts by Clients: Auditing Interpretations of AS 2405."
- c. In paragraph .01:
 - In the first sentence, the phrase "The second standard of field work requires" is replaced with "The auditing standards require."
 - In the last sentence:
 - The reference to "section 317" is replaced with "AS 2405, *Illegal Acts by Clients*."
 - The phrase "the second standard of field work" is replaced with "AS 2110, *Identifying and Assessing Risks of Material Misstatement*."
- d. In paragraph .03, the reference to "section 317" is replaced with "AS 2405."
- e. In paragraph .05, the parenthetical reference to "section 317.22" is replaced with "AS 2405.22."

AU sec. 322, "The Auditor's Consideration of the Internal Audit Function in an Audit of Financial Statements"

SAS No. 54, "The Auditor's Consideration of the Internal Audit Function in an Audit of Financial Statements" (AU sec. 322, "The Auditor's Consideration of the Internal Audit Function in an Audit of Financial Statements), as amended, is amended as follows:

- a. The section number "AU Section 322" is replaced with "AS 2605."



- b. The title "The Auditor's Consideration of the Internal Audit Function in an Audit of Financial Statements" is replaced with "Consideration of the Internal Audit Function."
- c. In the references before paragraph .01, the phrase "(Supersedes SAS No. 9)" is deleted.
- d. In the last sentence of paragraph .01, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
- e. In the note to paragraph .01, the reference to "paragraphs 16–19 of PCAOB Auditing Standard No. 5" is replaced with "paragraphs .16–.19 of AS 2201."
- f. In paragraph .02:
 - In the first sentence, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
 - In footnote 2, the phrase "the AICPA Code of Professional Conduct" is replaced with "PCAOB Rule 3520, *Auditor Independence*."
- g. In footnote 3 to paragraph .04, the reference to "Auditing Standard No. 12" is replaced with "AS 2110."
- h. In footnote 5 to paragraph .18, the reference to "paragraph 8 of Auditing Standard No. 15" is replaced with "paragraph .08 of AS 1105."
- i. In footnote 6 to paragraph .19, the reference to "section 543, *Part of Audit Performed by Other Independent Auditors*" is replaced with "AS 1205, *Part of the Audit Performed by Other Independent Auditors*."
- j. In the note to paragraph .22, the reference to "paragraphs 18–19 of PCAOB Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*" is replaced with "AS 2201.18–.19."
- k. In footnote 8 to paragraph .27, the reference to "Auditing Standard No. 10" is replaced with "AS 1201."
- l. In the appendix, the title "The Auditor's Consideration of the Internal Audit Function in an Audit of Financial Statements" is replaced with "Consideration of the Internal Audit Function."



AU sec. 324, "Service Organizations"

SAS No. 70, "Service Organizations" (AU sec. 324, "Service Organizations"), as amended, is amended as follows:

- a. The section number "AU Section 324" is replaced with "AS 2601."
- b. The title "Service Organizations" is replaced with "Consideration of an Entity's Use of a Service Organization."
- c. Footnote * to the title of the standard is deleted.
- d. In the references before paragraph .01, the phrase "(Supersedes SAS No. 44)" is deleted.
- e. In the note to paragraph .01, the reference to "paragraphs B17–B27 of Appendix B, *Special Topics*, of PCAOB Auditing Standard No. 5" is replaced with "paragraphs .B17–.B27 of Appendix B, *Special Topics*, of AS 2201."
- f. In paragraph .07:
 - In the first sentence, the reference to "Auditing Standard No. 12" is replaced with "AS 2110."
 - In the third bullet, the second sentence is deleted.
- g. In the first sentence of paragraph .16, the reference to "paragraph 18 and paragraphs 29 through 31 of Auditing Standard No. 13" is replaced with "paragraph .18 and paragraphs .29 through .31 of AS 2301."
- h. In the last sentence of paragraph .18, the reference to "section 543, *Part of Audit Performed by Other Independent Auditors*, paragraph .10a" is replaced with "paragraph .10a of AS 1205, *Part of the Audit Performed by Other Independent Auditors*."
- i. In the first sentence of paragraph 19, the reference to "section 543.12" is replaced with "AS 1205.12."
- j. In the last sentence of paragraph .20, the reference to "section 325" is replaced with "AS 1305."
- k. In the second sentence of paragraph .22:



- The phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
 - The phrase "general standards and with the relevant fieldwork and reporting standards" is replaced with "relevant PCAOB auditing standards."
- l. In the second sentence of paragraph .23:
- The reference to "Auditing Standard No. 14" is replaced with "AS 2810."
 - The reference to "section 317" is replaced with "AS 2405."
- m. In paragraph .38, in the last sentence of the first paragraph of the sample report on controls placed in operation at a service organization, the phrase "standards established by the American Institute of Certified Public Accountants" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
- n. In the last sentence of paragraph .41, the reference to "Section 350" is replaced with "AS 2315."
- o. In paragraph .54, in the last sentence of the first paragraph of the sample report on controls placed in operation at a service organization and tests of operating effectiveness, the phrase "standards established by the American Institute of Certified Public Accountants" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."

AU sec. 9324, "Service Organizations: Auditing Interpretations of Section 324"

AU sec. 9324, "Service Organizations: Auditing Interpretations of Section 324," as amended, is amended as follows:

- a. The section number "AU Section 9324" is replaced with "AI 18."
- b. The title "Service Organizations: Auditing Interpretations of Section 324" is replaced with "Consideration of an Entity's Use of a Service Organization: Auditing Interpretations of AS 2601."
- c. In paragraph .01:



- In the first sentence, the reference to "section 324, *Service Organizations*" is replaced with "AS 2601, *Consideration of an Entity's Use of a Service Organization*."
 - In the second sentence, the reference to "Section 324.44f" is replaced with "AS 2601.44f."
- d. In the first sentence of paragraph .02, the reference to "section 324.44f" is replaced with "AS 2601.44f."
- e. In paragraph .05:
- In the third sentence, the reference to "Paragraphs .06 through .17 of section 324, *Service Organizations*," is replaced with "AS 2601.06 through .17."
 - In the fourth sentence, the reference to "section 324.06–.17" is replaced with "AS 2601.06–.17."
 - In the last sentence, the reference to "section 324.06" is replaced with "AS 2601.06."
- f. In the second sentence of paragraph .07, the reference to "Section 324.11–.16" is replaced with "AS 2601.11–.16."
- g. In paragraph .16:
- In the last sentence of the Sample Scope Paragraph of a Service Auditor's Report Using the Carve-Out Method, the phrase "standards established by the American Institute of Certified Public Accountants" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
 - In the bracketed sentence, the reference to "section 324.38 and .54" is replaced with "AS 2601.38 and .54."
- h. In the first sentence of paragraph .17, the reference to "section 324.12" is replaced with "AS 2601.12."
- i. In the last sentence of the first paragraph of the Sample Service Auditor's Report Using the Inclusive Method, following paragraph .18, the phrase "standards established by the American Institute of Certified Public



Accountants" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."

- j. In paragraph .35, each reference to "Section 324.32" or "section 324.32" is replaced with "AS 2601.32."
- k. In paragraph .36:
 - Each reference to "Section 324.32" or "section 324.32" is replaced with "AS 2601.32."
 - Footnote 2 is deleted.
- l. In the first sentence of paragraph .37, the reference to "section 550" is replaced with "AS 2710."
- m. In paragraph .38:
 - In the first sentence, the reference to "Section 324.29g and .44/" is replaced with "AS 2601.29g and .44/."
 - In the second sentence, the reference to "Section 324.44/" is replaced with "AS 2601.44/."
 - In the third sentence, the reference to "section 324.38 and .54" is replaced with "AS 2601.38 and .54."
 - In the fourth sentence, the reference to "section 324.54" is replaced with "AS 2601.54."
- n. In the first sentence of paragraph .39, the reference to "section 324.38 and .54" is replaced with "AS 2601.38 and .54."
- o. In the first sentence of paragraph .40, the reference to "section 324.38 and .54" is replaced with "AS 2601.38 and .54."

AU sec. 325, "Communications About Control Deficiencies in an Audit of Financial Statements"

AU sec. 325, "Communications About Control Deficiencies in an Audit of Financial Statements," as amended, is amended as follows:

- a. The section number "AU Section 325" is replaced with "AS 1305."



- b. Paragraph numbers 1 through 9 are replaced with .01 through .09.
- c. The directions before paragraph 1 are replaced with the following:

Note: For an integrated audit of financial statements and internal control over financial reporting, see paragraphs .78–.84 of AS 2201, An Audit of Internal Control Over Financial Reporting That is Integrated with An Audit of Financial Statements.

Note: The following paragraphs apply in an audit of financial statements only:

- d. In the second note to paragraph 3, the reference to "paragraphs 62–70 of PCAOB Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*" is replaced with "AS 2201.62–.70."
- e. In the last sentence of paragraph 4, the reference to "paragraphs 2 and 3" is replaced with "paragraphs .02 and .03."
- f. In the last sentence of paragraph 9:
 - The reference to "AU sec. 325" is replaced with "AS 1305."
 - The reference to "paragraph 2" is replaced with "paragraph .02."

AU sec. 9325, "Communication of Internal Control Related Matters Noted in an Audit: Auditing Interpretations of Section 325"

AU sec. 9325, "Communication of Internal Control Related Matters Noted in an Audit: Auditing Interpretations of Section 325," as amended, is amended as follows:

- a. The section number "AU Section 9325" is replaced with "AI 12."
- b. The title "Communication of Internal Control Related Matters Noted in an Audit: Auditing Interpretations of Section 325" is replaced with "Communications About Control Deficiencies in an Audit of Financial Statements: Auditing Interpretations of AS 1305."
- c. In the note before paragraph .01:
 - In the first sentence:



PCAOB Release No. 2014-001
May 7, 2014
Appendix 4 – Proposed Amendments
Page A4–66

- The reference to "AU sec. 325" is replaced with "AS 1305, *Communications About Control Deficiencies in an Audit of Financial Statements*."
- The reference to "paragraph 2" is replaced with "paragraph .02."
- In the last sentence, the reference to "paragraph A7 of Appendix A, *Definitions*, of PCAOB Auditing Standard No. 5" is replaced with "paragraph .A7 of Appendix A, *Definitions*, of AS 2201."
- d. In the first sentence of paragraph .01, the reference to "Section 325" is replaced with "AS 1305."
- e. In the second sentence of paragraph .02, the reference to "Section 325" is replaced with "AS 1305."
- f. In the first sentence of paragraph .03, the reference to "Section 325" is replaced with "AS 1305."
- g. In the example report below paragraph .04, in the second sentence, the phrase "standards established by the American Institute of Certified Public Accountants" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."

AU sec. 9326, "Evidential Matter: Auditing Interpretations of Section 326"

AU sec. 9326, "Evidential Matter: Auditing Interpretations of Section 326," as amended, is amended as follows:

- a. The section number "AU Section 9326" is replaced with "AI 28."
- b. The title "Evidential Matter: Auditing Interpretations of Section 326" is replaced with "Evidential Matter Relating to Income Tax Accruals: Auditing Interpretations."
- c. In paragraph .10:
 - In the first sentence, the phrase "third standard of field work requires" is replaced with "auditing standards require."
 - In the second sentence, the reference to "Paragraph 35 of Auditing Standard No. 14" is replaced with "Paragraph .35 of AS 2810."



PCAOB Release No. 2014-001
 May 7, 2014
 Appendix 4 – Proposed Amendments
 Page A4–67

- In the third sentence, the reference to "Section 508, *Reports on Audited Financial Statements*, paragraph .24" is replaced with "Paragraph .24 of AS 3101, *Reports on Audited Financial Statements*."
 - In the fourth sentence, the reference to "section 333 on *Management Representations*" is replaced with "AS 2805, *Management Representations*."
 - In the fifth sentence:
 - The reference to "Section 333.06" is replaced with "AS 2805.06."
 - The reference to "section 333.08" is replaced with "AS 2805.08."
 - In the last sentence, the reference to "section 333.13" is replaced with "AS 2805.13."
- d. In the first sentence of paragraph .12, the phrase "Section 339, *Audit Documentation*, states that audit documentation is the principal record" is replaced with "Audit documentation is the written record."
- e. In paragraph .16, the reference to "section 336" is replaced with "AS 1210."
- f. In the first sentence of paragraph .18, the reference to "Section 336.01" is replaced with "AS 1210.01."
- g. In the first sentence of paragraph .19, the reference to "section 337" is replaced with "AS 2505."

AU sec. 328, "Auditing Fair Value Measurements and Disclosures"

SAS No. No. 101, "Auditing Fair Value Measurements and Disclosures" (AU sec. 328, "Auditing Fair Value Measurements and Disclosures"), as amended, is amended as follows:

- a. The section number "AU Section 328" is replaced with "AS 2502."
- b. In paragraph .06 each reference to "Section 342" or "section 342" is replaced with "AS 2501."



- c. In footnote 3 to paragraph .07, the reference to "section 332" is replaced with "AS 2503."
- d. In the first sentence of paragraph .11, the reference to "Auditing Standard No. 12" is replaced with "AS 2110."
- e. In the last sentence of the fifth bullet of paragraph .12, the reference to "section 324, *Service Organizations*" is replaced with "AS 2601, *Consideration of an Entity's Use of a Service Organization*."
- f. In the first sentence of paragraph .14, the reference to "Paragraph A5, second note of Auditing Standard No. 5" is replaced with "Paragraph .A5, second note of AS 2201."
- g. In the last sentence of paragraph .20, the reference to "section 336" is replaced with "AS 1210."
- h. In paragraph .22, the reference to "Section 336" or "section 336" is replaced with "AS 1210."
- i. In footnote 6 to paragraph .40, the reference to "section 329, *Analytical Procedures*" is replaced with "AS 2305, *Substantive Analytical Procedures*."
- j. In footnote 7 to paragraph .41, the reference to "section 560" is replaced with "AS 2801."
- k. In footnote 8 to paragraph .43, the reference to "paragraph 31 of Auditing Standard No. 14" is replaced with "paragraph .31 of AS 2810."
- l. In the last sentence of paragraph .47, the parenthetical reference to "paragraphs 12 through 18 and 24 through 27 of Auditing Standard No. 14, *Evaluating Audit Results*" is replaced with "AS 2810.12 through .18 and AS 2810.24 through .27."
- m. In the first sentence of paragraph .48:
 - The reference to "Section 333" is replaced with "AS 2805."
 - The reference to "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
- n. In paragraph .50, the reference to "Paragraphs 12–13 of Auditing Standard No. 16" is replaced with "Paragraphs .12–.13 of AS 1301."



AU sec. 329, "Substantive Analytical Procedures"

SAS No. 56, "Analytical Procedures" (AU sec. 329, "Substantive Analytical Procedures"), as amended, is amended as follows:

- a. The section number "AU Section 329" is replaced with "AS 2305."
- b. In the references before paragraph .01, the phrase "(Supersedes section 318)" is deleted.
- c. In the first note to paragraph .01, the reference to "Auditing Standard No. 12" is replaced with "AS 2110."
- d. In the second note to paragraph .01, the reference to "Auditing Standard No. 14" is replaced with "AS 2810."
- e. In the last sentence of paragraph .09, the parenthetical reference to "paragraph 11 of Auditing Standard No. 13" is replaced with "paragraph .11 of AS 2301."
- f. In footnote 1 to paragraph .09, the reference to "Auditing Standard No. 15" is replaced with "AS 1105."
- g. In the last sentence of paragraph .21, the parenthetical reference to "Auditing Standard No. 14, *Evaluating Audit Results*" is replaced with "AS 2810."

AU sec. 330, "The Confirmation Process"

SAS No. 67, "The Confirmation Process" (AU sec. 330, "The Confirmation Process"), as amended, is amended as follows:

- a. The section number "AU Section 330" is replaced with "AS 2310."
- b. In the references before paragraph .01, the phrase "(Supersedes section 331.03–.08)" is deleted.
- c. In paragraph .01:
 - In the first sentence, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
 - In the last bullet:



- In the first sentence, the reference to "section 331, *Inventories*, paragraphs .03–.08" is replaced with "paragraphs .03–.08 of AS 2510, *Auditing Inventories*."
 - Each reference to "section 331.01" is replaced with "AS 2510.01."
- d. In paragraph .02:
 - In the second sentence:
 - The reference to "section 350" is replaced with "AS 2315."
 - The reference to "Auditing Standard No. 13" is replaced with "AS 2301."
 - In the last sentence, the reference to "Auditing Standard No. 13, *The Auditor's Responses to the Risks of Material Misstatement*" is replaced with "AS 2301."
- e. In paragraph .03:
 - The reference to "section 336" is replaced with "AS 1210."
 - The reference to "section 337" is replaced with "AS 2505."
- f. In the first sentence of paragraph .05, the reference to "Auditing Standard No. 8" is replaced with "AS 1101."
- g. In the last sentence of paragraph .06, the reference to "paragraph 8 of Auditing Standard No. 15" is replaced with "paragraph .08 of AS 1105."
- h. In the last sentence of paragraph .11, the reference to "Auditing Standard No. 15, *Audit Evidence*," is replaced with "AS 1105."
- i. In paragraph .15, the parenthetical reference to "section 230" is replaced with "AS 1015."
- j. In footnote 2 to paragraph .27, the reference to "Section 334, *Related Parties*, paragraphs .09 and .10," is replaced with "Paragraphs .09 and .10 of AS 2410, *Related Parties*."
- k. In the last sentence of footnote 3 to paragraph .28, the reference to "Section 322, *The Auditor's Consideration of the Internal Audit Function*



in an Audit of Financial Statements" is replaced with "AS 2605, *Consideration of the Internal Audit Function*."

AU sec. 331, "Inventories"

SAS No. 1, "Codification of Auditing Standards and Procedures" section 331 "Inventories" (AU sec. 331, "Inventories"), as amended, is amended as follows:

- a. The section number "AU Section 331" is replaced with "AS 2510."
- b. The title "Inventories" is replaced with "Auditing Inventories."
- c. Footnote * to the title of the standard is deleted.
- d. Footnote 3 to the subtitle before paragraph .14, "Inventories Held in Public Warehouses," is deleted.
- e. In paragraph .15, the reference to "sections 508.24 and 508.67" is replaced with "paragraphs .24 and .67 of AS 3101, *Reports on Audited Financial Statements*."

AU sec. 332, "Auditing Derivative Instruments, Hedging Activities, and Investments in Securities"

SAS No. 92, "Auditing Derivative Instruments, Hedging Activities, and Investments in Securities" (AU sec. 332, "Auditing Derivative Instruments, Hedging Activities, and Investments in Securities"), as amended, is amended as follows:

- a. The section number "AU Section 332" is replaced with "AS 2503."
- b. Footnote 1 to the title of the standard is deleted.
- c. In the references before paragraph .01, the phrase "(Supersedes SAS No. 81)" is deleted.
- d. In the last sentence of paragraph .01, the reference to "paragraphs 11 and 12 of Auditing Standard No. 15" is replaced with "paragraphs .11 and .12 of AS 1105."
- e. In paragraph .06:
 - In the first sentence, the reference to "Auditing Standard No. 9" is replaced with "AS 2101."



- In the second sentence, the reference to "Auditing Standard No. 10" is replaced with "AS 1201."
 - In the last sentence, the reference to "AU sec. 336" is replaced with "AS 1210."
- f. In the last sentence of paragraph .07, the reference to "section 322, *The Auditor's Consideration of the Internal Audit Function in an Audit of Financial Statements*" is replaced with "AS 2605, *Consideration of the Internal Audit Function*."
- g. In the first sentence of paragraph .09, the reference to "Auditing Standard No. 12" is replaced with "AS 2110."
- h. Footnote 6 to paragraph .10 is deleted.
- i. In paragraph .11:
- In the fourth sentence, the reference to "Paragraphs 28 through 32 and B1 through B6 of Auditing Standard No. 12, *Identifying and Assessing Risks of Material Misstatement*" is replaced with "AS 2110.28 through .32 and AS 2110.B1 through .B6."
 - In the last sentence, the reference to "section 324, *Service Organizations*" is replaced with "AS 2601, *Consideration of an Entity's Use of a Service Organization*."
- j. In the note to paragraph .11, the reference to "paragraph 39 of PCAOB Auditing Standard No. 5" is replaced with "paragraph .39 of AS 2201."
- k. In footnote 8 to the fifth bullet of paragraph .14, the reference to "Section 324" is replaced with "AS 2601."
- l. In the last sentence of paragraph .15, the reference to "Auditing Standard No. 12, *Identifying and Assessing Risks of Material Misstatement*" is replaced with "AS 2110."
- m. In paragraph .16a, the reference to "section 324" is replaced with "AS 2601."
- n. Footnote 10 to paragraph .18 is deleted.
- o. In paragraph .21:



- In the first sentence of footnote 11 to the second bullet, the reference to "Section 330" is replaced with "AS 2310, *The Confirmation Process*."
 - In footnote 12 to the last bullet, the reference to "Section 329" is replaced with "AS 2305, *Substantive Analytical Procedures*."
- p. In footnote 13 to the second bullet of paragraph .22, the reference to "Section 330.17" is replaced with "AS 2310.17."
- q. In footnote 15 to paragraph .32, the reference to "section 508, *Reports on Audited Financial Statements*, paragraphs .16–.18" is replaced with "paragraphs .16–.18 of AS 3101, *Reports on Audited Financial Statements*."
- r. In paragraph .33:
- In the third sentence, the reference to "section 560, *Subsequent Events*, paragraphs .05–.06)" is replaced with "paragraphs .05–.06 of AS 2801, *Subsequent Events*."
 - In the last sentence, the reference to "section 560.03" is replaced with "AS 2801.03."
- s. In paragraph .35:
- In the sixth sentence, the reference to "section 342" is replaced with "AS 2501."
 - In the last sentence, the reference to "paragraphs 24 through 27 of Auditing Standard No. 14" is replaced with "paragraphs .24 through .27 of AS 2810."
- t. In paragraph .39:
- Each reference to "Section 336" is replaced with "AS 1210."
 - Each reference to "Section 324" is replaced with "AS 2601."
- u. In paragraph .43a, the reference to "section 342" is replaced with "AS 2501."



- v. In paragraph .43*b*, the reference to "section 336" is replaced with "AS 1210."
- w. In paragraph .49:
 - In the third sentence, the reference to "section 411, *The Meaning of Present Fairly in Conformity with Generally Accepted Accounting Principles*, paragraph .04" is replaced with "paragraph .04 of AS 2815, *The Meaning of 'Present Fairly in Conformity with Generally Accepted Accounting Principles*."
 - In the bracketed sentence, the reference to "section 411" is replaced with "AS 2815."
- x. In paragraph .51, the parenthetical reference to "paragraph 31 of Auditing Standard No. 14, *Evaluating Audit Results*" is replaced with "AS 2810.31."
- y. In paragraph .58:
 - In the first sentence, the reference to "Section 333" is replaced with "AS 2805."
 - In footnote 20, the reference to "section 333.17" is replaced with "AS 2805.17."

AU sec. 333, "Management Representations"

SAS No. 85, "Management Representations" (AU sec. 333, "Management Representations"), as amended, is amended as follows:

- a. The section number "AU Section 333" is replaced with "AS 2805."
- b. In the references before paragraph .01, the phrase "(Supersedes SAS No. 19)" is deleted.
- c. In paragraph .01, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
- d. In footnote 1 to paragraph .02, the reference to "Section 230" is replaced with "AS 1015."
- e. In the third sentence of paragraph .03, the reference to "section 334" is replaced with "AS 2410."



- f. In the note to paragraph .05, the reference to "paragraphs 75–77 of PCAOB Auditing Standard No. 5" is replaced with "paragraphs .75–.77 of AS 2201."
- g. In paragraph .06g:
- In footnote 4, the reference to "Auditing Standard No. 14" is replaced with "AS 2810."
 - In the first sentence of footnote 6, the reference to "Paragraph 11 of Auditing Standard No. 14, *Evaluating Audit Results*" is replaced with "AS 2810.11."
 - In footnote 7:
 - In the first sentence:
 - The reference to "section 317, *Illegal Acts by Clients*, paragraph .17" is replaced with "paragraph .17 of AS 2405, *Illegal Acts by Clients*."
 - The reference to "section 316, *Consideration of Fraud in a Financial Statement Audit*, paragraphs .79 through .82" is replaced with "paragraphs .79 through .82 of AS 2401, *Consideration of Fraud in a Financial Statement Audit*."
 - In the last sentence:
 - The reference to "section 317" is replaced with "AS 2405."
 - The reference to "section 316" is replaced with "2401."
- h. In footnote 9 to paragraph .06l, the reference to "section 334" is replaced with "AS 2410."
- i. In footnote 10 to paragraph .06o, the reference to "section 317" is replaced with "AS 2405."
- j. In footnote 11 to paragraph .06p:



- In the first sentence, the reference to "section 337, *Inquiry of a Client's Lawyer Concerning Litigations, Claims, and Assessments*, paragraph .05d" is replaced with " paragraph .05d of AS 2505, *Inquiry of a Client's Lawyer Concerning Litigations, Claims, and Assessments*."
 - The parenthetic reference to "section 9337.15–.17" is replaced with "paragraphs .15–.17 of AI 17, *Inquiry of a Client's Lawyer Concerning Litigations, Claims, and Assessments: Auditing Interpretations of AS 2505*."
- k. In footnote 12 to paragraph .06q, the reference to "section 337.05b" is replaced with "AS 2505.05b."
- l. In footnote 13 to paragraph .06t:
- a. The reference to "section 560, *Subsequent Events*, paragraph .12" is replaced with "paragraph .12 of AS 2801, *Subsequent Events*."
 - b. The reference to "section 711, *Filings Under Federal Securities Statutes*, paragraph .10" is replaced with "paragraph .10 of AS 4101, *Responsibilities Regarding Filings Under Federal Securities Statutes*."
 - c. The reference to "section 634, *Letters for Underwriters and Certain Other Requesting Parties*, paragraph .45, footnote 29" is replaced with "paragraph .45, footnote 31 of AS 6101, *Letters for Underwriters and Certain Other Requesting Parties*."
- m. Footnote 14 to paragraph .07 is deleted.
- n. In the fourth sentence of paragraph .09, the bracketed reference to "section 530, *Dating of the Independent Auditor's Report*, paragraph .05" is replaced with "paragraph .05 of AS 3105, *Dating of the Independent Auditor's Report*."
- o. In footnote 15 to paragraph .12, the reference to "section 508, *Reports on Audited Financial Statements*, paragraph .71" is replaced with "paragraph .71 of AS 3101, *Reports on Audited Financial Statements*."
- p. In footnote 16 to paragraph .12, the reference to "section 711.10" is replaced with "AS 4101.10."



- q. In footnote 18 to paragraph .13, the reference to "section 508.22–.34" is replaced with "AS 3101.22–.34."
- r. In the second sentence of item 4 of paragraph .16:
 - a. The reference to "section 316" is replaced with "AS 2401, *Consideration of Fraud in a Financial Statement Audit*."
 - b. The reference to "section 334" is replaced with "AS 2410."
- s. The second sentence in item 1 of paragraph .17 is deleted.

AU sec. 9333, "Management Representations: Auditing Interpretations of Section 333"

AU sec. 9333, "Management Representations: Auditing Interpretations of Section 333," is amended as follows:

- a. The section number "AU Section 9333" is replaced with "AI 21."
- b. The title "Management Representations: Auditing Interpretations of Section 333" is replaced with "Management Representations: Auditing Interpretations of AS 2805."
- c. In the first sentence of paragraph .01, the reference to "Section 333" is replaced with "AS 2805."
- d. In paragraph .02, each reference to "Section 317" or "section 317" is replaced with "AS 2405."
- e. In the second sentence of paragraph .03, the reference to "Section 333" is replaced with "AS 2805."

AU sec. 334, "Related Parties"

SAS No. 45, "Related Parties" (AU sec. 334 "Related Parties"), as amended, is amended as follows:

- a. The section number "AU Section 334" is replaced with "AS 2410."
- b. Footnote * to the parenthetical reference of the superseded standard before paragraph .01 is deleted.



- c. In the references before paragraph .01, the phrase "(Supersedes Statement on Auditing Standards No. 6, AICPA, *Professional Standards*, vol. 1, AU sec. 335.01–.19)" is deleted.
- d. In the first sentence of paragraph .01, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
- e. In paragraph .04, each phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
- f. In the first sentence of paragraph .10, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
- g. In footnote 8 to paragraph .11, the reference to "paragraph 31 of Auditing Standard No. 14" is replaced with "paragraph .31 of AS 2810."
- h. In the last sentence of paragraph .12, the parenthetical reference to "section 508.35 and .36" is replaced with "paragraphs .35 and .36 of AS 3101, *Report on Audited Financial Statements*."

AU sec. 9334, "Related Parties: Auditing Interpretations of Section 334"

AU sec. 9334, "Related Parties: Auditing Interpretations of Section 334," as amended, is amended as follows:

- a. The section number "AU Section 9334" is replaced with "AI 14."
- b. The title "Related Parties: Auditing Interpretations of Section 334" is replaced with "Related Parties: Auditing Interpretations of AS 2410."
- c. Footnote * to the section number is deleted.
- d. In paragraphs [.01–.05], the parenthetical reference to "section 334" is replaced with "AS 2410, *Related Parties*."
- e. In paragraphs [.06–.09], the parenthetical reference to "section 334" is replaced with "AS 2410."
- f. In paragraphs [.10–.11], the parenthetical reference to "section 334" is replaced with "AS 2410."
- g. In the first sentence of paragraph .12, the reference to "Section 334, *Related Parties*, paragraphs .04 and .07" is replaced with "AS 2410.04 and .07."



- h. In the first sentence of paragraph .14, the reference to "section 334.09" is replaced with "AS 2410.09."
- i. In paragraph .15:
 - In footnote 2, the reference to "*Specified Procedures Performed by Other Auditors at the Principal Auditor's Request*, section 9543.01–.03" is replaced with "'Specified Procedures Performed by Other Auditors at the Principal Auditor's Request,' paragraphs .01–.03 of AI 10, *Part of the Audit Performed by Other Independent Auditors: Auditing Interpretations of AS 1205*."
 - In footnote 3, the reference to "section 543.12c" is replaced with "paragraph .12c of AS 1205, *Part of the Audit Performed by Other Independent Auditors*."
- j. In the first sentence of paragraph .16, the reference to "Section 334, *Related Parties*," is replaced with "AS 2410."
- k. In footnote 4 to paragraph .17, the reference to "Auditing Standard No. 8" is replaced with "AS 1101."
- l. In footnote 5 to paragraph .18, the reference to "section 334.06" is replaced with "AS 2410.06."
- m. In the first sentence of paragraph .20, the reference to "Section 334, *Related Parties*, paragraph .07," is replaced with "AS 2410.07."
- n. In the last sentence of paragraph .23, the reference to "Section 334, *Related Parties*, paragraph .12 (section 334.12)," is replaced with "AS 2410.12."

AU sec. 336, "Using the Work of a Specialist"

SAS No. 73, "Using the Work of a Specialist" (AU sec. 336, "Using the Work of a Specialist"), as amended, is amended as follows:

- a. The section number "AU Section 336" is replaced with "AS 1210."
- b. In the references before paragraph .01, the phrase "(Supersedes SAS No. 11) is deleted.
- c. In paragraph .01:



- In the first sentence, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
 - In footnote 1, the reference to "Auditing Standard No. 10" is replaced with "AS 1201."
- d. In the second sentence of paragraph .02, the reference to "section 337" is replaced with "AS 2505."
- e. In paragraph .04, the reference to "section 623" is replaced with "AS 3305."
- f. In footnote 3 to paragraph .04, the reference to "section 623, *Special Reports*" is replaced with "AS 3305."
- g. In in the last sentence of paragraph .05, the reference to "Auditing Standard No. 10, *Supervision of the Audit Engagement*" is replaced with "AS 1201."
- h. In footnote 4 to paragraph .07c, the parenthetical sentence is deleted.
- i. In footnote 6 to paragraph .10, the reference to "section 334, *Related Parties*, footnote 1" is replaced with "footnote 1 of AS 2410, *Related Parties*."
- j. In the last sentence of paragraph .13, the parenthetical reference to "section 508, *Reports on Audited Financial Statements*, paragraphs .22 and .23" is replaced with "paragraphs .22 and .23 of AS 3101, *Reports on Audited Financial Statements*."
- k. In the last sentence of paragraph .14, the parenthetical reference to "section 508.35, .36, and .41" is replaced with "AS 3101.35, .36, and .41."

AU sec. 9336, "Using the Work of a Specialist: Auditing Interpretations of Section 336"

AU sec. 9336, "Using the Work of a Specialist: Auditing Interpretations of Section 336," as amended, is amended as follows:

- a. The section number "AU Section 9336" is replaced with "AI 11."



- b. The title "Using the Work of a Specialist: Auditing Interpretations of Section 336" is replaced with "Using the Work of a Specialist: Auditing Interpretations of AS 1210."
- c. In the first sentence of paragraph .04, the reference to "Section 336, *Using the Work of a Specialist*, paragraph .06" is replaced with "Paragraph .06 of AS 1210, *Using the Work of a Specialist*."
- d. In the second sentence of paragraph .11, the reference to "Section 336.13" is replaced with "AS 1210.13."
- e. In the fourth sentence of paragraph .15, the reference to "Paragraph 6 of Auditing Standard No. 15" is replaced with "Paragraph .06 of AS 1105."
- f. In the second sentence of paragraph .17, the reference to "section 336.09" is replaced with "AS 1210.09."
- g. In paragraph .21:
 - In footnote 14, the reference to "section 336.13" is replaced with "AS 1210.13."
 - In the third sentence, the reference to "section 508, *Reports on Audited Financial Statements*, paragraphs .35 through .60" is replaced with "paragraphs .35 through .60 of AS 3101, *Reports on Audited Financial Statements*."

In the last sentence, the reference to "section 508.22–.26 and 508.61–.63." is replaced with "AS 3101.22–.26 and AS 3101.61–.63."

AU sec. 337, "Inquiry of a Client's Lawyer Concerning Litigation, Claims, and Assessments"

SAS No. 12, "Inquiry of a Client's Lawyer Concerning Litigation, Claims, and Assessments" (AU sec. 336, "Inquiry of a Client's Lawyer Concerning Litigation, Claims, and Assessments"), as amended, is amended as follows:

- a. The section number "AU Section 337" is replaced with "AS 2505."
- b. Footnote 1 to the title of the standard is deleted.
- c. In paragraph .01, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."



- d. In footnote 2 to paragraph .03:
 - The first sentence is deleted.
 - In the last sentence, the term "SAS" is replaced with "auditing standard."
- e. In footnote 4 to the subtitle before paragraph .08 ("*Inquiry of a Client's Lawyer*"), the parenthetical reference to "section 337A" is replaced with "AS 2505A."
- f. In footnote 6 to the subtitle before paragraph .12 ("*Limitations on the Scope of a Lawyer's Response*"), the parenthetical reference to "section 337C" is replaced with "AS 2505C."
- g. In the first sentence of paragraph .13, the parenthetical reference to "section 508.22 and .23" is replaced with "paragraphs .22 and .23 of AS 3101, *Reports on Audited Financial Statements*."
- h. In the fourth sentence of paragraph .14, the reference to "section 508.45 through .49" is replaced with "AS 3101.45 through .49."
- i. The section number "AU Section 337A" is replaced with "AS 2505A."
- j. In AU Section 337A, the paragraph number ".01" is deleted.
- k. Exhibit I, AU sec. 337B and related footnotes are deleted.
- l. The section number "AU Section 337C" is replaced with "AS 2505C."

AU sec. 9337, "Inquiry of a Client's Lawyer Concerning Litigation, Claims, and Assessments: Auditing Interpretation of Section 337"

AU sec. 9337, "Inquiry of a Client's Lawyer Concerning Litigation, Claims, and Assessments: Auditing Interpretation of Section 337," as amended, is amended as follows:

- a. The section number "AU Section 9337" is replaced with "AI 17."
- b. The title "Inquiry of a Client's Lawyer Concerning Litigation, Claims, and Assessments: Auditing Interpretations of Section 337" is replaced with "Inquiry of a Client's Lawyer Concerning Litigation, Claims, and Assessments: Auditing Interpretation of AS 2505."



- c. In the first sentence of paragraph .01, the reference to "section 337" is replaced with "AS 2505."
- d. In the first sentence of paragraph .04, the reference to "[section 337A] to section 337, *Inquiry of a Client's Lawyer Concerning Litigation, Claims, and Assessments*," is replaced with "[AS 2505A] to AS 2505."
- e. In the first sentence of paragraph .05, the reference to "Section 560.10 through .12 indicates" is replaced with "Paragraphs .10 through .12 of AS 2801, *Subsequent Events*, indicate."
- f. In the first sentence of paragraph .06, the reference to "[section 337A] to section 337, *Inquiry of a Client's Lawyer Concerning Litigation, Claims, and Assessments*," is replaced with "[AS 2505A] to AS 2505."
- g. In the first sentence of paragraph .07, the reference to "[section 337A] to section 337" is replaced with "[AS 2505A] to AS 2505."
- h. In the first sentence of paragraph .08, the reference to "Section 337, *Inquiry of a Client's Lawyer Concerning Litigation, Claims, and Assessments*, paragraph .05c," is replaced with "AS 2505.05c."
- i. In the second sentence of paragraph .09:
 - The parenthetical reference to "section 337.13" is replaced with "AS 2505.13."
 - The reference to "section 337.05c" is replaced with "AS 2505.05c."
- j. In the first sentence of paragraph .10, the reference to "[section 337A] of section 337, *Inquiry of a Client's Lawyer Concerning Litigation, Claims, and Assessments*," is replaced with "[AS 2505A] of AS 2505."
- k. In paragraph .11:
 - In the first sentence, the reference to "Section 337.09," is replaced with "AS 2505.09."
 - In the second sentence, the reference to "section 337" is replaced with "AS 2505."
- l. In the last sentence of footnote 1 to paragraph .13:
 - The reference to "section 337" is replaced with "AS 2505."



- The bracketed reference to "section 337C" is replaced with "AS 2505C."
- m. In footnote 2 to paragraph .14, the parenthetical reference to "sections 9337.01–.05" is replaced with "paragraphs .01–.05."
- n. In the first sentence of paragraph .15, the reference to "Section 337.06" is replaced with "AS 2505.06."
- o. In paragraph .16:
 - In the first sentence, the reference to "Section 337" is replaced with "AS 2505."
 - In the second sentence:
 - The reference to "section 337.05 and .07" is replaced with "AS 2505.05 and .07."
 - The reference to "section 333, *Management Representations*, paragraph .06m and n" is replaced with "paragraphs .06o and p of AS 2805, *Management Representations*."
- p. In the first sentence of paragraph .18, the reference to "Section 337, *Inquiry of a Client's Lawyer Concerning Litigation, Claims, and Assessments*, paragraph .09d(2)," is replaced with "AS 2505.09d(2)."
- q. In paragraph .19:
 - In the first sentence, the reference to "[section 337C] to section 337" is replaced with "[AS 2505C] to AS 2505."
 - In the second sentence, the bracketed reference to "section 337C" is replaced with "AS 2505C."
- r. In the first sentence of paragraph .22:
 - The reference to "section 337.14" is replaced with "AS 2505.14."
 - The bracketed reference to "section 337C" is replaced with "AS 2505C."



- s. In the last sentence of paragraph .23, the reference to "section 508.45 through .49" is replaced with "paragraphs .45 through .49 of AS 3101, *Reports on Audited Financial Statements*."
- t. In the first sentence of paragraph .24, the reference to "Section 337.06" is replaced with "AS 2505.06."
- u. In the first sentence of paragraph .25, the reference to "Section 337.08" is replaced with "AS 2505.08."
- v. In footnote 4 to paragraph .26, the reference to "section 337.08" is replaced with "AS 2505.08."
- w. In paragraph .32:
 - In the third sentence, the bracketed reference to "section 337C" is replaced with "AS 2505C."
 - In footnote 5, each bracketed reference to "section 337C" is replaced with "AS 2505C."

AU sec. 341, "The Auditor's Consideration of an Entity's Ability to Continue as a Going Concern"

SAS No. 59, "The Auditor's Consideration of an Entity's Ability to Continue as Going Concern" (AU sec. 341, "The Auditor's Consideration of an Entity's Ability to Continue as a Going Concern"), as amended, is amended as follows:

- a. The section number "AU Section 341" is replaced with "AS 2415."
- b. The title "The Auditor's Consideration of an Entity's Ability to Continue as a Going Concern" is replaced with "Consideration of an Entity's Ability to Continue as a Going Concern."
- c. In the references before paragraph .01, the phrase "(Supersedes section 340)" is deleted.
- d. In paragraph .01:
 - In the first sentence, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
 - In the last sentence of footnote 1, the parenthetical reference to "section 9508.33–.38" is replaced with "AI 23.33–.38."



- e. In the last sentence of paragraph .02, the reference to "Auditing Standard No. 15" is replaced with "AS 1105."
- f. In the first sentence of footnote 3 to the fifth bullet of paragraph .10, the phrase "generally accepted auditing standards" is replaced with "PCAOB auditing standards."
- g. In the last sentence of footnote 4 to paragraph .12, the parenthetical reference to "section 508" is replaced with "AS 3101."
- h. In the last sentence of paragraph .14, the reference to "section 508, *Reports on Audited Financial Statements*" is replaced with "AS 3101."
- i. In the last sentence of paragraph .15, the reference to "section 508" is replaced with "AS 3101."
- j. In the first sentence of paragraph .17A, the reference to "Paragraph 17 of Auditing Standard No. 16" is replaced with "Paragraph .17 of AS 1301."

AU sec. 9341, "The Auditor's Consideration of an Entity's Ability to Continue as a Going Concern: Auditing Interpretations of Section 341"

AU sec. 9341, "The Auditor's Consideration of an Entity's Ability to Continue as a Going Concern: Auditing Interpretations of Section 341," as amended, is amended as follows:

- a. The section number "AU Section 9341" is replaced with "AI 15."
- b. The title "The Auditor's Consideration of an Entity's Ability to Continue as a Going Concern: Auditing Interpretations of Section 341" is replaced with "Consideration of an Entity's Ability to Continue as a Going Concern: Auditing Interpretations of AS 2415."
- c. In paragraph .02:
 - In footnote 2, the reference to "Section 530, *Dating of the Independent Auditor's Report*, paragraph .05" is replaced with "Paragraph .05 of AS 3105, *Dating of the Independent Auditor's Report*."
 - In the second bullet, the reference to "section 560, *Subsequent Events*, paragraph .12" is replaced with "paragraph .12 of AS 2801, *Subsequent Events*."



- In the third bullet, the reference to "section 341, *The Auditor's Consideration of an Entity's Ability to Continue as a Going Concern*, paragraphs .06 through .11," is replaced with "paragraphs .06 through .11 of AS 2415, *Consideration of an Entity's Ability to Continue as a Going Concern*."

AU sec. 342, "Auditing Accounting Estimates"

SAS No. 57, "Auditing Accounting Estimates" (AU sec. 342, "Auditing Accounting Estimates"), as amended, is amended as follows:

- a. The section number "AU Section 342" is replaced with "AS 2501."
- b. In the first sentence of paragraph .01, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
- c. In paragraph .07c:
 - In footnote 2:
 - The reference to "Section 411, *The Meaning of Present Fairly in Conformity With Generally Accepted Accounting Principles*" is replaced with "AS 2815, *The Meaning of 'Present Fairly in Conformity with Generally Accepted Accounting Principles*."
 - In the bracketed sentence, the reference to "section 411" is replaced with "AS 2815."
 - In footnote 3, the reference to "paragraph 31 of Auditing Standard No. 14" is replaced with "paragraph .31 of AS 2810."
- d. In paragraph .08b:
 - In item 1, the parenthetical reference to "Auditing Standard No. 12" is replaced with "AS 2110."
 - In item 3, the parenthetical reference to "section 337" is replaced with "AS 2505."
- e. In paragraph .11h, the parenthetical reference to "section 336" is replaced with "AS 1210."



- f. In paragraph .14, the reference to "Paragraphs 24 through 27 of Auditing Standard No. 14, *Evaluating Audit Results*," is replaced with "AS 2810.24 through .27."

AU sec. 9342, "Auditing Accounting Estimates: Auditing Interpretations of Section 342"

AU sec. 9342, "Auditing Accounting Estimates: Auditing Interpretations of Section 342," as amended, is amended as follows:

- a. The section number "AU Section 9342" is replaced with "AI 16."
- b. The title "Auditing Accounting Estimates: Auditing Interpretations of Section 342" is replaced with "Auditing Accounting Estimates: Auditing Interpretations of AS 2501."
- c. In the first sentence of paragraph .06—the example paragraph—the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board."
- d. In the last sentence of paragraph .07, the reference to "Auditing Standard No. 17" is replaced with "AS 2701."
- e. In the last sentence of paragraph .09, the reference to "section 550" is replaced with "AS 2710."
- f. In the second flowchart of paragraph .10, "Auditing Guidance for Fair Value Information: Required and Voluntary Information":
 - The reference to "paragraph 10 of Auditing Standard No. 17, *Auditing Supplemental Information Accompanying Audited Financial Statements*," is replaced with "AS 2701.10."
 - The reference to "section 550" is replaced with "AS 2710."
 - The reference to "Interpretation 11 of section 623, 'Reporting on Current-Value Financial Statements That Supplement Historical Cost Financial Statements in a General-Use Presentation of Real Estate Entities'" is replaced with "AI 24, *Special Reports: Auditing Interpretations of AS 3305*, Interpretation 11, 'Reporting on Current-Value Financial Statements That Supplement Historical Cost



Financial Statements in a General-Use Presentation of Real Estate Entities."

AU sec. 350, "Audit Sampling"

SAS No. 39, "Audit Sampling" (AU sec. 350, "Audit Sampling"), as amended, is amended as follows:

- a. The section number "AU Section 350" is replaced with "AS 2315."
- b. In the references before paragraph .01, the phrase "(Supersedes Statement of Auditing Standards No. 1, sections 320A, and 320B.)" is deleted.
- c. The first sentence in the references preceding paragraph .01 is deleted.
- d. In the last sentence of footnote 2 to paragraph .02, the reference to "Auditing Standard No. 14" is replaced with "AS 2810."
- e. In the note to paragraph .06:
 - The reference to "Auditing Standard No. 15" is replaced with "AS 1105."
 - The reference to "Auditing Standard No. 14, *Evaluating Audit Results*," is replaced with "AS 2810."
- f. In the first sentence of paragraph .07, the phrase "referred to in the third standard of field work" is deleted.
- g. In the note to paragraph .09, the reference to "Auditing Standard No. 8" is replaced with "AS 1101."
- h. In the last sentence of paragraph .11, the parenthetical reference to "section 161, *The Relationship of Generally Accepted Auditing Standards to Quality Control Standards*" is replaced with "AS 1110, *Relationship of Auditing Standards to Quality Control Standards*."
- i. In paragraph .15, the reference to "Auditing Standard No. 9" is replaced with "AS 2101."
- j. In the first sentence of paragraph .18A, the reference to "Paragraphs 8–9 of Auditing Standard No. 11" is replaced with "Paragraphs .08–.09 of AS 2105."



- k. The first sentence in paragraph .19 is deleted.
- l. In footnote 6 to paragraph .26, the reference to "Paragraphs 10 through 23 of Auditing Standard No. 14, *Evaluating Audit Results*," is replaced with "AS 2810.10 through .23."
- m. In the last sentence of paragraph .39, the reference to "Paragraphs 44 through 46 of Auditing Standard No. 13" is replaced with "Paragraphs .44 through .46 of AS 2301."
- n. In the note to paragraph .44, the reference to "Paragraph 47 of Auditing Standard No. 13, *The Auditor's Responses to the Risks of Material Misstatement*" is replaced with "AS 2301.47."

AU sec. 390, "Consideration of Omitted Procedures After the Report Date"

SAS No. 46, "Consideration of Omitted Procedures After the Report Date" (AU sec. 390, "Consideration of Omitted Procedures After the Report Date"), is amended as follows:

- a. The section number "AU Section 390" is replaced with "AS 2901."
- b. In the last sentence of paragraph .01, the reference to "section 561" is replaced with "AS 2905, *Subsequent Discovery of Facts Existing at the Date of the Auditor's Report*."
- c. In footnote 2 to paragraph .02, the reference to "section 161, *The Relationship of Generally Accepted Auditing Standards to Quality Control Standards*, paragraph .02" is replaced with "paragraph .02 of AS 1110, *Relationship of Auditing Standards to Quality Control Standards*."
- d. In paragraph .06, the reference to "section 561.05–.09" is replaced with "AS 2905.05–.09."

AU sec. 410, "Adherence to Generally Accepted Accounting Principles"

SAS No. 1, "Codification of Auditing Standards and Procedures" (AU sec. 410, "Adherence to Generally Accepted Accounting Principles"), as amended, is rescinded.

AU sec. 9410, "Adherence to Generally Accepted Accounting Principles: Auditing Interpretations of Section 410"

AU sec. 9410, "Adherence to Generally Accepted Accounting Principles: Auditing Interpretations of Section 410," as amended, is rescinded.



AU sec. 411, "The Meaning of *Present Fairly in Conformity With Generally Accepted Accounting Principles*"

SAS No. 69, "The Meaning of *Present Fairly in Conformity With Generally Accepted Accounting Principles*" (AU sec. 411, "The Meaning of *Present Fairly in Conformity With Generally Accepted Accounting Principles*"), as amended, is amended as follows:

- a. The section number "AU Section 411" is replaced with "AS 2815."
- b. The title "The Meaning of *Present Fairly in Conformity With Generally Accepted Accounting Principles*" is replaced with "The Meaning of '*Present Fairly in Conformity with Generally Accepted Accounting Principles*.'"
- c. Footnote * to the title of the standard is deleted.
- d. In the references before paragraph .01, the phrase "(Supersedes SAS No. 5)" is deleted.
- e. The first sentence in the references preceding paragraph .01 is deleted.
- f. In the second sentence of paragraph .01, the parenthetical reference to "section 508.08*h*" is replaced with "paragraph .08*h* of AS 3101, *Reports on Audited Financial Statements*."
- g. In paragraph .04:
 - In item (c), the parenthetical reference to "paragraph 31 of Auditing Standard No. 14" is replaced with "paragraph .31 of AS 2810."
 - In item (d), the parenthetical reference to "paragraph 31 of Auditing Standard No. 14, *Evaluating Audit Results*" is replaced with "AS 2810.31."
 - In the last sentence of footnote 1:
 - The parenthetical reference to "section 150.04" is deleted.
 - The parenthetical reference to "Auditing Standard No. 11" is replaced with "AS 2105."
 - The parenthetical reference to "508.36" is replaced with "3101.36."



- h. In the second sentence of paragraph .08:
- The reference to "Section 544, *Lack of Conformity With Generally Accepted Accounting Principles*, paragraph .04" is replaced with "Paragraph .04 of AS 3310, *Special Reports on Regulated Companies*."
 - The reference to "section 623, *Special Reports*" is replaced with "AS 3305, *Special Reports*."

AU sec. 504, "Association With Financial Statements"

SAS No. 26, "Association With Financial Statements" (AU sec. 504, "Association With Financial Statements"), as amended, is amended as follows:

- a. The section number "AU Section 504" is replaced with "AS 3320."
- b. In the title, the "W" in the word "With" is changed to lower case.
- c. In the references before paragraph .01, the phrase "(Supersedes Statement on Auditing Standards No. 1, Sections 516, 517, and 518 and Statement on Auditing Standards No. 15, paragraph 13–15)" is deleted.
- d. In paragraph .01:
- The introductory phrase "The fourth standard of reporting is:" is deleted.
 - In the last sentence, the phrase "fourth reporting standard" is replaced with "preceding paragraph."
- e. In paragraph .02:
- In the first sentence, the phrase "the fourth reporting standard" is replaced with "paragraph .01."
 - In the last sentence, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
- f. In paragraph .04:
- In the second sentence, the reference to "section 508" is replaced with "AS 3101."



- In the last sentence, the reference to "section 722, *Interim Financial Information*" is replaced with "AS 4105, *Reviews of Interim Financial Information*."
- g. In paragraph .05:
- Following the first sentence, the parenthetical phrase ", city and state or country," is added following "(Signature."
 - In the second sentence, the phrase "the fourth standard of reporting" is replaced with "paragraph .01."
- h. In paragraph .07:
- The parenthetical reference to "section 623.02–.10" is replaced with "paragraphs .02–.10 of AS 3305."
 - Following the second sentence, the parenthetical phrase ", city and state or country," is added following "(Signature."
- i. In paragraph .08:
- In the first sentence, the phrase "The second general standard requires that" is deleted.
 - The quotation marks included in the first sentence are deleted.
- j. In the first sentence of paragraph .09, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
- k. Following the last sentence of paragraph .10, the parenthetical phrase ", city and state or country," is added following "(Signature."
- l. In the first sentence of paragraph .15, the parenthetical reference to "section 530.06–.08" is replaced with "paragraphs .06–.08 of AS 3105, *Dating of the Independent Auditor's Report*."
- m. In paragraph .18, the phrase "applicable standards established by the American Institute of Certified Public Accountants" is replaced with "the standards of the PCAOB."
- n. In paragraph .19:



- The parenthetical reference to "section 634" is replaced with "AS 6101."
- In footnote *:
 - In the second sentence, the reference to "Section 634" is replaced with "AS 6101."
 - In the third sentence, the reference to "section 634" is replaced with "the referenced standard."
 - The parenthetical reference to "section 634" is replaced with "AS 6101."
- o. In paragraph [.20], the parenthetical reference to "section 634" is replaced with "AS 6101."

AU sec. 9504, "Association With Financial Statements: Auditing Interpretations of Section 504"

AU sec. 9504, "Association With Financial Statements: Auditing Interpretations of Section 504," as amended, is amended as follows:

- a. The section number "AU Section 9504" is replaced with "AI 25."
- b. The title "Association With Financial Statements: Auditing Interpretations of Section 504" is replaced with "Association with Financial Statements: Auditing Interpretations of AS 3320."
- c. In paragraph .07, the reference to "section 722" is replaced with "AS 4105, *Reviews of Interim Financial Information*."
- d. In paragraph .15:
 - In the first sentence, the reference to "Section 150.02" is replaced with "Paragraph .04 of AS 3101, *Reports on Audited Financial Statements*."
 - In the second sentence, the reference to "Section 504.03" is replaced with "Paragraph .03 of AS 3320, *Association with Financial Statements*."
- e. In the first sentence of paragraph .19, the reference to "Section 504" is replaced with "AS 3320."



- f. In paragraph .20:
- In the first sentence, the reference to "Section 504" is replaced with "AS 3320."
 - The third and fourth sentences are deleted.
- g. Paragraph .21 is replaced with "PCAOB Rules establish requirements regarding auditor independence."
- h. In the first sentence of paragraph .22, the reference to "Section 504.10" is replaced with "AS 3320.10."

AU sec. 508, "Reports on Audited Financial Statements"

SAS No. 58, "Reports on Audited Financial Statements" (AU sec. 508, "Reports on Audited Financial Statements"), as amended, is amended as follows:

- a. The section number "AU Section 508" is replaced with "AS 3101."
- b. Footnote * to the title of the standard is deleted.
- c. In the references before paragraph .01, the phrase "(Supersedes sections 505, 509, 542, 545, and 546)" is deleted.
- d. In paragraph .01:
- In footnote 1:
 - In the first sentence, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
 - The second sentence is deleted.
 - In the note:
 - In the second sentence:
 - The reference to "paragraphs 85–98 of PCAOB Auditing Standard No. 5" is replaced with "paragraphs .85–.98 of AS 2201."
 - The reference to "Appendix C, *Special Reporting Situations*, of PCAOB Auditing Standard No. 5, *An*



Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements is replaced with "Appendix C, *Special Reporting Situations*, of AS 2201."

- In the last sentence, the reference to "paragraphs 86–88 of PCAOB Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*" is replaced with "AS 2201.86–.88."
- e. In paragraph .02:
- The reference to "section 504, *Association With Financial Statements*" is replaced with "AS 3320, *Association with Financial Statements*."
 - The reference to "section 623" is replaced with "AS 3305."
- f. In paragraph .03:
- In the first sentence, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
 - The second sentence is deleted.
 - In the last sentence, the phrase "fourth reporting standard" is replaced with "requirements in paragraph .04."
- g. In paragraph .04, the introductory phrase "The fourth standard of reporting is as follows:" is deleted.
- h. In paragraph .05:
- In the first sentence, the phrase "fourth standard" is replaced with "requirements in paragraph .04."
 - In the second sentence, the phrase "the fourth reporting standard" is replaced with "paragraph .04."
 - In the third sentence, the parenthetical phrase "fourth standard of reporting" is replaced with "requirements in paragraph .04."



- i. In the last sentence of paragraph .07, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
- j. In footnote 3 to paragraph .08a, the phrase "section 504, *Association With Financial Statements*," is replaced with "AS 3320."
- k. In paragraph .08d:
 - The phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
 - The parenthetical phrase "auditing standards generally accepted in the United States of America or U.S. generally accepted auditing standards" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
- l. In the first sentence of footnote 5 to paragraph .08f, the reference to "Section 411, *The Meaning of Present Fairly in Conformity With Generally Accepted Accounting Principles*, paragraphs .03 and .04," is replaced with "Paragraphs .03 and .04 of AS 2815, *The Meaning of 'Present Fairly in Conformity with Generally Accepted Accounting Principles*."
- m. Footnote 6 to paragraph .08h is deleted.
- n. Paragraph ".08k" is replaced with ".08l."
- o. Paragraph ".08j" is replaced with ".08k."
- p. Paragraph .08j is added:

The city and state (or city and country, in the case of non-U.S. auditors) from which the auditor's report has been issued
- q. Footnote 6a is added to the end of the added paragraph .08j:

See SEC Rule 2-02(a) of Regulation S-X, 17 C.F.R. § 210.2-02(a).
- r. In the first sentence of footnote 7 to paragraph .08j, the reference to "section 530" is replaced with "AS 3105."
- s. In the first Independent Auditor's Report following paragraph .08j:
 - In the first sentence of the second paragraph, the phrase "auditing standards generally accepted in the United States of America" is



replaced with "the standards of the Public Company Accounting Oversight Board (United States)."

- The phrase "[*City and State or Country*]" is added following the term "[*Signature*]."
- t. In the second Independent Auditor's Report following paragraph .08j:
- In the first sentence of the second paragraph, the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
 - The phrase "[*City and State or Country*]" is added following the term "[*Signature*]."
- u. In the first sentence of footnote 11 to paragraph .11b, the reference to "Section 341, *The Auditor's Consideration of an Entity's Ability to Continue as a Going Concern*" is replaced with "AS 2415, *Consideration of an Entity's Ability to Continue as a Going Concern*."
- v. In the last sentence of paragraph .11f, the parenthetical reference to "section 722, *Interim Financial Information*, paragraph .50" is replaced with "paragraph .50 of AS 4105, *Reviews of Interim Financial Information*."
- w. In the last sentence of paragraph .11g, the parenthetical reference to "section 558, *Required Supplementary Information*, paragraph .02" is replaced with "paragraph .02 of AS 2705, *Unaudited Supplementary Information Included in Audited Financial Statements*."
- x. In the last sentence of paragraph .11h, the parenthetical reference to "section 550, *Other Information in Documents Containing Audited Financial Statements*, paragraph .04" is replaced with "paragraph .04 of AS 2710, *Other Information in Documents Containing Audited Financial Statements*."
- y. In the last sentence of paragraph .12, the parenthetical reference to "section 543, *Part of Audit Performed by Other Independent Auditors*" is replaced with "AS 1205, *Part of the Audit Performed by Other Independent Auditors*."
- z. In the first sentence of the second paragraph in the Independent Auditor's Report following paragraph .13, the phrase "auditing standards generally



- accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
- aa. In the first sentence of paragraph .17A, the reference to "PCAOB Auditing Standard No. 6" is replaced with "AS 2820."
 - bb. In the first sentence of paragraph .22, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
 - cc. In the third sentence of footnote 14 to paragraph .24, the reference to "section 331, *Inventories*," is replaced with "AS 2510, *Auditing Inventories*."
 - dd. In the first sentence of the first paragraph in the Independent Auditor's Report following paragraph .26, the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
 - ee. In the fourth sentence of paragraph .28, the reference to "section 530, *Dating of the Independent Auditor's Report*," is replaced with "AS 3105."
 - ff. In the first sentence of the second paragraph in the Independent Auditor's Report following paragraph .34, the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
 - gg. In the first sentence of paragraph .35, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
 - hh. In the third sentence of paragraph .41, the reference to "Statement on Auditing Standards" is replaced with "PCAOB standard."
 - ii. In the last sentence of paragraph .49, the parenthetical reference to "paragraph 13 of Auditing Standard No. 14" is replaced with "paragraph .13 of AS 2810."
 - jj. In the first sentence of footnote 20 to paragraph .62, the reference to "Section 504, *Association With Financial Statements*, paragraph .05" is replaced with "AS 3320.05."
 - kk. In the second sentence of footnote 21 to the Independent Auditor's Report following paragraph .63, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."



- ll. In paragraph .65:
- In the first sentence, the phrase "The fourth standard of reporting" is replaced with "Paragraph .04."
 - In the second sentence, the phrase "the fourth reporting standard" is replaced with "paragraph .04."
 - The parenthetical reference to "section 530, *Dating of the Independent Auditor's Report*, paragraph .01" is replaced with "AS 3105.01."
- mm. In the first sentence of footnote 23 to paragraph .65, the parenthetical reference to "section 530, *Dating of the Independent Auditor's Report*, paragraphs .06 through .08" is replaced with "AS 3105.06 through .08."
- nn. In the second sentence of paragraph .66, the parenthetical reference to "paragraph 31 of Auditing Standard No. 14, *Evaluating Audit Results*" is replaced with "AS 2810.31."
- oo. In the first sentence of the first paragraph in the Independent Auditor's Report titled, "*Standard Report on the Current-Year Financial Statements With a Disclaimer of Opinion on the Prior-Year Statements of Income, Retained Earnings, and Cash Flows*," following paragraph .67, the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
- pp. In the second sentence of footnote 25 to the Independent Auditor's Report titled, "*Standard Report on the Current-Year Financial Statements With a Disclaimer of Opinion on the Prior-Year Statements of Income, Retained Earnings, and Cash Flows*," following paragraph .67, the reference to "PCAOB Auditing Standard No. 6, *Evaluating Consistency of Financial Statements*," is replaced with "AS 2820."
- qq. In the sixth sentence of paragraph .71, the reference to "section 543, *Part of Audit Performed by Other Independent Auditors*, paragraphs .10 through .12" is replaced with "AS 1205.10 through .12."
- rr. In the first sentence of footnote 28 to paragraph .71, the reference to "section 333" is replaced with "AS 2805."



- ss. In paragraph .73, the parenthetical reference to "section 530, *Dating of the Independent Auditor's Report*, paragraph .05" is replaced with "AS 3105.05."

AU sec. 9508, "Reports on Audited Financial Statements: Auditing Interpretations of Section 508"

AU sec. 9508, "Reports on Audited Financial Statements: Auditing Interpretations of Section 508," as amended, is amended as follows:

- a. The section number "AU Section 9508" is replaced with "AI 23."
- b. The title "Reports on Audited Financial Statements: Auditing Interpretations of Section 508" is replaced with "Reports on Audited Financial Statements: Auditing Interpretations of AS 3101."
- c. In the first sentence of paragraph .01, the reference to "Section 508, *Reports on Audited Financial Statements*, paragraph .24" is replaced with "Paragraph .24 of AS 3101, *Reports on Audited Financial Statements*,."
- d. In paragraph .02:
 - In the first sentence, the reference to "section 331, *Inventories*, paragraphs .09–.12" is replaced with "paragraphs .09–.12 of AS 2510, *Auditing Inventories*."
 - In the last sentence, the reference to "Section 331.09" is replaced with "AS 2510.09."
- e. In the first sentence of paragraph .03, the reference to "Section 331.10 and .11" is replaced with "AS 2510.10 and .11."
- f. In the first sentence of paragraph .04:
 - The reference to "Section 331.12" is replaced with "AS 2510.12."
 - The reference to "section 331.09–.11" is replaced with "AS 2510.09–.11."
- g. In paragraphs [.11–.14], the parenthetical reference to "section 508" is replaced with "AS 3101."
- h. In paragraphs [.15–.20], the parenthetical reference is deleted.



- i. In paragraphs [.21–.24], the parenthetical reference to "section 508" is replaced with "AS 3101."
- j. In paragraphs [.25–.28], the parenthetical reference to "section 508" is replaced with "AS 3101."
- k. In paragraph .36:
 - In the first sentence of the second paragraph of the *Report on Single Year Financial Statements in Year of Adoption of Liquidation Basis* example report, the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
 - In the first sentence of the second paragraph of the *Report on Comparative Financial Statements in Year of Adoption of Liquidation Basis* example report, the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
- l. In paragraphs [.39–.43], the parenthetical reference to "section 508" is replaced with "AS 3101."
- m. In paragraphs [.49–.50], the parenthetical reference to "section 315" is replaced with "AS 2610, *Initial Audits—Communications Between Predecessor and Successor Auditors*."
- n. In the second sentence of paragraph .52, the reference to "section 508, *Reports on Audited Financial Statements*," is replaced with "AS 3101."
- o. The title of auditing interpretation 14 "Reporting on Audits Conducted in Accordance With Auditing Standards Generally Accepted in the United States of America and in Accordance With International Standards on Auditing" is replaced with "Reporting on Audits Conducted in Accordance with the Standards of the PCAOB and in Accordance with International Standards on Auditing."
- p. In paragraph .56:
 - In the first sentence:



- The reference to "Section 508, *Reports on Audited Financial Statements*," is replaced with "AS 3101."
 - The phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
 - In the last sentence, the phrase "standards generally accepted in the United States of America" is replaced with "the standards of the PCAOB."
- q. In paragraph .57:
- In the second sentence:
 - The reference to "Section 508" is replaced with "AS 3101."
 - The phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
 - The reference to "section 508" is replaced with "AS 3101."
 - Footnote 1 is deleted.
- r. In paragraph .58:
- The phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the PCAOB."
 - The phrase "generally accepted in the United States of America" is replaced with "of the PCAOB."
- s. In the first sentence of paragraph .59:
- The first occurrence of the phrase "auditing standards generally accepted in the United States" is replaced with "the standards of the PCAOB."
 - The second occurrence of the phrase "auditing standards generally accepted in the United States of America" (found in the example paragraph) is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
- t. In paragraph .61:



- In the first sentence, the reference to "section 508, *Reports on Audited Financial Statements*, paragraph .74" is replaced with "AS 3101.74."
 - In the third sentence, the reference to "section 508" is replaced with "AS 3101."
- u. In paragraph .63:
- In the second sentence, the reference to "section 508.74" is replaced with "AS 3101.74."
 - In the last sentence, the reference to "section 561" is replaced with "AS 2905."
- v. In footnote 4 to paragraph .67:
- In the second sentence, the reference to "section 315" is replaced with "AS 2610."
 - In the last sentence, the reference to "Section 561" is replaced with "AS 2905."
- w. In the first sentence of paragraph .71, the reference to "section 508.74" is replaced with "AS 3101.74."
- x. In paragraph .74, the reference to "section 508.74" is replaced with "AS 3101.74."
- y. In the second sentence of paragraph .75, the reference to "Section 508.74" is replaced with "AS 3101.74."
- z. Auditing Interpretation 16 is deleted.
- aa. Footnotes 6 and 7 to paragraph .84 are deleted.

AU sec. 530, "Dating of the Independent Auditor's Report"

SAS No. 1, "Codification of Auditing Standards and Procedures" section 530, "Dating of the Independent Auditor's Report" (AU sec. 530, "Dating of the Independent Auditor's Report"), as amended, is amended as follows:

- a. The section number "AU Section 530" is replaced with "AS 3105."



- b. In paragraph .02:
- In the last sentence, the reference to "section 711.10–.13" is replaced with "paragraphs .10–.13 of AS 4101, *Responsibilities Regarding Filings Under Federal Securities Statutes*."
 - In footnote 1, the reference to "section 561" is replaced with "AS 2905, *Subsequent Discovery of Facts Existing at the Date of the Auditor's Report*."
 - Footnote * is deleted.
- c. In the first sentence of paragraph .03, the parenthetical reference to "section 560.03" is replaced with "paragraph .03 of AS 2801, *Subsequent Events*."
- d. In the first sentence of paragraph .04, the parenthetical reference to "section 560.05" is replaced with "AS 2801.05."
- e. In the last sentence of paragraph .05, the reference to "section 560.12" is replaced with "AS 2801.12."
- f. In paragraph .06:
- In the fifth sentence:
 - The reference to "section 711" is replaced with "AS 4101."
 - The reference to "section 508.70–.73" is replaced with "paragraphs .70–.73 of AS 3101, *Reports on Audited Financial Statements*."
 - Footnote * is deleted.
- g. In the second sentence of paragraph .07, the reference to "section 560.08" is replaced with "AS 2801.08."
- h. In the first sentence of paragraph .08, the parenthetical reference to "section 560.05 and 560.08" is replaced with "AS 2801.05 and AS 2801.08."

AU sec. 532, "Restricting the Use of an Auditor's Report"

SAS No. 87, "Restricting the Use of an Auditor's Report" (AU sec. 532, "Restricting the Use of an Auditor's Report"), as amended, is rescinded.



AU sec. 543, "Part of Audit Performed by Other Independent Auditors"

SAS No. 1, "Codification of Auditing Standards and Procedures" section 543, "Part of Audit Performed by Other Independent Auditors" (AU sec. 543, "Part of Work Performed by Other Independent Auditors"), as amended, is amended as follows:

- a. The section number "AU Section 543" is replaced with "AS 1205."
- b. The title "Part of Audit Performed by Other Independent Auditors" is replaced with "Part of the Audit Performed by Other Independent Auditors."
- c. In paragraph .01:
 - In footnote 1, the reference to "Section 315" is replaced with "AS 2610, *Initial Audits—Communications Between Predecessor and Successor Auditors*."
 - In the first note:
 - The reference to "paragraphs C8–C11" is replaced with "paragraphs .C8–.C11."
 - The reference to "PCAOB Auditing Standard No. 5" is replaced with "AS 2201."
 - In the second note:
 - The reference to "AU sec. 543" is replaced with "AS 1205."
 - The reference to "Auditing Standard No. 10" is replaced with "AS 1201."
- d. In the first sentence of the second paragraph in the Independent Auditor's Report following paragraph .09, the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
- e. In paragraph 10b, the phrase "American Institute of Certified Public Accountants and, if appropriate," is replaced with "PCAOB and."
- f. In item (ii) of paragraph .10c, the phrase "generally accepted auditing standards promulgated by the American Institute of Certified Public Accountants" is replaced with "standards of the PCAOB."



- g. In paragraph .12, the reference to "AU sec. 543.10" is replaced with "AS 1205.10."
- h. In paragraph .12a, the reference to "paragraphs 12 and 13 of PCAOB Auditing Standard No. 3" is replaced with "paragraphs .12 and .13 of AS 1215, *Audit Documentation*."
- i. In paragraph .12c, the reference to "paragraph 8 of PCAOB Auditing Standard No. 3" is replaced with "AS 1215.08."
- j. In footnote 5 to paragraph .12:
 - The reference to "AU sec. 324" is replaced with "AS 2601, *Consideration of an Entity's Use of a Service Organization*."
 - The reference to "section 543.12" is replaced with "AS 1205.12."
- k. In the last sentence of paragraph [.18], the parenthetical reference to "section 315" is replaced with "AS 2610."

AU sec. 9543, "Part of Audit Performed by Other Independent Auditors: Auditing Interpretations of Section 543"

AU sec. 9543, "Part of Audit Performed by Other Independent Auditors: Auditing Interpretations of Section 543," as amended, is amended as follows:

- a. The section number "AU Section 9543" is replaced with "AI 10."
- b. The title "Part of Audit Performed by Other Independent Auditors: Auditing Interpretations of Section 543" is replaced with "Part of the Audit Performed by Other Independent Auditors: Auditing Interpretations of AS 1205."
- c. In the first sentence of paragraph .01, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
- d. In the first sentence of footnote 2 to paragraph .01, the reference to "section 543" is replaced with "AS 1205, *Part of the Audit Performed by Other Independent Auditors*."
- e. In paragraph .02:



- In the first sentence, the reference to "Section 543, *Part of Audit Performed by Other Independent Auditors*, paragraph .10," is replaced with "AS 1205.10."
 - In the last sentence, the reference to "Section 543.10c(iv)" is replaced with "AS 1205.10c(iv)."
- f. In paragraph .04:
- In the first sentence, the reference to "Section 543, *Part of Audit Performed by Other Independent Auditors*," is replaced with "AS 1205."
 - In the second sentence, the reference to "Section 543.03" is replaced with "AS 1205.03."
- g. In the first sentence of paragraph .05, the reference to "Section 334" is replaced with "AS 2410."
- h. In footnote 3 to paragraph .11, the reference to "section 9543.04–.07" is replaced with "paragraphs .04–.07."
- i. In paragraph .15, the reference to "section 9543.11" is replaced with "paragraph .11."
- j. In footnote 5 to paragraph .17, the reference to "section 561" is replaced with "AS 2905."
- k. In paragraph .18:
- In the first sentence, the reference to "section 543" is replaced with "AS 1205."
 - In the last sentence, the reference to "section 543.12" is replaced with "AS 1205.12."
- l. In the last sentence of paragraph .19, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."

AU sec. 544, "Lack of Conformity With Generally Accepted Accounting Principles"

SAS No. 1, "Codification of Auditing Standards and Procedures" section 544, "Lack of Conformity With Generally Accepted Accounting Principles" (AU sec. 544,



"Lack of Conformity With Generally Accepted Accounting Principles"), as amended, is amended as follows:

- a. The section number "AU Section 544" is replaced with "AS 3310."
- b. The title "Lack of Conformity With Generally Accepted Accounting Principles" is replaced with "Special Reports on Regulated Companies."
- c. In paragraph .02:
 - In the third sentence, the phrase "first reporting standard" is replaced with "requirement in paragraph .08h of AS 3101, *Reports on Audited Financial Statements*."
 - In footnote 1, the parenthetical reference to "section 623, *Special Reports*, paragraphs .02 and .10" is replaced with "paragraphs .02 and .10 of AS 3305, *Special Reports*."
- d. In the second sentence of paragraph .04:
 - The parenthetical reference to "section 508, *Reports on Audited Financial Statements*, paragraph .08" is replaced with "AS 3101.08."
 - The parenthetical reference to "section 508.35–.60" is replaced with "AS 3101.35–.60."

AU sec. 550, "Other Information in Documents Containing Audited Financial Statements"

SAS No. 8, "Other Information in Documents Containing Audited Financial Statements" (AU sec. 550, "Other Information in Documents Containing Audited Financial Statements"), as amended, is amended as follows:

- a. The section number "AU Section 550" is replaced with "AS 2710."
- b. In paragraph .03:
 - In the second sentence:
 - The parenthetical reference to "sections 634" is replaced with "AS 6101, *Letters for Underwriters and Certain Other Requesting Parties*."



- The parenthetical reference to "711" is replaced with "AS 4101, *Responsibilities Regarding Filings Under Federal Securities Statutes.*"
- In footnote [†], each reference to "Section 634" or "section 634" is replaced with "AS 6101."
- Footnote ^{††} is deleted.
- In the last sentence:
 - The parenthetical reference to "Auditing Standard No. 17, *Auditing Supplemental Information Accompanying Audited Financial Statements,*" is replaced with "AS 2701, *Auditing Supplemental Information Accompanying Audited Financial Statements.*"
 - The reference to "623" is replaced with "AS 3305, *Special Reports.*"
- Footnote ^{**} is deleted.

AU sec. 9550, "Other Information in Documents Containing Audited Financial Statements: Auditing Interpretations of Section 550"

AU sec. 9550, "Other Information in Documents Containing Audited Financial Statements: Auditing Interpretations of Section 550," as amended, is amended as follows:

- a. The section number "AU Section 9550" is replaced with "AI 20."
- b. The title "Other Information in Documents Containing Audited Financial Statements: Auditing Interpretations of Section 550" is replaced with "Other Information in Documents Containing Audited Financial Statements: Auditing Interpretations of AS 2710."
- c. In the first sentence of paragraph .07, the reference to "section 550, *Other Information in Documents Containing Audited Financial Statements,* paragraph .02" is replaced with "paragraph .02 of AS 2710, *Other Information in Documents Containing Audited Financial Statements,.*"
- d. In paragraph .09, each reference to "section 550" is replaced with "AS 2710."



- e. In paragraph .11:
- In the second sentence, the reference to "section 550" is replaced with "AS 2710."
 - In the last sentence, the reference to "section 550.06" is replaced with "AS 2710.06."
- f. In the first sentence of paragraph .12, the reference to "section 550, *Other Information in Documents Containing Audited Financial Statements*, paragraph .02" is replaced with "AS 2710.02."
- g. In paragraph .13:
- Each reference to "section 550" is replaced with "AS 2710."
 - In the last sentence, the reference to "section 550.06" is replaced with "AS 2710.06."
- h. In paragraph .14:
- In the second sentence, the phrase "generally accepted auditing standards" is replaced with "PCAOB auditing standards."
 - In the last sentence, the reference to "section 550.06" is replaced with "AS 2710.06."
- i. In paragraph .15:
- In the first sentence, the reference to "The auditing interpretation of section 325, *Communication of Internal Control Related Matters Noted in an Audit*, titled 'Reporting on the Existence of Material Weaknesses' (section 9325.01–.07)" is replaced with "AI 12, *Communications About Control Deficiencies in an Audit of Financial Statements: Auditing Interpretations of AS 1305*, titled 'Reporting on the Existence of Material Weaknesses' (AI 12.01–.07)."
 - In the first sentence of footnote 8, the reference to "Section 325.8" is replaced with "Paragraph .08 of AS 1305, *Communications About Control Deficiencies in an Audit of Financial Statements*."
- j. In paragraph .17:



PCAOB Release No. 2014-001
May 7, 2014
Appendix 4 – Proposed Amendments
Page A4–112

- In the first sentence, the reference to "section 550, *Other Information in Documents Containing Audited Financial Statements*" is replaced with "AS 2710."
 - In the last sentence, each reference to "section 550" is replaced with "AS 2710."
- k. In the second sentence of paragraph .18, the reference to "section 550" is replaced with "AS 2710."

AU sec. 552, "Reporting on Condensed Financial Statements and Selected Financial Data"

SAS No. 42, "Reporting on Condensed Financial Statements and Selected Financial Data" (AU sec. 552, "Reporting on Condensed Financial Statements and Selected Financial Data"), as amended, is amended as follows:

- a. The section number "AU Section 552" is replaced with "AS 3315."
- b. Footnote * to the title of the standard is deleted.
- c. In paragraph .01:
 - In footnote 1, the reference to "section 504, *Association With Financial Statements*, footnote 2" is replaced with "footnote 2 of AS 3320, *Association with Financial Statements*."
 - In the last sentence, the reference to "Auditing Standard No. 17, *Auditing Supplemental Information Accompanying Audited Financial Statements*," is replaced with "AS 2701, *Auditing Supplemental Information Accompanying Audited Financial Statements*."
- d. In paragraph .02, the reference to "section 508, *Reports on Audited Financial Statements*, paragraphs .41 through .44, section 623, *Special Reports*, or other applicable Statements on Auditing Standards" is replaced with "paragraphs .41 through .44 of AS 3101, *Reports on Audited Financial Statements*, AS 3305, *Special Reports*, or other applicable PCAOB auditing standards."
- e. In footnote 4 to paragraph .05, the parenthetical reference to "section 711, *Filings Under Federal Securities Statutes*" is replaced with "AS 4101, *Responsibilities Regarding Filings Under Federal Securities Statutes*."



- f. In the first sentence of the first paragraph in the Independent Auditor's Report following paragraph .06, the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
- g. In footnote 6 to paragraph .07:
- In the second sentence, the parenthetical reference to "section 508, *Reports on Audited Financial Statements*, paragraphs .41 through .44" is replaced with "AS 3101.41 through .44."
 - In the fourth sentence of the example Independent Auditor's Report, the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
- h. In paragraph .08:
- In item *c* of footnote 8, the parenthetical reference to "section 722, *Interim Financial Information*, paragraph .03" is replaced with "paragraph .03 of AS 4105, *Reviews of Interim Financial Information*."
 - In the example independent auditor's review report following paragraph .08:
 - In the first sentence of the second paragraph, the phrase "standards established by the American Institute of Certified Public Accountants" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
 - In the third sentence of the second paragraph, the phrase "generally accepted auditing standards" is replaced with "the standards of the Public Company Accounting Oversight Board."
 - In the first sentence of the fourth paragraph, the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board."



- i. In footnote 11 to paragraph .09, the reference to "section 623, *Special Reports*," is replaced with "AS 3305."
- j. In the Independent Auditor's Report following paragraph .10:
 - In the first sentence of the second paragraph, the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
 - In the first sentence of the fourth paragraph, the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board."

AU sec. 558, "Required Supplementary Information"

SAS No. 52, "Omnibus Statement on Auditing Standards—1987, Required Supplementary Information" (AU sec. 558, "Required Supplementary Information"), as amended, is amended as follows:

- a. The section number "AU Section 558" is replaced with "AS 2705."
- b. The title "Required Supplementary Information" is replaced with "Unaudited Supplementary Information Included in Audited Financial Statements."
- c. In the references before paragraph .01, the phrase "(Supersedes section 553)" is deleted.
- d. Footnote * is deleted."
- e. Footnote 1 to paragraph .01 is deleted.
- f. In paragraph .02:
 - In the first sentence, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
 - In the second sentence of footnote 2, the reference to "section 550" is replaced with "AS 2710."
- g. In the last sentence of paragraph .03, the reference to "section 550," is replaced with "AS 2710."



- h. In paragraph .04:
- In the first sentence, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
 - In the second sentence, the phrase "generally accepted auditing standards" is replaced with "PCAOB auditing standards."
- i. In paragraph .05:
- In the first sentence, the reference to "section 550" is replaced with "AS 2710."
 - In the second sentence, the reference to "Auditing Standard No. 17" is replaced with "AS 2701."
- j. In the third sentence of footnote 6 to paragraph .07*b*, the reference to "section 552, *Reporting on Condensed Financial Statements and Selected Financial Data*, paragraph .10" is replaced with "paragraph .10 of AS 3315, *Reporting on Condensed Financial Statements and Selected Financial Data*."
- k. In paragraph .07*c*, the parenthetical reference to "section 333" is replaced with "AS 2805."
- l. In paragraph .07*d*, the phrase ", interpretations, guides, or statements of position" is replaced with "or interpretations."
- m. In footnote 7 to paragraph .08, the reference to "Auditing Standard No. 17, *Auditing Supplemental Information Accompanying Audited Financial Statements*," is replaced with "AS 2701."
- n. In the second sentence of paragraph .09, the reference to "section 550.07" is replaced with "AS 2710.07."

AU sec. 9558, "Required Supplementary Information: Auditing Interpretations of Section 558"

AU sec. 9558, "Required Supplementary Information: Auditing Interpretations of Section 558," is amended as follows:

- a. The section number "AU Section 9558" is replaced with "AI 19."



- b. The title "Required Supplementary Information: Auditing Interpretations of Section 558" is replaced with "Unaudited Supplementary Information Included in Audited Financial Statements: Auditing Interpretations of AS 2705."
- c. In the last sentence of paragraph .01, the reference to "section 558, *Required Supplementary Information*" is replaced with "AS 2705, *Unaudited Supplementary Information Included in Audited Financial Statements*."
- d. In the second sentence of paragraph .02, the reference to "section 558" is replaced with "AS 2705."
- e. In the first sentence of paragraph .04, the reference to "section 558" is replaced with "AS 2705."
- f. In the first sentence of paragraph .06, the reference to "section 558" is replaced with "AS 2705."

AU sec. 560, "Subsequent Events"

SAS No. 1, "Codification of Auditing Standards and Procedures," section 560, "Subsequent Events" (AU sec. 560, "Subsequent Events"), as amended, is amended as follows:

- a. The section number "AU Section 560" is replaced with "AS 2801."
- b. In the note to paragraph .01, the reference to "paragraphs 93–97 of PCAOB Auditing Standard No. 5" is replaced with "paragraphs .93–.97 of AS 2201."
- c. In paragraph .09, the parenthetical reference to "section 508.19" is replaced with "paragraph .19 of AS 3101, *Reports on Audited Financial Statements*."
- d. In paragraph .12d, the parenthetical reference to "section 337" is replaced with "AS 2505, *Inquiry of a Client's Lawyer Concerning Litigations, Claims, and Assessments*."
- e. In paragraph .12e, the parenthetical reference to "section 333" is replaced with "AS 2805."

AU sec. 561, "Subsequent Discovery of Facts Existing at the Date of the Auditor's Report"



SAS No. 1, "Codification of Auditing Standards and Procedures," section 561, "Subsequent Discovery of Facts Existing at the Date of the Auditor's Report" (AU sec. 561, "Subsequent Discovery of Facts Existing at the Date of the Auditor's Report"), as amended, is amended as follows:

- a. The section number "AU Section 561" is replaced with "AS 2905."
- b. In paragraph .01:
 - In the first sentence of footnote 1, the reference to "section 560" is replaced with "AS 2801."
 - In the note, the reference to "paragraph 98 of PCAOB Auditing Standard No. 5" is replaced with "paragraph .98 of AS 2201."
- c. In the first sentence of footnote 2 to paragraph .03, the reference to "section 711.10–.13" is replaced with "paragraphs .10–.13 of AS 4101, *Responsibilities Regarding Filings Under Federal Securities Statutes*."

AU sec. 9561, "Subsequent Discovery of Facts Existing at the Date of the Auditor's Report: Auditing Interpretations of Section 561"

AU sec. 9561, "Subsequent Discovery of Facts Existing at the Date of the Auditor's Report: Auditing Interpretations of Section 561," is amended as follows:

- a. The section number "AU Section 9561" is replaced with "AI 22."
- b. The title "Subsequent Discovery of Facts Existing at the Date of the Auditor's Report: Auditing Interpretations of Section 561" is replaced with "Subsequent Discovery of Facts Existing at the Date of the Auditor's Report: Auditing Interpretations of AS 2905."
- c. In the second sentence of paragraph .02, the reference to "Section 561" is replaced with "AS 2905."

AU sec. 623, "Special Reports"

SAS No. 62, "Special Reports" (AU sec. 623, "Special Reports"), as amended, is amended as follows:

- a. The section number "AU Section 623" is replaced with "AS 3305."
- b. In the references before paragraph .01, the phrase "(Supersedes section 621)" is deleted.



- c. In the first sentence of paragraph .02, the phrase "Generally accepted auditing standards" is replaced with "The standards of the PCAOB."
- d. In paragraph .03:
- In the first sentence, the parenthetical reference to "section 411, *The Meaning of Present Fairly in Conformity With Generally Accepted Accounting Principles*" is replaced with "AS 2815, *The Meaning of 'Present Fairly in Conformity with Generally Accepted Accounting Principles.*"
 - In the second sentence, the parenthetical reference to "section 411.05" is replaced with "AS 2815.05."
 - In the bracketed sentence, the reference to "section 411" is replaced with "AS 2815."
- e. In the last sentence of footnote 1 to paragraph .05a, the reference to "section 504, *Association With Financial Statements*" is replaced with "AS 3320, *Association with Financial Statements.*"
- f. In item (1) of paragraph .05c:
- The phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
 - The parenthetical phrase "auditing standards generally accepted in the United States of America or U.S. generally accepted auditing standards" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
- g. In the first sentence of footnote 5 to paragraph .05f, the reference to "section 544, *Lack of Conformity With Generally Accepted Accounting Principles*" is replaced with "AS 3310, *Special Reports on Regulated Companies.*"
- h. Paragraph ".05h" is replaced with ".05i."
- i. Paragraph .05h is added:
- The city and state (or city and country, in the case of non-U.S. auditors) from which the auditor's report has been issued.



- j. Footnote 5a is added to the end of the added paragraph .05h:
See SEC Rule 2-02(a) of Regulation S-X, 17 C.F.R. § 210.2-02(a).
- k. In paragraph .06, the parenthetical reference to "section 508, *Reports on Audited Financial Statements*, paragraph .08" is replaced with "paragraph .08 of AS 3101, *Reports on Audited Financial Statements*."
- l. In the first sentence of the second paragraph of each example Independent Auditor's Report following paragraph .08, the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
- m. In paragraph .09:
- In the third sentence, the reference to "section 411, *The Meaning of Present Fairly in Conformity With Generally Accepted Accounting Principles*, paragraph .04" is replaced with "AS 2815.04."
 - In the bracketed sentence, the reference to "section 411" is replaced with "AS 2815."
- n. In the last sentence of paragraph .11, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
- o. In paragraph .12:
- In the second sentence:
 - The phrase "first standard of reporting" is replaced with "requirement in AS 3101.08h."
 - The phrase "ten generally accepted auditing standards" is replaced with "standards of the PCAOB."
 - In the third sentence, the phrase "The first standard of reporting" is replaced with "AS 3101.08h."
- p. In paragraph .14, the parenthetical reference to "section 508, *Reports on Audited Financial Statements*, paragraph .64" is replaced with "AS 3101.64."
- q. In item (1) of paragraph .15c:



- The phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
 - The parenthetical phrase "auditing standards generally accepted in the United States of America or U.S. generally accepted auditing standards" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
- r. Paragraph ".15h" is replaced with ".15i."
- s. Paragraph .15h is added:
- The city and state (or city and country, in the case of non-U.S. auditors) from which the auditor's report has been issued.
- t. Footnote 13a is added to the end of the added paragraph .15h:
- See footnote 5a.
- u. In paragraph .17, the reference to "section 508, *Reports on Audited Financial Statements*, paragraph .11" is replaced with "AS 3101.11."
- v. Following paragraph .18:
- In the first sentence of the second paragraph in the Independent Auditor's Report titled, "Report Relating to Accounts Receivable," the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
 - In the first sentence of the second paragraph in the Independent Auditor's Report titled, "Report Relating to Amount of Sales for the Purpose of Computing Rental," the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
 - In the first sentence of the second paragraph in the Independent Auditor's Report titled, "Report Relating to Royalties," the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."



- In the example Independent Auditor's Report titled, "Report on Profit Participation":
 - In the first sentence of the first paragraph, the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
 - In the first sentence of the second paragraph, the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board."
- In the example Independent Auditor's Report titled, "Report on Federal and State Income Taxes Included in Financial Statements":
 - In the first sentence of the first paragraph, the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
 - In the first sentence of the second paragraph, the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board."
- w. In footnote 18 to paragraph .19, the reference to "section 801, *Compliance Auditing Applicable to Governmental Entities and Other Specified Recipients of Governmental Financial Assistance*" is replaced with "AS 6110, *Compliance Auditing Considerations in Audits of Recipients of Governmental Financial Assistance*."
- x. In the first sentence of paragraph .20b:
 - The phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
 - The parenthetical phrase "auditing standards generally accepted in the United States of America or U.S. generally accepted auditing standards" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
- y. Paragraph ".20g" is replaced with ".20h."



z. Paragraph .20g is added:

The city and state (or city and country, in the case of non-U.S. auditors) from which the auditor's report has been issued.

aa. Footnote 20a is added to the end of the added paragraph .20g:

See footnote 5a.

bb. Following paragraph .21:

- In the first sentence of the example Independent Auditor's Report titled, "Report on Compliance With Contractual Provisions Given in a Separate Report," the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
- In the first sentence of the example Independent Auditor's Report titled, "Report on Compliance With Regulatory Requirements Given a Separate Report When the Auditor's Report on the Financial Statements Included an Explanatory Paragraph Because of an Uncertainty," the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."

cc. In the fourth sentence of paragraph .24, the parenthetical reference is deleted.

dd. In item (1) of paragraph .25c:

- The phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
- The parenthetical phrase "auditing standards generally accepted in the United States of America or U.S. generally accepted auditing standards" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."

ee. Paragraph ".25h" is replaced with ".25i."

ff. Paragraph .25h is added:



The city and state (or city and country, in the case of non-U.S. auditors) from which the auditor's report has been issued.

gg. Footnote 28a is added to the end of the added paragraph .25h:

See footnote 5a.

hh. Following paragraph .26:

- In the first sentence of the second paragraph of the example Independent Auditor's Report titled, "Report on a Schedule of Gross Income and Certain Expenses to Meet a Regulatory Requirement and to Be Included in a Document Distributed to the General Public," the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
- In the first sentence of the second paragraph of the example Independent Auditor's Report titled, "Report on a Statement of Assets Sold and Liabilities Transferred to Comply With a Contractual Agreement," the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."

ii. In item (1) of paragraph .29c:

- The phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
- The parenthetical phrase "auditing standards generally accepted in the United States of America or U.S. generally accepted auditing standards" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."

jj. Paragraph ".29f" is replaced with ".29j."

kk. Paragraph .29i is added:

The city and state (or city and country, in the case of non-U.S. auditors) from which the auditor's report has been issued.

ll. Footnote 33a is added to the end of the added paragraph .29i:



See footnote 5a.

- mm. In the first sentence of the second paragraph of the example Independent Auditor's Report following paragraph .30, the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
- nn. In the last sentence of paragraph .31a, the reference to "section 508, *Reports on Audited Financial Statements*, paragraphs .16 through .18" is replaced with "AS 3101.16 through .18."
- oo. In the first sentence of footnote 39 to paragraph .31b, the reference to "section 341, *The Auditor's Consideration of an Entity's Ability to Continue as a Going Concern*" is replaced with "AS 2415, *Consideration of an Entity's Ability to Continue as a Going Concern*."
- pp. In the last sentence of paragraph .31c, the reference to "section 508, *Reports on Audited Financial Statements*, paragraphs .12 and .13" is replaced with "AS 3101.12 and .13."
- qq. In the last sentence of paragraph .31d, the reference to "section 508, *Reports on Audited Financial Statements*, paragraphs .68 and .69" is replaced with "AS 3101.68 and .69."

AU sec. 9623, "Special Reports: Auditing Interpretations of Section 623"

AU sec. 9623, "Special Reports: Auditing Interpretations of Section 623," as amended, is amended as follows:

- a. The section number "AU Section 9623" is replaced with "AI 24."
- b. The title "Special Reports: Auditing Interpretations of Section 623" is replaced with "Special Reports: Auditing Interpretations of AS 3305."
- c. Footnote * to paragraphs [.01–.08], is deleted.
- d. In paragraphs [.09–.10], the parenthetical reference to "section 623" is replaced with "AS 3305, *Special Reports*."
- e. In paragraphs [.15–.16], the parenthetical reference is deleted.
- f. In paragraphs [.17–.25], the parenthetical reference to "section 623" is replaced with "AS 3305."



- g. In paragraphs [.26–.31], the parenthetical reference to "section 623" is replaced with "AS 3305."
- h. In paragraphs [.32–.33], the parenthetical reference is deleted.
- i. In paragraphs [.34–.39], the parenthetical reference to "section 623" is replaced with "AS 3305."
- j. In paragraph .41, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
- k. In paragraph .42:
 - In the first sentence, the reference to "Section 623.11 through .18" is replaced with "AS 3305.11 through .18."
 - In the Illustrative report:
 - The first paragraph is deleted.
 - The phrase "City and State or Country" is added below the term "Signature."
- l. Paragraphs .44 through .46 are deleted.
- m. The last sentence of paragraph .47 is deleted.
- n. In paragraph .50, the parenthetical reference to "section 623, *Special Reports*, paragraph .08" is replaced with "AS 3305.08."
- o. In paragraph .51, each reference to "Section 623" or "section 623" is replaced with "AS 3305."
- p. In the Independent Auditor's Report in paragraph .52:
 - In the first sentence of the second paragraph, the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
 - The phrase "[*City and State or Country*]" is added below the term "[*Signature*]."



- q. In the first sentence of paragraph .53, the parenthetical reference to "section 623.08" is replaced with "AS 3305.08."
- r. In the last sentence of footnote 10 to paragraph .55:
- The reference to "section 508" is replaced with "AS 3101."
 - The phrase ", and the applicable industry audit guide" is deleted.
- s. In the first sentence of paragraph .57, the reference to "section 623, *Special Reports*, paragraph .29" is replaced with "AS 3305.29."
- t. In the Independent Auditor's Report in paragraph .58:
- In the first sentence of the second paragraph, the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
 - The phrase "[*City and State or Country*]" is added below the term "[*Signature*]."
- u. In paragraph .61:
- In the first sentence, the reference to "section 623, *Special Reports*, paragraph .04" is replaced with "AS 3305.04."
 - In the second sentence, the reference to "Section 623.09" is replaced with "AS 3305.09."
 - In the fourth sentence, the reference to "section 411, *The Meaning of Present Fairly in Conformity With Generally Accepted Accounting Principles*, paragraph .04" is replaced with "paragraph .04 of AS 2815, *The Meaning of 'Present Fairly in Conformity with Generally Accepted Accounting Principles*."
 - In the first bracketed sentence, the reference to "section 411" is replaced with "AS 2815."
- v. In paragraph .62:
- In the first sentence:



- The reference to "Section 623.02" is replaced with "AS 3305.02."
 - The phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
 - In the second sentence:
 - The phrase "Thus, in accordance with the third standard of reporting," is deleted.
 - The quotation marks are deleted.
 - The first "i" in "informative" is capitalized.
- w. In paragraph .64:
- In the first sentence the reference to "Section 623.09 and .10" is replaced with "AS 3305.09 and .10."
 - In the last sentence, the reference to "Section 623.10" is replaced with "AS 3305.10."
- x. In the third sentence of paragraph .82, the reference to "Section 623, *Special Reports*, paragraph .22" is replaced with "AS 3305.22."
- y. In the last sentence of paragraph .83, the reference to "section 508, *Reports on Audited Financial Statements*, paragraphs .35–.44 and .58–.60" is replaced with "AS 3101.35–.44 and .58–.60."
- z. In the last sentence of paragraph .85, the reference to "section 623.22–.26" is replaced with "AS 3305.22–.26."
- aa. In the first sentence of paragraph .86, the reference to "section 508.35–.44 and .58–.60" is replaced with "AS 3101.35–.44 and .58–.60."
- bb. In paragraph .90:
- In the first sentence, the reference to "Section 623, *Special Reports*, paragraph .10" is replaced with "AS 3305.10."
 - Each reference to "section 623.10" is replaced with "AS 3305.10."

AU sec. 625, "Reports on the Application of Accounting Principles"



SAS No. 50, "Reports on the Application of Accounting Principles" (AU sec. 625, "Reports on the Application of Accounting Principles"), as amended, is amended as follows:

- a. The section number "AU Section 625" is replaced with "AS 6105."
- b. In the last sentence of footnote 1 to paragraph .01, the reference to "section 623, *Special Reports*, paragraph .04" is replaced with "paragraph .04 of AS 3305, *Special Reports*."
- c. Footnote 3 to paragraph .02 is deleted.
- d. In paragraph .08, the parenthetical reference to "section 411, *The Meaning of Present Fairly in Conformity With Generally Accepted Accounting Principles*" is replaced with "AS 2815, *The Meaning of 'Present Fairly in Conformity with Generally Accepted Accounting Principles*."
- e. In the fifth sentence of paragraph .09, the reference to "section 315, *Communications Between Predecessor and Successor Auditors*, paragraph .10" is replaced with "paragraph .10 of AS 2610, *Initial Audits—Communications Between Predecessor and Successor Auditors*."
- f. In paragraph .10a, the phrase "applicable AICPA standards" is replaced with "the standards of the PCAOB."
- g. The first sentence of footnote 7 to paragraph .10f is deleted.
- h. In the last sentence of the paragraph following the subheading "*Introduction*" following paragraph .11, the phrase "standards established by the American Institute of Certified Public Accountants" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."

AU sec. 634, "Letters for Underwriters and Certain Other Requesting Parties"

SAS No. 72, "Letters for Underwriters and Certain Other Requesting Parties" (AU sec. 634, "Letters for Underwriters and Certain Other Requesting Parties"), as amended, is amended as follows:

- a. The section number "AU Section 634" is replaced with "AS 6101."
- b. In the references before paragraph .01, the phrase "(Supersedes SAS No. 49)" is deleted.



- c. In footnote 3 to paragraph .03, the parenthetical reference to "section 9634.01–.09" is replaced with "paragraphs .01–.09 of AI 27, *Letters for Underwriters and Certain Other Requesting Parties: Auditing Interpretations of AS 6101*."
- d. In paragraph .09b:
- In the first sentence, the phrase "generally accepted auditing standards" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
 - In the last sentence, the phrase "standards established by the American Institute of Certified Public Accountants" is replaced with "the standards of the Public Company Accounting Oversight Board."
- e. In paragraph .12:
- Each phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
 - In footnote 8, the parenthetical reference to "section 9711.12–.15" is replaced with "paragraphs .12–.15 of AI 26, *Responsibilities Regarding Filings Under Federal Securities Statutes: Auditing Interpretations of AS 4101*."
 - In the first sentence of footnote 9, the reference to "section 711, *Filings Under Federal Securities Statutes*" is replaced with "AS 4101, *Responsibilities Regarding Filings Under Federal Securities Statutes*."
- f. In the first sentence of footnote 13 to paragraph .16, the reference to "SAS No. 71 [section 722]" is replaced with "AS 4105, *Reviews of Interim Financial Information*."
- g. In the first sentence of footnote 18 to paragraph .27:
- The parenthetical reference to "section 722.50" is replaced with "AS 4105.50."
 - The reference to "section 558, *Required Supplementary Information*, paragraphs .08 through .11" is replaced with



"paragraphs .08 through .11 of AS 2705, *Unaudited Supplementary Information Included in Audited Financial Statements*."

- h. In the first sentence of footnote 20 to paragraph .28, the reference to "section 530, *Dating of the Independent Auditor's Report*, paragraphs .03 through .08" is replaced with "AS 3105.03 through .08."
- i. In paragraphs .29a and b, each parenthetical reference to "section 552" is replaced with "AS 3315."
- j. In paragraph .29c, the parenthetical reference to "section 722" is replaced with "AS 4105."
- k. In the fifth sentence of paragraph .29, the reference to "section 325" is replaced with "AS 1305."
- l. In paragraph .30:
 - In the first sentence:
 - The reference to "section 722" is replaced with "AS 4105."
 - The reference to "section 558, *Required Supplementary Information*," is replaced with "AS 2705."
 - In the second sentence:
 - The reference to "Section 722" is replaced with "AS 4105."
 - The reference to "section 558" is replaced with "AS 2705."
 - In the fifth sentence, the reference to "sections 722 and 558" is replaced with "AS 4105 and AS 2705."
- m. In paragraph .31, the sixth and seventh sentences are deleted.
- n. In paragraphs .35a and b, each reference to "SAS No. 71 [section 722]" is replaced with "AS 4105."
- o. In paragraph .37:
 - Each reference to "section 722" is replaced with "AS 4105."



- In the second sentence of footnote 28, the reference to "section 722" is replaced with "AS 4105."
- p. In the first sentence of paragraph .38, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
- q. In paragraphs .39a and b, each reference to "SAS No. 71 [section 722]" is replaced with "AS 4105."
- r. In the third sentence of paragraph .42, the reference to "SAS No. 71 [section 722]" is replaced with "AS 4105."
- s. In the second bullet of paragraph .46, the reference to "SAS No. 71 [section 722]" is replaced with "AS 4105."
- t. In paragraph .59:
 - In the fourth sentence, the parenthetical reference to "(see section 435, *Segment Information*)" is deleted.
 - In the first sentence of footnote 34, the reference to "section 558" is replaced with "AS 2705."
- u. In paragraph .64:
 - Following subtitle "Example A: Typical Comfort Letter":
 - In the third sentence of the second paragraph following item 2d, the reference to "section 722" is replaced with "AS 4105, *Reviews of Interim Financial Information*."
 - In item 4a(i) of the letter in Example A:
 - The phrase "American Institute of Certified Public Accountants" is replaced with "Public Company Accounting Oversight Board (United States)."
 - The reference to "SAS No. 71, *Interim Financial Information*" is replaced with "AS 4105, *Reviews of Interim Financial Information*."
 - In the first sentence following item 4b(ii) of the letter in Example A, the phrase "generally accepted auditing



- standards" is replaced with "the standards of the Public Company Accounting Oversight Board."
- In footnote 6 to item 5a(i) of the letter in Example A, the reference to "Section 722" is replaced with "AS 4105."
 - Following the subtitle "Example B: Letter When a Short-Form Registration Statement Is Filed Incorporating Previously Filed Forms 10-K and 10-Q by Reference":
 - In item 4a(i) of the letter in Example B:
 - The phrase "American Institute of Certified Public Accountants" is replaced with "Public Company Accounting Oversight Board (United States)."
 - The reference to "SAS No. 71, *Interim Financial Information*" is replaced with "AS 4105, *Reviews of Interim Financial Information*."
 - In the first sentence following item 4b(ii) of the letter in Example B, the phrase "generally accepted auditing standards" is replaced with "the standards of the Public Company Accounting Oversight Board."
 - In the third sentence of item 5, (following the subtitle "Example D: Comments on Pro Forma Financial Information"), the reference to "SAS No. 71 [section 722]" is replaced with "AS 4105."
 - In item 8 (following the subtitle "Example E: Comments on a Financial Forecast"):
 - In the first sentence, the reference to "AICPA" is replaced with "AT section 301, *Financial Forecasts and Projections*."
 - Each phrase "standards established by the American Institute of Certified Public Accountants" is replaced with "the standards of the Public Company Accounting Oversight Board."
 - In the first sentence of footnote 10 to item 7 (following the subtitle "Example F: Comments on Tables, Statistics, and Other Financial



Information—Complete Description of Procedures and Findings"), the reference to "section 552" is replaced with "AS 3315."

- Following the subtitle "Example L: Alternate Wording When Recent Earnings Data Are Presented in Capsule Form":
 - In the first sentence of item 13, the reference to "section 722" is replaced with "AS 4105."
 - In item 4a(i) of the letter in Example L:
 - The phrase "American Institute of Certified Public Accountants" is replaced with "Public Company Accounting Oversight Board (United States)."
 - The reference to "SAS No. 71, *Interim Financial Information*" is replaced with "AS 4105, *Reviews of Interim Financial Information*."
 - In item 4b(ii) of the letter in Example L:
 - The phrase "American Institute of Certified Public Accountants" is replaced with "Public Company Accounting Oversight Board."
 - The reference to "SAS No. 71, *Interim Financial Information*," is replaced with "AS 4105."
 - In the first sentence following item 4b(iii) of the letter in Example L, the phrase "generally accepted auditing standards" is replaced with "the standards of the Public Company Accounting Oversight Board."
- The subtitle "Example O: Alternate Wording When the Procedures That the Underwriter Has Requested the Accountant to Perform on Interim Financial Information Are Less Than an SAS No. 71 Review" is replaced with "Example O: Alternate Wording When the Procedures That the Underwriter Has Requested the Accountant to Perform on Interim Financial Information Are Less Than an AS 4105 Review:"
- Following the subtitle "Example O: Alternate Wording When the Procedures That the Underwriter Has Requested the Accountant to



Perform on Interim Financial Information Are Less Than an SAS No. 71 Review":

- In the third sentence of item 16, the reference to "SAS No. 71 [section 722]" is replaced with "AS 4105."
- In the first sentence following item 4c of the letter in Example O, the phrase "generally accepted auditing standards" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
- In the second paragraph to item 6 of the letter in Example O:
 - In the first sentence:
 - The phrase "standards established by the American Institute of Certified Public Accountants" is replaced with "the standards of the Public Company Accounting Oversight Board."
 - The reference to "AICPA" is replaced with "AT section 301, Financial Forecasts and Projections,."
 - In the last sentence, the phrase "standards established by the AICPA" is replaced with "the standards of the Public Company Accounting Oversight Board."
- Following the subtitle "Example P: A Typical Comfort Letter in a Non-1933 Act Offering, Including the Required Underwriter Representations":
 - In the third sentence of item 17, the reference to "SAS No. 71 [section 722]" is replaced with "AS 4105."
 - In the first sentence of item 6, the phrase "generally accepted auditing standards" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
- In item 6 of the letter in Example Q:



- In the first sentence, the phrase "generally accepted auditing standards" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
- In the last sentence, the phrase "standards established by the American Institute of Certified Public Accountants" is replaced with "the standards of the Public Company Accounting Oversight Board."
- Following the subtitle "Example R: Comfort Letter That Includes Reference to Examination of Annual MD&A and Review of Interim MD&A":
 - In the fifth sentence of item 19, the reference to "section 722" is replaced with "AS 4105."
 - In the first sentence following item 5b(ii) of the letter in Example R, the phrase "generally accepted auditing standards" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."

AU sec. 9634, "Letters for Underwriters and Certain Other Requesting Parties: Auditing Interpretations of Section 634"

AU sec. 9634, "Letters for Underwriters and Certain Other Requesting Parties: Auditing Interpretations of Section 634," as amended, is amended as follows:

- a. The section number "AU Section 9634" is replaced with "AI 27."
- b. The title "Letters for Underwriters and Certain Other Requesting Parties: Auditing Interpretations of Section 634" is replaced with "Letters for Underwriters and Certain Other Requesting Parties: Auditing Interpretations of AS 6101."
- c. In paragraph .03, the parenthetical reference to "section 634.33" is replaced with "paragraph .33 of AS 6101, *Letters for Underwriters and Certain Other Requesting Parties*."
- d. In the first sentence of paragraph .04:
 - The phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."



- The parenthetical reference to "section 550" is replaced with "AS 2710, *Other Information in Documents Containing Audited Financial Statements.*"
- e. In paragraph .05:
- In the third sentence:
 - The reference to "section 634" is replaced with "AS 6101."
 - The reference to "section 634.54–.60" is replaced with "AS 6101.54–.60."
 - In the first sentence of footnote 3, the reference to "Section 634.12" is replaced with "AS 6101.12."
 - In the fourth sentence, the reference to "section 634.55" is replaced with "AS 6101.55."
 - In the fifth sentence, the reference to "section 634.55 and .57" is replaced with "AS 6101.55 and .57."
- f. In paragraph .06, each reference to "section 634.57" or "Section 634.57" is replaced with "AS 6101.57."
- g. In the last sentence of paragraph .07, the reference to "section 634.55" is replaced with "AS 6101.55."
- h. In the last sentence of paragraph .09, the reference to "section 634.31" is replaced with "AS 6101.31."
- i. In the first sentence of paragraph .16, the reference to "Section 634, *Letters for Underwriters and Certain Other Requesting Parties*, paragraph .57," is replaced with "AS 6101.57."
- j. In the first sentence of paragraph .18, the reference to "Section 634.55" is replaced with "AS 6101.55."
- k. In the third sentence of paragraph .19, the reference to "section 634.55" is replaced with "6101.55."
- l. In paragraph .29:



- In the first sentence, the reference to "section 634.64" is replaced with "6101.64."
- In the last sentence of footnote 4 to the table following paragraph .29, the reference to "section 634.55" is replaced with "AS 6101.55."

AU sec. 711, "Filings Under Federal Securities Statutes"

SAS No. 37, "Filings Under Federal Securities Statutes" (AU sec. 711, "Filings Under Federal Securities Statutes"), as amended, is amended as follows:

- a. The section number "AU Section 711" is replaced with "AS 4101."
- b. The title "Filings Under Federal Securities Statutes" is replaced with "Responsibilities Regarding Filings Under Federal Securities Statutes."
- c. Footnote * to the title of the standard is deleted.
- d. In the note to paragraph .02, the reference to "paragraphs C16–C17 of Appendix C, *Special Reporting Situations*, of PCAOB Auditing Standard No. 5" is replaced with "paragraphs .C16–.C17 of Appendix C, *Special Reporting Situations*, of AS 2201."
- e. In the fourth sentence of paragraph .10, the reference to "section 560.12" is replaced with "paragraph .12 of AS 2801, *Subsequent Events*."
- f. In the last sentence of paragraph .11, the parenthetical reference to "section 508" is replaced with "AS 3101, *Reports on Audited Financial Statements*."
- g. In paragraph .12:
 - In the first sentence, the references to "sections 560 and 561" are replaced with "AS 2801 and AS 2905, *Subsequent Discovery of Facts Existing at the Date of the Auditor's Report*."
 - In the second sentence, the reference to "sections 530.05 and 530.07 and .08" is replaced with "paragraph .05 of AS 3105, *Dating of the Independent Auditor's Report*, and AS 3105.07 and .08."
 - In the third sentence, the reference to "section 561.08 and .09" is replaced with "AS 2905.08 and .09."



- h. In paragraph .13a:
- The reference to "section 561" is replaced with "AS 2905."
 - The parenthetical reference to "section 722.46" is replaced with paragraph .46 of AS 4105, *Reviews of Interim Financial Information*."

AU sec. 9711, "Filings Under Federal Securities Statutes: Auditing Interpretations of Section 711"

AU sec. 9711, "Filings Under Federal Securities Statutes: Auditing Interpretations of Section 711," as amended, is amended as follows:

- a. The section number "AU Section 9711" is replaced with "AI 26."
- b. The title "Filings Under Federal Securities Statutes: Auditing Interpretations of Section 711" is replaced with "Responsibilities Regarding Filings Under Federal Securities Statutes: Auditing Interpretations of AS 4101."
- c. In paragraph .03:
- In the first sentence, the reference to "Section 711, *Filings Under Federal Securities Statutes*, paragraph .05" is replaced with "Paragraph .05 of AS 4101, *Responsibilities Regarding Filings Under Federal Securities Statutes*."
 - In the last sentence, the reference to "section 711.10 and .11" is replaced with "AS 4101.10 and .11."
- d. In paragraph .05, the reference to "section 711.10 and .11" is replaced with "AS 4101.10 and .11."
- e. In paragraph .09:
- In the second sentence, the parenthetical reference to "section 552, *Reporting on Condensed Financial Statements and Selected Financial Data*, paragraph .08" is replaced with "paragraph .08 of AS 3315, *Reporting on Condensed Financial Statements and Selected Financial Data*."



- In the last sentence, the parenthetical reference to "section 711.10 and .11" is replaced with "AS 4101.10 and .11."
- f. In paragraph .10:
- In the first sentence, the reference to "section 711" is replaced with "AS 4101."
 - In the last sentence, the reference to "section 711.10 and .11" is replaced with "AS 4101.10 and .11."
- g. In the last sentence of paragraph .11, the reference to "Section 711.12 and .13" is replaced with "AS 4101.12 and .13."

AU sec. 722, "Interim Financial Information"

SAS No. 100, "Interim Financial Information" (AU sec. 722, "Interim Financial Information"), as amended, is amended as follows:

- a. The section number "AU Section 722" is replaced with "AS 4105."
- b. The title "Interim Financial Information" is replaced with "Reviews of Interim Financial Information."
- c. In the references before paragraph .01, the phrase "(Supersedes SAS No. 71)" is deleted.
- d. In the second sentence of paragraph .01:
- The word "three" is deleted.
 - The phrase "discussed in section 150, *Generally Accepted Auditing Standards*, paragraph .02)," is deleted.
 - Footnote 1a is added following the term "standards":

See AS 1005, *Independence*, AS 1010, *Training and Proficiency of the Independent Auditor*, and AS 1015, *Due Professional Care in the Performance of Work*.
- e. In the first sentence of paragraph .04, the reference to "Section 315, *Communications Between Predecessor and Successor Auditors*" is replaced with "AS 2610, *Initial Audits—Communications Between Predecessor and Successor Auditors*."



- f. In footnote 5 to paragraph .05, the last sentence is deleted.
- g. In the second sentence of paragraph .07, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
- h. In the eighth bullet of paragraph .09:
 - In the first sentence, the phrase "standards established by the AICPA" is replaced with "the standards of the PCAOB."
 - In the third sentence, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
- i. In the first sentence of footnote 7 to paragraph .11, the reference to "Paragraphs 10 through 23 of Auditing Standard No. 14" is replaced with "Paragraphs .10 through .23 of AS 2810."
- j. In the third sentence of paragraph .13, the reference to "Auditing Standard No. 12" is replaced with "AS 2110."
- k. In the last sentence of paragraph .16, the reference to "section 329" is replaced with "AS 2305."
- l. In footnote 11 to paragraph .18*b*, the parenthetical reference to "section 543, *Part of Audit Performed by Other Independent Auditors*" is replaced with "AS 1205, *Part of the Audit Performed by Other Independent Auditors*."
- m. In the last sentence of paragraph .18*f*, the reference to "section 550, *Other Information in Documents Containing Audited Financial Statements*, paragraphs .04 through .06)" is replaced with "paragraphs .04 through .06 of AS 2710, *Other Information in Documents Containing Audited Financial Statements*."
- n. In the first sentence of footnote 15 to paragraph .21, the reference to "section 341, *The Auditor's Consideration of an Entity's Ability to Continue as a Going Concern*, paragraph .10" is replaced with "paragraph .10 of AS 2415, *Consideration of an Entity's Ability to Continue as a Going Concern*."
- o. In footnote 16 to paragraph .24, the reference to "section 333, *Management Representations*, paragraphs .08 through .12" is replaced



- with "paragraphs .08 through .12 of AS 2805, *Management Representations*."
- p. In the last sentence of paragraph .30, the reference "paragraph 25 of Auditing Standard No. 16" is replaced with "paragraph .25 of AS 1301."
- q. In paragraph .32:
- The reference to "AU sec. 316" is replaced with "AS 2401."
 - The reference to "AU sec. 317" is replaced with "AS 2405."
- r. In paragraph .34:
- In the first sentence, the reference to "Auditing Standard No. 16, *Communications with Audit Committees*" is replaced with "AS 1301."
 - In the fourth sentence, the reference to "paragraph 12 of Auditing Standard No. 16, *Communications with Audit Committees*" is replaced with "AS 1301.12."
- s. In the last sentence of paragraph .36, the reference to "paragraph 25 of Auditing Standard No. 16, *Communications with Audit Committees*" is replaced with "AS 1301.25."
- t. In paragraph .37*d*, the phrase "standards established by the AICPA" is replaced with "the standards of the PCAOB."
- u. In paragraph .37*f*, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
- v. Paragraph ".37*i*" is replaced with ".37*j*."
- w. Paragraph .37*i* is added:
- The city and state (or city and country, in the case of non-U.S. auditors) from which the auditor's report has been issued.
- x. Footnote 24a is added to the end of the added paragraph .37*i*:
- See SEC Rule 2-02(a) of Regulation S-X, 17 C.F.R. § 210.2-02(a).
- y. In footnote 25 to paragraph .37*i*:



- The reference to "sections 530" is replaced with "AS 3105."
 - The reference to "560" is replaced with "AS 2801."
- z. In the Independent Accountant's Report following paragraph .38:
- In the first sentence of the second paragraph, the phrase "standards established by the American Institute of Certified Public Accountants" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
 - In the third sentence of the second paragraph, the phrase "generally accepted auditing standards" is replaced with "the standards of the Public Company Accounting Oversight Board."
 - The phrase "[*City and State or Country*]" is added following the term "[*Signature*]."
- aa. In the Independent Accountant's Report following paragraph .39:
- In the first sentence of the second paragraph, the phrase "standards established by the American Institute of Certified Public Accountants" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
 - In the third sentence of the second paragraph, the phrase "generally accepted auditing standards" is replaced with "the standards of the Public Company Accounting Oversight Board."
 - The phrase "[*City and State or Country*]" is added following the term "[*Signature*]."
- bb. In footnote 29 to paragraph .40, the reference to "section 543, *Part of Audit Performed by Other Independent Auditors*" is replaced with "AS 1205."
- cc. In the Independent Accountant's Report following paragraph .40:
- In the first sentence of the third paragraph, the phrase "standards established by the American Institute of Certified Public Accountants" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."



- In the third sentence of the third paragraph, the phrase "generally accepted auditing standards" is replaced with "the standards of the Public Company Accounting Oversight Board."
 - The phrase "[*City and State or Country*]" is added following the term "[*Signature*]."
- dd. In footnote 30 to paragraph .41, the reference to "section 508, *Reports on Audited Financial Statements*, paragraph .15" is replaced with "paragraph .15 of AS 3101, *Reports on Audited Financial Statements*."
- ee. In the first sentence of footnote 32 to paragraph .43, the reference to "section 341, *The Auditor's Consideration of an Entity's Ability to Continue as a Going Concern*, paragraph .10" is replaced with "AS 2415.10."
- ff. In the last sentence of paragraph .46, the reference to "section 561" is replaced with "AS 2905."
- gg. In the last sentence of paragraph .50d, the phrase "standards established by the American Institute of Certified Public Accountants" is replaced with "the standards of the Public Company Accounting Oversight Board."
- hh. In Appendix B, footnote 36 to bullet 15 of item B1 in paragraph .55, the reference to "section 342, *Auditing Accounting Estimates*, paragraphs .05 and .06" is replaced with "paragraphs .05 and .06 of AS 2501, *Auditing Accounting Estimates*."
- ii. In Appendix C of paragraph .56:
- In item C2:
 - In the third sentence, the reference to "section 333" is replaced with "AS 2805."
 - The last sentence is deleted.
 - In the second sentence of item C5:
 - A left parenthesis is added before the term "Examples."
 - The reference to "section 316" is replaced with "AS 2401."
 - The reference to "section 334" is replaced with "AS 2410."



- In the last sentence of item C6, the reference "section 333.08" is replaced with "AS 2805.08."
- In the second bracketed sentence of paragraph 15 of the second management representation letter titled "Illustrative Representation Letter for a Review of Interim Financial Information (Statements)," the reference to "*section 333, Management Representations, paragraph .17*)" is replaced with "*paragraph .17 of AS 2805, Management Representations.*"

AU sec. 801, "Compliance Auditing Considerations in Audits of Governmental Entities and Recipients of Governmental Financial Assistance"

SAS No. 74, "Compliance Auditing Considerations in Audits of Governmental Entities and Recipients of Governmental Financial Assistance" (AU sec. 801, "Compliance Auditing Considerations in Audits of Governmental Entities and Recipients of Governmental Financial Assistance"), as amended, is amended as follows:

- a. The section number "AU Section 801" is replaced with "AS 6110."
- b. The title "Compliance Auditing Considerations in Audits of Governmental Entities and Recipients of Governmental Financial Assistance" is replaced with "Compliance Auditing Considerations in Audits of Recipients of Governmental Financial Assistance."
- c. In the references before paragraph .01, the phrase "(Supersedes SAS No. 68)" is deleted.
- d. In paragraph .01, in the first sentence, the phrase "generally accepted auditing standards (GAAS)" is replaced with "the standards of the PCAOB."
- e. Footnote 5 to paragraph .02 is deleted.
- f. In paragraph .02a, the reference to "section 317" is replaced with "AS 2405."
- g. In the first sentence of paragraph .06:
 - The reference to "Section 317" is replaced with "AS 2405."
 - The term "GAAS" is replaced with "the standards of the PCAOB."



- h. In the first sentence of paragraph .09, the term "GAAS" is replaced with "the standards of the PCAOB."
- i. In paragraph .10a, the term "GAAS" is replaced with "the standards of the PCAOB."
- j. In the last sentence of paragraph .11, the term "GAAS" is replaced with "the standards of the PCAOB."
- k. Footnote 12 to paragraph .12 is deleted.
- l. Footnote 14 to paragraph .16 is deleted.
- m. In the first sentence of footnote 15 to paragraph .17c, the term "GAAS" is replaced with "the standards of the PCAOB."
- n. In the last sentence of paragraph .18, the reference to "section 350" is replaced with "AS 2315."
- o. In paragraph .22:
 - In the first sentence, the term "GAAS" is replaced with "The standards of the PCAOB."
 - In the second sentence:
 - The phrase "a GAAS" is replaced with "an."
 - The phrase "in accordance with the standards of the PCAOB" is added following the term "statements."
 - The second term "GAAS" is replaced with "the standards of the PCAOB."
 - In the last sentence, the term "GAAS" is replaced with "the standards of the PCAOB."
- p. In the last sentence of paragraph .23, the reference to "section 317" is replaced with "AS 2405."

AU sec. 901, "Public Warehouses—Controls and Auditing Procedures for Goods Held"



SAS No. 1, "Codification of Auditing Standards and Procedures" (AU sec. 901, "Public Warehouses—Controls and Auditing Procedures for Goods Held"), as amended, is rescinded.

Attestation Standards

Attestation Standard No. 1, "Examination Engagements Regarding Compliance Reports of Brokers and Dealers"

Attestation Standard No. 1, "Examination Engagements Regarding Compliance Reports of Brokers and Dealers," is amended as follows:

- a. In footnote 8 to paragraph 4, the reference to "Auditing Standard No. 15" is replaced with "AS 1105."
- b. In the second note to paragraph 6, the reference to "Auditing Standard No. 3" is replaced with "AS 1215."
- c. In the first sentence of footnote 12 to paragraph 8, the reference to "Auditing Standard No. 17" is replaced with "AS 2701."
- d. In footnote 18 to paragraph 35, the reference to "Auditing Standard No. 16" is replaced with "AS 1301."
- e. In footnote 3 to paragraph C10, the reference to "AU sec. 317" is replaced with "AS 2405."

Attestation Standard No. 2, "Review Engagements Regarding Exemption Reports of Brokers and Dealers"

Attestation No. 2, "Review Engagements Regarding Exemption Reports of Brokers and Dealers," is amended as follows:

- a. In the second note to paragraph 5, the reference to "Auditing Standard No. 3" is replaced with "AS 1215."
- b. In the first sentence of footnote 9 to paragraph 7, the reference to "Auditing Standard No. 17" is replaced with "AS 2701."
- c. In footnote 12 to paragraph 15, the reference to "Auditing Standard No. 16" is replaced with "AS 1301."

AT sec. 101, "Attestation Engagements"



AT sec. 101, "Attestation Engagements," as amended, is amended as follows:

- a. The following note is added at the end of paragraph .01:

Note: In connection with an engagement performed in accordance with this attestation standard, whenever the practitioner is required to make reference in a report to attestation standards established by the American Institute of Certified Public Accountants, the practitioner must instead refer to "the standards of the Public Company Accounting Oversight Board (United States)." A practitioner must also include the city and state (or city and country, in the case of non-U.S. practitioners) from which the practitioner's report has been issued.

- b. In the last sentence of paragraph .04f, the reference to "PCAOB Auditing Standard No. 4" is replaced with "AS 6115."
- c. In paragraph .91:
- The parenthetical reference to "AU section 634" is replaced with "AS 6101."
 - The parenthetical reference to "AU section 711, *Filings Under Federal Securities Statutes*" is replaced with "AS 4101, *Responsibilities Regarding Filings Under Federal Securities Statutes*."
- d. In the last sentence of paragraph .99, the reference to "AU section 561" is replaced with "AS 2905."

AT sec. 9101, "Attest Engagements: Attest Engagements Interpretations of Section 101"

AT sec. 9101, "Attest Engagements: Attest Engagements Interpretations of Section 101," is amended as follows:

- a. In the last sentence of paragraph .12, the reference to "AU section 322, *The Auditor's Consideration of the Internal Audit Function in an Audit of Financial Statements*" is replaced with "AS 2605, *Consideration of the Internal Audit Function*."
- b. In the second bullet of paragraph .28, the reference to "AU section 722, *Interim Financial Information*" is replaced with "AS 4105, *Reviews of Interim Financial Information*."



- c. Paragraphs .43 and 44 are deleted.
- d. In footnote 7 to paragraph .45, the parenthetical reference to "AU section 9339.11–.15" is deleted.
- e. In footnote 12 to paragraph .46, the parenthetical reference to "AU section 9339.11–.15" is deleted.

AT sec. 201, "Agreed-Upon Procedures Engagements"

AT sec. 201, "Agreed-Upon Procedures Engagements," is amended as follows:

- a. The following note is added at the end of paragraph .01:

Note: In connection with an engagement performed in accordance with this attestation standard, whenever the practitioner is required to make reference in a report to attestation standards established by the American Institute of Certified Public Accountants, the practitioner must instead refer to "the standards of the Public Company Accounting Oversight Board (United States)." A practitioner must also include the city and state (or city and country, in the case of non-U.S. practitioners) from which the practitioner's report has been issued.

- b. In paragraph .02*b*, the reference to "AU section 623" is replaced with "AS 3305."
- c. In paragraph .02*c*, the reference to "AU section 801, *Compliance Auditing Considerations in Audits of Governmental Entities and Recipients of Governmental Financial Assistance*" is replaced with "AS 6110, *Compliance Auditing Considerations in Audits of Recipients of Governmental Financial Assistance*."
- d. In paragraph .02*d*, the reference to "AU section 324, *Service Organizations*, paragraph .58" is replaced with "paragraph .58 of AS 2601, *Consideration of an Entity's Use of a Service Organization*."
- e. In paragraph .02*e*, the reference to "AU section 634" is replaced with "AS 6101."
- f. In footnote 3 to paragraph .03, the reference to "AU section 623.11–.18" is replaced with "AS 3305.11–.18."
- g. In footnote 7 to paragraph .22, the reference to "AU section 322, *The Auditor's Consideration of the Internal Audit Function in an Audit of*



Financial Statements" is replaced with "AS 2605, *Consideration of the Internal Audit Function*."

- h. In footnote 13 to paragraph .31k:
- In the first sentence, the reference to "AU section 504, *Association With Financial Statements*" is replaced with "AS 3320, *Association with Financial Statements*."
 - In the second sentence:
 - The reference to "AU section 504.04" is replaced with "AS 3320.04."
 - The reference to "AU section 722, *Interim Financial Information*" is replaced with "AS 4105, *Reviews of Interim Financial Information*,").
 - The reference to "AU section 504.05" is replaced with "AS 3320.05."
- i. In footnote 16 to paragraph .36, the reference to "AU section 530, *Dating of the Independent Auditor's Report*, paragraphs .06 and .07" is replaced with "paragraphs .06 and .07 of AS 3105, *Dating of the Independent Auditor's Report*."
- j. In footnote 18 to paragraph .40, the bracketed reference to "AU section 508" is replaced with "AS 3101."

AT sec. 301, "Financial Forecasts and Projections"

AT sec. 301, "Financial Forecasts and Projections," is amended as follows:

- a. The following note is added at the end of paragraph .01:

Note: In connection with an engagement performed in accordance with this attestation standard, whenever the practitioner is required to make reference in a report to attestation standards established by the American Institute of Certified Public Accountants, the practitioner must instead refer to "the standards of the Public Company Accounting Oversight Board (United States)." A practitioner must also include the city and state (or city and country, in the case of non-U.S. practitioners) from which the practitioner's report has been issued.

- b. In footnote 4 to paragraph .08e, the reference to "AU section 623" is replaced with "AS 3305."
- c. In footnote 12 to paragraph .23, the parenthetical reference to "AU section 9504.19–.22" is replaced with "paragraphs .19–.22 of AI 25, *Association with Financial Statements: Auditing Interpretations of AS 3320*."
- d. In paragraph .24:
 - In footnote 13, the reference to "AU section 504, *Association With Financial Statements*" is replaced with "AS 3320, *Association with Financial Statements*."
 - In footnote 14, the reference to "AU section 552" is replaced with "AS 3315."
- e. In paragraph .48:
 - In footnote 23, the reference to "AU section 504" is replaced with "AS 3320."
 - In footnote 24, the reference to "AU section 552" is replaced with "AS 3315."
- f. In footnote 26 to paragraph .52, the reference to "AU section 634" is replaced with "AS 6101."
- g. In paragraph .60:
 - In footnote 29:
 - In the first sentence, the reference to "AU section 550" is replaced with "AS 2710."
 - In the second sentence:
 - The reference to "AU section 550" is replaced with "AS 2710."
 - The bracketed reference to "AU section 711, *Filings Under Federal Securities Statutes*" is replaced with "AS 4101, *Responsibilities Regarding Filings Under Federal Securities Statutes*."



- In the last sentence, the reference to "AU section 550" is replaced with "AS 2710."
- h. In the first sentence of footnote 5 to item 11*d* of paragraph .70, Appendix C, the reference to "AU section 722, *Interim Financial Information*, paragraphs .13 through .19" is replaced with "paragraphs .13 through .19 of AS 4105, *Reviews of Interim Financial Information*."

AT sec. 401, "Reporting on Pro Forma Financial Information"

AT sec. 401, "Reporting on Pro Forma Financial Information," is amended as follows:

- a. The following note is added at the end of paragraph .01:

Note: In connection with an engagement performed in accordance with this attestation standard, whenever the practitioner is required to make reference in a report to attestation standards established by the American Institute of Certified Public Accountants, the practitioner must instead refer to "the standards of the Public Company Accounting Oversight Board (United States)." A practitioner must also include the city and state (or city and country, in the case of non-U.S. practitioners) from which the practitioner's report has been issued.

- b. In footnote 1 to paragraph .01:
 - In the first sentence, the reference to "AU section 634, *Letters for Underwriters and Certain Other Requesting Parties*, paragraphs .03 through .05" is replaced with "Paragraphs .03 through .05 of AS 6101, *Letters for Underwriters and Certain Other Requesting Parties*."
 - In the last sentence, the reference to "AU section 634.03" is replaced with "AS 6101.03."
- c. In paragraph .02, the reference to "AU section 550, *Other Information in Documents Containing Audited Financial Statements*, and AU section 711, *Filings Under Federal Securities Statutes*" is replaced with "AS 2710, *Other Information in Documents Containing Audited Financial Statements*, and AS 4101, *Responsibilities Regarding Filings Under Federal Securities Statutes*."
- d. In footnote 2 to paragraph .03:



- In the second sentence, the reference to "AU section 560, *Subsequent Events*, paragraph .05" is replaced with "paragraph .05 of AS 2801, *Subsequent Events*."
 - In the last sentence, the reference to "AU section 508, *Reports on Audited Financial Statements*, paragraph .28" is replaced with "paragraph .28 of AS 3101, *Reports on Audited Financial Statements*."
- e. In the second sentence of footnote 5 to paragraph .07*b*, the reference to "AU section 722, *Interim Financial Information*" is replaced with "AS 4105, *Reviews of Interim Financial Information*."

AT sec. 601, "Compliance Attestation"

AT sec. 601, "Compliance Attestation," as amended, is amended as follows:

- a. The following note is added at the end of paragraph .01:

Note: In connection with an engagement performed in accordance with this attestation standard, whenever the practitioner is required to make reference in a report to attestation standards established by the American Institute of Certified Public Accountants, the practitioner must instead refer to "the standards of the Public Company Accounting Oversight Board (United States)." A practitioner must also include the city and state (or city and country, in the case of non-U.S. practitioners) from which the practitioner's report has been issued.

- b. In paragraph .02:
- In item *b*, the reference to "AU section 623, *Special Reports*, paragraphs .19 through .21" is replaced with "paragraphs .19 through .21 of AS 3305, *Special Reports*."
 - In item *c*, the reference to "AU section 801, *Compliance Auditing Considerations in Audits of Governmental Entities and Recipients of Governmental Financial Assistance*" is replaced with "AS 6110, *Compliance Auditing Considerations in Audits of Recipients of Governmental Financial Assistance*."
 - In item *d*, the reference to "AU section 634" is replaced with "AS 6101."



- c. In footnote 5 to paragraph .19, the reference to "AU section 322, *The Auditor's Consideration of the Internal Audit Function in an Audit of Financial Statements*" is replaced with "AS 2605, *Consideration of the Internal Audit Function*."
- d. In the second sentence of paragraph .33, the reference to "AU section 316A, *Consideration of Fraud in a Financial Statement Audit*, paragraphs .16 through .19" is replaced with "AS 2401, *Consideration of Fraud in a Financial Statement Audit*."
- e. In the last sentence of paragraph .43, the reference to "AU section 336" is replaced with "AS 1210."
- f. In the last sentence of paragraph .44, the reference to "AU section 322, *The Auditor's Consideration of the Internal Audit Function in an Audit of Financial Statements*," is replaced with "AS 2605, *Consideration of the Internal Audit Function*."
- g. In the second sentence of paragraph .47, the reference to "AU section 325, *Communication of Internal Control Related Matters Noted in an Audit*" is replaced with "AS 1305, *Communications About Control Deficiencies in an Audit of Financial Statements*."
- h. In the last sentence of paragraph .48, the reference to "AU section 350" is replaced with "AS 2315."
- i. In the first sentence of paragraph .50, the reference to "AU section 560" is replaced with "AS 2801."
- j. In footnote 22 to paragraph .68, the reference to "AU section 333, *Management Representations*, paragraph .09" is replaced with "Paragraph .09 of AS 2805, *Management Representations*."

AT sec. 701, "Management's Discussion and Analysis"

AT sec. 701, "Management's Discussion and Analysis," is amended as follows:

- a. The following note is added at the end of paragraph .01:

Note: In connection with an engagement performed in accordance with this attestation standard, whenever the practitioner is required to make reference in a report to attestation standards established by the American Institute of Certified Public Accountants or auditing standards generally accepted in the United States of America, the practitioner must instead



refer to "the standards of the Public Company Accounting Oversight Board (United States)." A practitioner must also include the city and state (or city and country, in the case of non-U.S. practitioners) from which the practitioner's report has been issued.

- b. In the last sentence of footnote 6 to paragraph .02, the parenthetical reference to "AU section 722, *Interim Financial Information*" is replaced with "AS 4105, *Reviews of Interim Financial Information*."
- c. In footnote 7 to paragraph .02, the reference to "AU section 634" is replaced with "AS 6101."
- d. In paragraph .11a, the reference to "AU section 722, *Interim Financial Information*," is replaced with "AS 4105."
- e. In item (2) of paragraph .14a, the reference to "AU section 722" is replaced with "AS 4105."
- f. In footnote 16 to paragraph .20:
 - In the first sentence, the reference to "AU section 329, *Analytical Procedures*" is replaced with "AS 2305, *Substantive Analytical Procedures*."
 - In the last sentence, the reference to "AU section 329" is replaced with "AS 2305."
- g. The first sentence of paragraph .39 is deleted.
- h. Footnote 18 to paragraph .44 is deleted.
- i. In paragraph .47:
 - In the third sentence, the reference to "AU section 336" is replaced with "AS 1210."
 - In the last sentence, the reference to "AU section 311, *Planning and Supervision*" is replaced with "AS 1201, *Supervision of the Engagement*."
- j. In the last sentence of paragraph .48, the reference to "AU section 322, *The Auditor's Consideration of the Internal Audit Function in an Audit of Financial Statements*" is replaced with "AS 2605, *Consideration of the Internal Audit Function*."



- k. In the last sentence of paragraph .58:
- The reference to "AU section 325, *Communication of Internal Control Related Matters Noted in an Audit*" is replaced with "AS 1305, *Communications About Control Deficiencies in an Audit of Financial Statements*."
 - The reference to "AU section 380, *Communication With Audit Committees*" is replaced with "AS 1301, *Communications with Audit Committees*."
- l. In footnote 24 to paragraph .66:
- In the second sentence, the reference to "AU section 561" is replaced with "AS 2905."
 - In the last sentence, the reference to "AU section 711, *Filings Under Federal Securities Statutes*" is replaced with "AS 4101, *Responsibilities Regarding Filings Under Federal Securities Statutes*."
- m. In footnote 25 to paragraph .66c, the reference to "AU section 337" is replaced with "AS 2505."
- n. In the first sentence of paragraph .102, the reference to "AU section 315, *Communications Between Predecessor and Successor Audits*" is replaced with "AS 2610, *Initial Audits—Communications Between Predecessor and Successor Audits*."
- o. In the last sentence of paragraph .106, the reference to "AU section 711, *Filings Under Federal Securities Statutes*," is replaced with "AS 4101."
- p. In footnote 30 to paragraph .107, the reference to "AU section 550, *Information in Documents Containing Audited Financial Statements*" is replaced with "AS 2710, *Other Information in Documents Containing Audited Financial Statements*."
- q. In the last sentence of paragraph .108, the reference to "AU section 317, *Illegal Acts*, paragraphs .17, .22, and .23)" is replaced with "paragraphs .17, .22, and .23 of AS 2405, *Illegal Acts*."
- r. In the last sentence of paragraph .109, the reference to "AU section 316" is replaced with "AS 2401."



- s. In footnote 31 to paragraph .110:
- In the first sentence, the reference to "AU section 333, *Management Representations*, paragraph .09" is replaced with "Paragraph .09 of AS 2805, *Management Representations*."
 - In the second sentence, the reference to "AU section 711.10" is replaced with "AS 4101.10."
- t. In the title of Appendix D, the bracketed reference to "AU section 550" is replaced with "AS 2710."

Quality Control Standards

QC sec. 20, "System of Quality Control for a CPA Firm's Accounting and Auditing Practice"

QC section ("sec.") 20, "System of Quality Control for a CPA Firm's Accounting and Auditing Practice," is amended as follows:

- a. In the first sentence of paragraph .10, the reference to "AU section 220" is replaced with "AS 1005."
- b. In footnote 7 to paragraph .10, the reference to "AU section 220.02" is replaced with "AS 1005.02."
- c. In the last sentence of paragraph .18, the reference to "PCAOB Auditing Standard No. 7, *Engagement Quality Review*" is replaced with "AS 1220, *Engagement Quality Review*."

Ethics and Independence Standards

ET sec. 101, "Independence"

ET sec. 101, "Independence," is amended as follows:

- a. The note in paragraph .05 is deleted.

ET sec. 102, "Integrity and Objectivity"

ET sec. 102, "Integrity and Objectivity," is amended as follows:

- a. In footnote 1 to paragraph .05, the reference to "paragraph 5.b. of Auditing Standard No. 10, *Supervision of the Audit Engagement*, and paragraph



PCAOB Release No. 2014-001
May 7, 2014
Appendix 4 – Proposed Amendments
Page A4–157

12.d. of Auditing Standard No. 3, *Audit Documentation*" is replaced with "paragraph .05b of AS 1201, *Supervision of the Audit Engagement*, and paragraph .12d of AS 1215, *Audit Documentation*."

Exhibit 2(a)(G) – Information regarding the Online Demonstration Version of the Proposed Rules.

In conjunction with issuing the supplemental request for comment, the Board released on its website a demonstration version of the reorganized auditing standards to facilitate review and comment on the proposed amendments. The online demonstration version presented the auditing standards as they would look if reorganized according to the proposed amendments included in the supplemental request for comment. The online demonstration version that accompanied the supplemental request for comment remains available on the PCAOB's website at <http://pcaobus.org/Rules/Rulemaking/Pages/Docket040.aspx>.

In connection with this filing, the PCAOB provided the SEC with an electronic copy of the online demonstration version.

**Exhibit 2(a)(H)****Alphabetical List of Commenters on the Supplemental Request for
Comment in PCAOB Release No. 2014-001**

1	California Society of Certified Public Accountants
2	Pw Carey
3	Deloitte & Touche LLP
4	Grant Thornton LLP
5	McGladrey LLP
6	PricewaterhouseCoopers LLP
7	WeiserMazars LLP



1800 Gateway Drive, Ste 200
San Mateo CA 94404-4072
(800) 922-5272
www.calcpa.org

June 9, 2014

Via e-mail: comments@pcaobus.org

Office of the Secretary
PCAOB
1666 K Street, N.W.
Washington, D.C. 20006-2803

Re: PCAOB Rulemaking Docket Matter No. 40
Supplemental Request for Comment: Proposed Framework for Reorganization
of PCAOB Auditing Standards and Related Amendments to PCAOB Auditing
Standards and Rules

The Accounting Principles and Assurance Services Committee (the "Committee") of the California Society of Certified Public Accountants ("CalCPA") respectfully submits its comments on the referenced proposal. The Committee is the senior technical committee of CalCPA. CalCPA has approximately 40,000 members. The Committee consists of 53 members, of whom 47 percent are from local or regional CPA firms, 27 percent are from large multi-office CPA firms, 12 percent are sole practitioners in public practice, 10 percent are in academia and 4 percent are in international CPA firms. Members of the Committee are with CPA firms serving a large number of public and nonpublic business entities, as well as many non-business entities such as not-for-profits, pension plans and governmental organizations.

The Committee is disappointed that the Board has chosen to devise a new organization framework that differs from that long used by the AICPA. While the Committee has no criticism, *per se*, of the Board's proposed organization framework, a new organization framework is unnecessary and its adoption would have potentially adverse consequences.

The profession has long used the auditing standards organization framework of the AICPA, and that framework has served well and is understood by practitioners and other users. The organization of the AICPA's auditing standards may not be beyond criticism, and relatively minor changes are in progress. But we believe a far better course of action for the Board would be to work with the AICPA to create an organization framework in a manner that would meet the needs of both bodies.

The Board points to their standardized organization framework as one that is more easily navigable by users which would facilitate compliance, and would help avoid confusion between its standards and those of the AICPA. In our letter of May 22, 2013, we pointed out that there would be significant ongoing costs to firms of maintaining separate PCAOB and non-PCAOB audit methodologies and that confusion will be caused by having both methodologies in use.

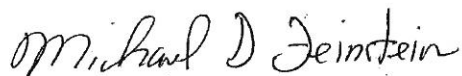
The Board dismisses the costs of implementation as a one-time cost to be borne by registered accounting firms. This significantly understates the cost, and we question the Board's basis for its statement. In the United States, there will be ongoing costs in

educating auditors to deal with two different sets of standards, one for public entities and one for nonpublic entities. Even in the largest firms auditors deal with public and nonpublic audit clients. Outside the United States, this becomes more complex as auditors for U.S. owned entities will face different framework organizations for local requirements, which is usually their primary educational focus, the IAASB framework and potentially the AICPA for audits of international entities not registered with the SEC and then another organization framework for entities registered with the SEC. This will impose additional ongoing costs, may create confusion and certainly will not promote compliance with the Board's standards.

The Board's proposed organization framework drives a wedge between the audit standards of the Board and those of the AICPA. Over time, with differing numbering systems, it is inevitable that the standards will diverge and impose a further burden on practitioners working in the public, private and international arenas. This does not serve the needs of the Board's constituents, and ultimately will poorly serve the needs of the Board. The Committee believes the Board should be supporting convergence of auditing standards, and the Board's proposed organization framework system will have just the opposite effect, and encourage divergence in auditing standards.

We would be glad to discuss our opinions with you further should you have any questions or require additional information.

Sincerely,

A handwritten signature in cursive script that reads "Michael D. Feinstein".

Michael D. Feinstein
Chair
Accounting Principles and Assurance Services Committee
California Society of Certified Public Accountants

From: [Pw Carey](#)
To: [Comments](#)
Cc: [Pw Carey](#)
Subject: **** PCAOB Docket No. 40 Pw's Comments - July 8th, 2014 ****
Date: Tuesday, July 08, 2014 3:15:20 PM
Attachments: [Pws Docket No. 40 Comments July 4th, 2014.pdf](#)
[Pws COPY Cloud Forensics Challenges Mind Map July 8th, 2014.doc](#)

Dear Folks at PCAOB:

Good morning and hope all is well way back East....

- Please Note: We appreciate the opportunity to offer up our personal and individual comments in support of your efforts to improve the critical and necessary organizational infrastructure directly supporting The PCAOB's standards for Auditor performance.....
- it is our hope that at least one of our suggestions will bear fruit, or even a slice will do....
- & to protect the innocent and/or not so innocent (at this point in time) all good ideas belong to Pw Meschevitz Carey.....However, if....
- any rotten ideas have crept into this effort, they're not my fault, as every now and again....
- invisible cows take control of my laptops' key board.....
- We're having this looked into.....

In closing, our best wishes...for a nice and relaxing work week in Washington, DC.....

Pw Meschevitz Carey, US Citizen

Respectfully yours,

Regards / Met vriendelijke groet

Pw Carey

Senior IT Auditor, (GRC), CISA & CISSP

Compliance Partners, LLC

250 South Grove Ave.

Suite 200

Barrington, Illinois 60010 USA

San Francisco-Chicago-Boston & Best, NL

e-Mail: pwcarey@complysys.com or pwc.pwcarey@gmail.com

Tel. : [1-224-633-1378](tel:1-224-633-1378) or [1-650-264-9617](tel:1-650-264-9617) or [1-650-278-3731](tel:1-650-278-3731)

Fax : [1-847-683-1371](tel:1-847-683-1371)

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 Washington, D.C. 20006
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 Facsimile: (202) 862-8430
 www.pcaobus.org



SUPPLEMENTAL REQUEST FOR COMMENT:
 PROPOSED FRAMEWORK FOR
 REORGANIZATION OF PCAOB AUDITING
 STANDARDS AND RELATED AMENDMENTS
 TO PCAOB AUDITING STANDARDS AND
 RULES

)
) PCAOB Release No. 2014-001
) **May 7, 2014**
)
) PCAOB Rulemaking
) Docket Matter No. 40
)
)

Summary: The Public Company Accounting Oversight Board ("PCAOB" or "Board") is issuing a supplemental request for comment on its proposed framework for reorganization of PCAOB auditing standards and related amendments to PCAOB auditing standards and rules and reopening the comment period on the proposed reorganization. This supplemental request for comment presents the proposed amendments to implement the proposed reorganization. In conjunction with this supplemental request for comment, the Board also is releasing on its website a demonstration version of the reorganized auditing standards to facilitate review and comment on the proposed amendments.

Public Comment: Interested persons may submit written comments to the Board. Such comments should be sent to the Office of the Secretary, PCAOB, 1666 K Street, N.W., Washington, D.C. 20006-2803. Comments also may be submitted via email to comments@pcaobus.org or through the Board's website at <http://www.pcaobus.org>. All comments should refer to PCAOB Rulemaking Docket Matter No. 40 in the subject or reference line and should be received by the Board no later than July 8, 2014.

Board
 Contacts: Martin F. Baumann, Chief Auditor (202/207-9192, baumannm@pcaobus.org); Keith Wilson, Deputy Chief Auditor (202/207-9134, wilsonk@pcaobus.org); Greg Fletcher, Associate Chief Auditor (202/207-9203, fletcher@pcaobus.org); and Robert Ravas, Assistant Chief Auditor (202/591-4306, ravasr@pcaobus.org).

* * * * *

Summary of Comments on Microsoft Word - PCAOB Release No 2014-001 Reorganization of PCAOB Standards Supplemental Request for Comment.docx

Page: 1

Number: 1 Author: Pw Carey, Senior IT Auditor (GRC), CISSP, CISA Subject: Compliance Partners, LLC, Barrington, IL 60010 USA
Date: 7/8/2014 10:01:30 AM

Dear Folks:

Good morning and thank you for this opportunity to help you all out in this regard, (aka: improved subject organizational transparency, process work flow, functional roadmaps, availability, word choice and/or reality checks at this point in time....).

Please Note: What sets our comments apart from the great majority of the rest of the comments you all have received in response to Docket No. 40, is that we have no particular axe to grind, nor agenda in mind other than how to improve your work efforts; (aka: no turf, no membership fees to protect, no position of power to defend, no justification for our existence ...

Nope, rather our motivation is a simple and just desire to make the mis-ordered, indexed and catalogued, out of sequence, non-intuitive, obtuse, wrong, incorrect, confusing, and dare we say.... "murky" and transforming this mis-mash into a sterling example of an

intuitive,

clear,

understandable,

transparent,

logically sequential,

navigation warm and friendly with bagels and hot coffee at key points along the way.....

and most important.....

useful to the audience you all serve the investment community... a community made up of various entities, with multiple motivations, cultures and reasons for being.... these multiple audiences comprised of individuals and organizations with divergent purposes are always struggling with conflicting goals and purposes and levels of trust) makes for an interesting stew, don't you think....?

For example, one portion of this community's only reason for being is to make money, show a profit, create value (real and/or imagined) however it's not to follow the rules if they stand in the way of accomplishing their reason for being Their annual performance evaluation is not based upon how many Regulations they followed to the letter and spirit of the law.... human nature is a wonderful thing, isn't it....?....

So please provide templates demonstrating Best Practices & Use Cases & Mind Maps for each of the areas you all deem critical for addressing Auditor Independence & Skepticism

....

Please put this re-organization into a Step 1 thru Step X via a:

1. Chronological,

2. Sequential

3. Step by step guide for best practices

4. Use Case

and include a

5. Mind Map,

6. Link your Standards in both directions to your; Meetings, Conferences, Manuals, Hearings, and Guides et cetera....currently available on your web-site

7. Include a key-word in context index, linked to a Topical Glossary

* An overall improvement/upgrade in the areas of Web Page --

navigation,

organization,

layout linking end-to-end (in both directions)

since as you all know if its there but you all can't find it within a few attempts ... you lazy, lazy bunch of slackers just give up and move on, and just because you've got a deadline and your boss is hovering over your shoulder ... which always helps no.....maybe not...?

(Please See Attached Sample Mind Map example from NIST (National Institute of Standards and Technology) not for dissemination/

Comments from page 1 continued on next page



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Washington, D.C. 20006
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SUPPLEMENTAL REQUEST FOR COMMENT:
PROPOSED FRAMEWORK FOR
REORGANIZATION OF PCAOB AUDITING
STANDARDS AND RELATED AMENDMENTS
TO PCAOB AUDITING STANDARDS AND
RULES

)
) PCAOB Release No. 2014-001
) **May 7, 2014**
)
) PCAOB Rulemaking
) Docket Matter No. 40
)
)

Summary: The Public Company Accounting Oversight Board ("PCAOB" or "Board") is issuing a supplemental request for comment on its proposed framework for reorganization of PCAOB auditing standards and related amendments to PCAOB auditing standards and rules and reopening the comment period on the proposed reorganization. This supplemental request for comment presents the proposed amendments to implement the proposed reorganization. In conjunction with this supplemental request for comment, the Board also is releasing on its website a demonstration version of the reorganized auditing standards to facilitate review and comment on the proposed amendments.


Public Comment: Interested persons may submit written comments to the Board. Such comments should be sent to the Office of the Secretary, PCAOB, 1666 K Street, N.W., Washington, D.C. 20006-2803. Comments also may be submitted via email to comments@pcaobus.org or through the Board's website at <http://www.pcaobus.org>. **All comments should refer to PCAOB Rulemaking Docket Matter No. 40 in the subject or reference line and should be received by the Board no later than July 8, 2014.**


Board
Contacts: Martin F. Baumann, Chief Auditor (202/207-9192, baumannm@pcaobus.org); Keith Wilson, Deputy Chief Auditor (202/207-9134, wilsonk@pcaobus.org); Greg Fletcher, Associate Chief Auditor (202/207-9203, fletcher@pcaobus.org); and Robert Ravas, Assistant Chief Auditor (202/591-4306, ravasr@pcaobus.org).

* * * * *

distribution/and/or kitchen sinks, without prior written authorization and or approval, which ever comes first and please update your standards to include and reflect todays technological reality checks facing the financial industries, (aka: PCI-DSS---Payment Card Industry Data Security Standard) around the world...

Respectfully yours, Pw Meschevitz Carey, US Citizen

 Number: 2 Author: Pw Carey, Senior IT Auditor (GRC), CISSP, CISA Subject: Highlight Date: 7/4/2014 8:59:52 AM

 Number: 3 Author: Pw Carey, Senior IT Auditor (GRC), CISSP, CISA Subject: Highlight Date: 7/4/2014 9:02:05 AM



I. Background

In 2013, the PCAOB proposed a framework for reorganizing its auditing standards.^{1/} As discussed in that proposal, PCAOB auditing standards currently consist of two types of ^{2/}equally authoritative auditing standards: (1) standards issued by the Board and (2) preexisting standards adopted by the Board ^{3/}on an interim transitional basis. Each type of auditing standard has its own organizational structure. The proposed reorganization of PCAOB auditing standards is intended to create a ^{4/}standardized organizational structure of PCAOB auditing standards to enhance the usability of the standards and help users navigate the standards more easily. This could help auditors find more easily the relevant requirements in PCAOB standards for a particular area of the audit, which in turn could facilitate compliance with the standards. The proposed reorganization also would ^{5/}help avoid potential confusion between the Board's standards and those of the Auditing Standards Board of the American Institute of Certified Public Accountants ("AICPA"), if the same reference is used for different standards covering different topics.^{2/} Finally, the proposed reorganization framework is intended to provide ^{6/}a structure for updating PCAOB standards in the future in that new auditing standards adopted by the Board are expected to be issued in the form of amended or new sections of the reorganized standards rather than sequentially numbered standards.



The proposing release set forth a framework for reordering and renumbering the PCAOB's existing auditing standards in their entirety, without redrafting the standards, imposing new requirements on auditors, or making substantive changes to the requirements. The proposing release also presented certain amendments to PCAOB auditing standards and rules related to the proposed reorganization, ^{8/}including amendments to rescind certain interim auditing standards that the Board believes are no longer necessary.

^{1/} See *Proposed Framework for Reorganization of PCAOB Auditing Standards and Related Amendments to PCAOB Auditing Standards and Rules*, PCAOB Release No. 2013-002 (March 26, 2013) ("proposing release").

^{2/} For example, the PCAOB's interim auditing standard AU section ("sec.") 230, *Due Professional Care in the Performance of Work*, describes the auditor's responsibilities for applying due professional care in planning and performing audits, whereas, the ASB's auditing standard with the same reference number relates to audit documentation.

 Number: 1 Author: Pw Carey, Senior IT Auditor (GRC), CISSP, CISA Subject: Compliance Partners, LLC, Barrington, IL 60010 USA
Date: 7/4/2014 1:21:39 PM

How difficult can it be (time consuming and paying attention to detail and reviewed three (3) times by two or three outside observers) to make references to---map to---link to---the following:


"Staff Audit Practice Alerts"


"Staff Questions and Answers", and


"Other Staff Guidance" and other areas, such as the IRS's investigative authority and the concept of 'Statute of Limitations...."


hahahahahahah,


Respectfully yours, Pw Meschevitz Carey-RF/PF Advisor


 Number: 2 Author: Pw Carey, Senior IT Auditor (GRC), CISSP, CISA Subject: Highlight Date: 7/4/2014 9:03:08 AM

 Number: 3 Author: Pw Carey, Senior IT Auditor (GRC), CISSP, CISA Subject: Highlight Date: 7/4/2014 9:03:30 AM


 Number: 4 Author: Pw Carey, Senior IT Auditor (GRC), CISSP, CISA Subject: Highlight Date: 7/4/2014 9:03:54 AM

 Number: 5 Author: Pw Carey, Senior IT Auditor (GRC), CISSP, CISA Subject: Highlight Date: 7/4/2014 9:04:43 AM

 Number: 6 Author: Pw Carey, Senior IT Auditor (GRC), CISSP, CISA Subject: Highlight Date: 7/4/2014 9:06:51 AM

 Number: 7 Author: Pw Carey, Senior IT Auditor (GRC), CISSP, CISA Subject: Compliance Partners, LLC, Barrington, IL 60010 USA
Date: 7/4/2014 9:06:33 AM

(AKA: PCAOB STANDARDS UPDATES_EFFECTIVE DATE:-----)

 Number: 8 Author: Pw Carey, Senior IT Auditor (GRC), CISSP, CISA Subject: Highlight Date: 7/4/2014 9:07:59 AM



In the proposing release, the Board stated that it intended to release and seek public comment on all of the amendments necessary to implement the reorganization of the auditing standards. The Board also indicated its intention to provide a functioning online version of the reorganized auditing standards to facilitate review of the proposed amendments.

This supplemental request for comment presents all of the implementing amendments and provides information on accessing the online demonstration version of the reorganized auditing standards. In conjunction with developing the implementing amendments, the Board also identified certain refinements to the initially proposed reorganization framework and certain technical changes to PCAOB standards, which are discussed in Section II. The proposed amendments in this release reflect those refinements and include the additional technical changes.

In conjunction with issuing this supplemental request for comment, the Board is reopening the comment period and renewing its request for comments. In addition, the Board continues to evaluate the comments received previously, as discussed in Section I.A.

To facilitate review and comment on the proposed amendments, the Board also is releasing on its website a demonstration version of the reorganized auditing standards, which presents the Board's existing auditing standards as they would look if reorganized under the proposed framework and proposed amendments.^{3/}

A. Comments on the Proposing Release


The Board has received 19 comment letters in response to the proposing release.^{4/} The Board continues to consider those comments and will consider additional comments received in response to this supplemental request for comment. If, after consideration of comments, the Board decides to adopt the reorganization, the accompanying release will more fully discuss the Board's responses to comments received on the proposed reorganization. This section provides information about certain comments received to date, in order to aid potential commenters on this supplemental request for comment.

^{3/} The demonstration version of the reorganized auditing standards can be accessed at <http://pcaobus.org/Rules/Rulemaking/Pages/Docket040.aspx>. The demonstration version includes an email link that allows individuals to comment on any aspect of the proposed reorganization while reviewing the demonstration version.

^{4/} Comment letters on the proposal are available on the Board's website.

Comments, in general, indicated support for the proposed reorganization of the PCAOB auditing standards. Some commenters made statements about the standard-setting process more generally, such as that the Board should defer the reorganization to devote more time to other standard-setting projects, converge with the auditing standards of the ¹International Auditing and Assurance Standards Board, or collaborate with other auditing standard setters on developing a unified framework for auditing standards.

Various commenters suggested a variety of individual changes to the titles, order, groupings, or numbering sequence of the reorganization framework. For example, changes suggested by commenters include (1) reclassifying certain auditing standards within the proposed framework, (2) combining certain categories or subcategories in the proposed framework, and (3) creating certain new categories or subcategories. ²However, there was little commonality among the suggested changes.









 ³The Board also received comments regarding its plans to rescind certain standards that it believes are no longer necessary. ⁴Some commenters suggested other standards that could be rescinded or suggested retaining one or more of the standards, including AU sec. 532. Regarding AU sec. 532, some commenters suggested that auditors sometimes need to restrict the use of their reports, and they cited examples of situations covered by other standards that the Board is proposing to retain. ⁵The Board requests specific examples of situations, other than those covered by other PCAOB standards, ⁶for which rescinding AU sec. 532 would result in an inappropriate outcome.

While the Board continues to evaluate the comments received to date, the Board is issuing this supplemental request for comment containing the implementing amendments for the reorganization as initially proposed, except for certain refinements described in Section II. The issuance of this supplemental request for comment should

^{5/} ⁷Those standards are AU sec. 150, *Generally Accepted Auditing Standards*, AU sec. 201, *Nature of the General Standards*, AU sec. 410, *Adherence to Generally Accepted Accounting Principles*, AU sec. 532, *Restricting the Use of an Auditor's Report*, and AU sec. 901, *Public Warehouses—Controls and Auditing Procedures for Goods Held*.

^{6/} ⁸Specifically, commenters cited situations covered by AU sec. 325, *Communications About Control Deficiencies in an Audit of Financial Statements*, and AU sec. 623, *Special Reports*. Commenters also cited Auditing Standard No. 16, *Communications with Audit Committees*, but that standard, by its terms, does not require the auditor to restrict the use of audit committee communications.

Page: 4

 Number: 1	Author: Pw Carey, Senior IT Auditor (GRC), CISSP, CISA	Subject: Highlight	Date: 7/4/2014 9:11:46 AM
 Number: 2	Author: Pw Carey, Senior IT Auditor (GRC), CISSP, CISA	Subject: Highlight	Date: 7/4/2014 9:12:56 AM
 Number: 3	Author: Pw Carey, Senior IT Auditor (GRC), CISSP, CISA	Subject: Compliance Partners, LLC, Barrington, IL 60010 USA	Date: 7/4/2014 9:15:42 AM
Provide a KWIC Index; Key Word In Context Index, Mind Map similar to the NIST example, Sequential Process Flow Road Map			
 Number: 4	Author: Pw Carey, Senior IT Auditor (GRC), CISSP, CISA	Subject: Highlight	Date: 7/4/2014 9:17:35 AM
 Number: 5	Author: Pw Carey, Senior IT Auditor (GRC), CISSP, CISA	Subject: Highlight	Date: 7/4/2014 9:16:09 AM
 Number: 6	Author: Pw Carey, Senior IT Auditor (GRC), CISSP, CISA	Subject: Highlight	Date: 7/4/2014 9:16:28 AM
 Number: 7	Author: Pw Carey, Senior IT Auditor (GRC), CISSP, CISA	Subject: Highlight	Date: 7/4/2014 9:17:57 AM
 Number: 8	Author: Pw Carey, Senior IT Auditor (GRC), CISSP, CISA	Subject: Highlight	Date: 7/4/2014 9:19:30 AM

¹ Not be construed as reflecting the Board's complete and final consideration of any particular comment.

II. Proposed Amendments

A. Overview of Proposed Amendments


Appendix 4 presents the proposed amendments to PCAOB auditing standards and rules to implement the proposed reorganization, including changes to update the section numbers and cross-references in the standards. The proposed amendments in Appendix 4 also include certain amendments discussed in the proposing release, which generally related to rescinding certain auditing standards (as discussed in Section I.A.), deleting certain appendices and exhibits to the interim auditing standards,^{7/2} and related changes to PCAOB Rule 3101, *Certain Terms Used in Auditing and Related Professional Practice Standards*, and Rule 3200T, *Interim Auditing Standards*. These amendments are carried forward in this supplemental request for comment largely as proposed, allowing commenters to review all of the proposed amendments in one document.^{8/}


In conjunction with developing the proposed amendments, the Board has identified certain refinements to the proposed reorganization framework and certain technical changes to PCAOB standards that are intended to further the objective of enhancing the usability of the auditing standards. These refinements and amendments are not expected to impose new requirements on auditors or change the substance of the requirements for performing and reporting on audits under PCAOB standards. These proposed refinements and changes are discussed in Section II.B. and are reflected in the appendices to this release.


^{7/} ³ The term "interim auditing standards" refers to the auditing standards of the AICPA adopted by the Board as of April 16, 2003, to the extent not superseded or amended by the Board.

^{8/} In some cases, the amendments in Appendix 4 are updated versions of amendments in the proposing release, as discussed further in Section II.B. of this release.

Page: 5

 Number: 1 Author: Pw Carey, Senior IT Auditor (GRC), CISSP, CISA Subject: Highlight Date: 7/4/2014 9:20:40 AM

 Number: 2 Author: Pw Carey, Senior IT Auditor (GRC), CISSP, CISA Subject: Highlight Date: 7/4/2014 9:22:31 AM


 Number: 3 Author: Pw Carey, Senior IT Auditor (GRC), CISSP, CISA Subject: Highlight Date: 7/4/2014 9:23:39 AM

B. Refinements to the Reorganization Framework and Other Changes

The proposed amendments in Appendix 4 reflect certain refinements to the proposed reorganization framework in Appendix 1 to the proposing release^{9/} and certain other technical changes to PCAOB standards, as follows:


- Changes to the titles of certain auditing standards and subcategories to: (1) promote more consistency in the styling of standards or (2) clarify the subject of the standard.^{10/} ^{11/} In addition, the title of subcategory 2700 is changed from "Auditor's Responsibilities Regarding Other Information" to "Auditor's Responsibilities Regarding Supplementary and Other Information" to clarify the topics of the standards within this subcategory.
- Expansion of the numbering interval within subcategories to allow more flexibility for future standards.^{12/} For example, in the proposed reorganization framework, standards that were numbered consecutively within the four-digit numbering structure are now proposed to be renumbered using increments of five.^{11/}


^{9/} ^{3/} Appendix 1 to this release presents the revised proposed reorganization framework, and the proposed titles, numbering, and categorization of standards.


 ^{4/} ^{10/} ^{5/} The proposed reorganization in Appendix 1 reflects the following changes to auditing standard titles to make them more consistent in style with other standards: (1) removing the phrase "The Auditor's" from AS 2415, *The Auditor's Consideration of an Entity's Ability to Continue as a Going Concern*; (2) adding the term "Auditing" to AS 2510, *Inventories*; (3) adding the phrase "Consideration of an Entity's Use of" to AS 2601, *Service Organizations*; and (4) removing the phrases "The Auditor's" and "in an Audit of Financial Statements" from AS 2605, *The Auditor's Consideration of the Internal Audit Function in an Audit of Financial Statements*. The proposed reorganization also reflects a change to add the phrase "Initial Audits" to AS 2610, *Communications Between Predecessor and Successor Auditors* to clarify the subject of the standard.

^{11/} The proposed amendments ^{6/} would not adjust the interval between AS 2501, *Auditing Accounting Estimates*, AS 2502, *Auditing Fair Value Measurements and Disclosures*, and AS 2503, *Auditing Derivative Instruments, Hedging Activities, and Investments in Securities*, as the Board has a standard-setting project that is, among other things, considering a combined standard to include the topics addressed by these standards.

Page: 6

 Number: 1 Author: Pw Carey, Senior IT Auditor (GRC), CISSP, CISA Subject: Highlight Date: 7/4/2014 9:24:21 AM


 Number: 2 Author: Pw Carey, Senior IT Auditor (GRC), CISSP, CISA Subject: Highlight Date: 7/4/2014 9:24:56 AM


 Number: 3 Author: Pw Carey, Senior IT Auditor (GRC), CISSP, CISA Subject: Highlight Date: 7/4/2014 9:25:22 AM



 Number: 4 Author: Pw Carey, Senior IT Auditor (GRC), CISSP, CISA Subject: Compliance Partners, LLC, Barrington, IL 60010 USA
Date: 7/4/2014 9:36:41 AM

The 6-Strikes Rule is in play here, if you're required to read a sentence 5 or 6 times before grasping its intent (this does not represent clarity)...

Our compliments to the Chef, in regards to as stated either before and/or after, which ever comes first or last or in-between, sometimes but then again not always or usually referred to as: Reference Item No. 10, on Page 6 or maybe 7as in: "...totally confusing.... totally.... obfuscating ..." (aka: keep up the good work of adding sweet confusion to the conversation.... Respectfully yours, Pw

 Number: 5 Author: Pw Carey, Senior IT Auditor (GRC), CISSP, CISA Subject: Highlight Date: 7/4/2014 9:27:17 AM

 Number: 6 Author: Pw Carey, Senior IT Auditor (GRC), CISSP, CISA Subject: Highlight Date: 7/4/2014 9:37:37 AM


- Reordering of the subcategory "Auditing Internal Control Over Financial Reporting" ¹ to follow the subcategory "Audit Planning and Risk Assessment," as this sequence is a clearer representation of the integrated audit process.
-  ² Movement of Auditing Standard No. 4, *Reporting on Whether a Previously Reported Material Weakness Continues to Exist*, from AS 2302 in the "Audit Procedures" category, as initially proposed, to AS 6115 in the "Other Matters Associated with Audits" category as this category describes more clearly the nature of the work covered by this standard.^{12/}
-  ³ Replacement of references to generally accepted auditing standards ("GAAS") throughout the auditing standards with references to the standards of the PCAOB or PCAOB auditing standards, and, as a result, superseding Auditing Standard No. 1, *References in Auditors' Reports to the Standards of the Public Company Accounting Oversight Board*.^{13/}
- ⁵ Eliminating certain inoperative language in auditing standards and interpretations and eliminating inoperative references to AICPA standards or rules, such as the provisions of the AICPA Code of Professional Conduct or ethics rules that were not adopted as interim standards of the PCAOB, and replacing those references to AICPA standards with references to PCAOB standards, where appropriate.^{14/}


^{12/} Separately, the proposed reorganization in Appendix 1 also reflects the renumbering of ⁶ AU sec. 504, *Association With Financial Statements*, from AS 3301 to AS 3320, while maintaining that standard in the same subcategory as initially proposed.

^{13/} This standard provides that, whenever the auditor is required by existing standards to reference GAAS in a report, the auditor must instead refer to the standards of the PCAOB. ⁷ Auditing Standard No. 1 also includes a requirement for the report to include the city and state, or country, of the auditor. If Auditing Standard No. 1 is superseded, that requirement would be added to the Board's other standards on auditor reporting. Also, since Auditing Standard No. 1 applies to reports issued pursuant to the PCAOB's attestation standards, the Board is proposing to make analogous changes to the interim attestation standards. See Appendix 4 for the proposed amendments.

^{14/} For example, the Board is proposing to delete from AS 1005, *Independence*, and AS 2605 references to AICPA independence requirements that were never adopted by the Board. Similar types of changes were made to AS 2705, *Unaudited Supplementary Information Included in Audited Financial Statements*, AS

Page: 7

 Number: 1 Author: Pw Carey, Senior IT Auditor (GRC), CISSP, CISA Subject: Highlight Date: 7/4/2014 9:41:22 AM

 Number: 2 Author: Pw Carey, Senior IT Auditor (GRC), CISSP, CISA Subject: Compliance Partners, LLC, Barrington, IL 60010 USA
Date: 7/4/2014 9:48:39 AM

Before sure to Include the following Terms as Subject Headings....whenever directly and/or indirectly linked to the Auditors Functional Category :

Risk

GRC (Governance, Risk & Compliance)

Privacy

Confidentiality


Integrity

Availability

Fraud....


Liability...


whenever topically appropriate


 Number: 3 Author: Pw Carey, Senior IT Auditor (GRC), CISSP, CISA Subject: Highlight Date: 7/4/2014 9:49:50 AM

 Number: 4 Author: Pw Carey, Senior IT Auditor (GRC), CISSP, CISA Subject: Compliance Partners, LLC, Barrington, IL 60010 USA
Date: 7/4/2014 9:50:30 AM

Replacing GAAS with GAAP....perhaps....

 Number: 5 Author: Pw Carey, Senior IT Auditor (GRC), CISSP, CISA Subject: Highlight Date: 7/4/2014 9:55:53 AM

 Number: 6 Author: Pw Carey, Senior IT Auditor (GRC), CISSP, CISA Subject: Highlight Date: 7/4/2014 9:56:20 AM

 Number: 7 Author: Pw Carey, Senior IT Auditor (GRC), CISSP, CISA Subject: Highlight Date: 7/4/2014 9:57:07 AM

III. Next Steps

After considering comments received on the proposing release and the supplemental request for comment, the Board will determine whether, or in what form, to adopt and implement the framework for the PCAOB's reorganized auditing standards.

The Board may undertake future phases of the reorganization project that build on the improvements from the initial phase to provide further benefits. Such phases could include, for example, addressing outdated references to generally accepted accounting principles. Another phase might address potential reorganization of content in existing standards. For example, standards that cover multiple aspects of the audit could be disaggregated and topics moved to other sections to further align with the flow of the audit process. Other possible phases may include reorganization of other PCAOB standards or reorganization of staff guidance.


IV. Economic Considerations and Application to Audits of Emerging Growth Companies

As discussed in the proposing release, the proposed reorganization is intended to create a standardized organizational structure of PCAOB auditing standards to enhance the usability of the standards and help users navigate the standards more easily. As previously discussed, this could help auditors find more easily the relevant requirements in PCAOB standards for a particular area of the audit, which could facilitate compliance with PCAOB standards.


The proposing release noted that the proposed reorganization was not expected to increase costs other than one-time costs to registered firms of updating references within firm methodologies, related reference materials, and practice aids to reflect the new citations to PCAOB auditing standards. The proposing release also noted that these cost considerations are not expected to be different for audits of emerging growth

6101, *Letters for Underwriters and Certain Other Requesting Parties*, AS 6105, *Reports on the Application of Accounting Principles*, AI 24, *Special Reports: Auditing Interpretations of AS 3305*, and AI 25, *Association with Financial Statements: Auditing Interpretations of AS 3320*.² The Board also is proposing to remove references to superseded standards in AS 3305, *Special Reports*, AS 4105, *Reviews of Interim Financial Information*, AI 23, *Reports on Audited Financial Statements: Auditing Interpretations of AS 3101*, AI 24, *Special Reports: Auditing Interpretations of AS 3305*, AT Section 701, *Management's Discussion and Analysis*, AT Section 9101, *Attest Engagements: Attest Engagements Interpretations of Section 101*, and ET Section 101, *Independence*.

Page: 8

 Number: 1 Author: Pw Carey, Senior IT Auditor (GRC), CISSP, CISA Subject: Compliance Partners, LLC, Barrington, IL 60010 USA
Date: 7/4/2014 10:02:53 AM

But provide Process Flow Mapping to these deleted references for historical accuracy and topical continuity...

 Number: 2 Author: Pw Carey, Senior IT Auditor (GRC), CISSP, CISA Subject: Highlight Date: 7/4/2014 9:58:28 AM

companies ("EGCs"), as defined by the Jumpstart Our Business Startups Act ("JOBS Act").

None of the proposed amendments in this supplemental request for comment, including the refinements to those presented in the proposing release, are expected to change the economic considerations discussed in the proposing release.

¹The Board continues to seek comment on any economic considerations associated with the proposed reorganization including for audits of EGCs whether it is "necessary or appropriate in the public interest, after considering the protection of investors, and whether the action will promote efficiency, competition, and capital formation."^{15/}




V. Opportunity for Public Comment


The Board has reopened the comment period for 60 days to seek comment on the matters discussed in the proposing release and the implementing amendments in Appendix 4.^{16/} Interested persons are encouraged to submit their views to the Board. Written comments should be sent to the Office of the Secretary, PCAOB, 1666 K Street, N.W., Washington, D.C. 20006-2803. ³Comments also may be submitted by email to comments@pcaobus.org or through the Board's website at <http://www.pcaobus.org>. All comments should refer to PCAOB Rulemaking Docket Matter No. 40 in the subject or reference line and should be received by the Board no later than July 8, 2014.

* * *

^{15/} Pub. L. No. 112-106 (April 5, 2012). See Section 103(a)(3)(C) of the Sarbanes-Oxley Act of 2002, (15 U.S.C. 7213(a)(3)), as added by Section 104 of the JOBS Act.

^{16/} See pages 17 and 18 of the proposing release for questions related to the proposed reorganization of PCAOB auditing standards.


 Number: 1 Author: Pw Carey, Senior IT Auditor (GRC), CISSP, CISA Subject: Highlight Date: 7/4/2014 10:20:18 AM

 Number: 2 Author: Pw Carey, Senior IT Auditor (GRC), CISSP, CISA Subject: Compliance Partners, LLC, Barrington, IL 60010 USA
Date: 7/4/2014 10:20:09 AM

Protection of investors from receiving inaccurate, obtuse, corrupt and/or fraudulent audits....

While also protecting Auditors from running afoul of the law by conducting inaccurate, obtuse, corrupt and fraudulent audits....and knowing and understanding the differences between clear, accurate, truthful audits meeting the basic tenets associated with GRC (Governance, Risk & Compliance)....

A requisite for the promotion of capital formation utilizing the best practices associated fair market value, cash flows, assets and liabilities within a truly free market based upon a level playing field for all competitors

 Number: 3 Author: Pw Carey, Senior IT Auditor (GRC), CISSP, CISA Subject: Highlight Date: 7/4/2014 10:24:54 AM



PCAOB Release No. 2014-001
May 7, 2014
Page 10

On the 7th day of May, in the year 2014, the foregoing was, in accordance with the bylaws of the Public Company Accounting Oversight Board,

ADOPTED BY THE BOARD.

/s/ Phoebe W. Brown

Phoebe W. Brown

Secretary

May 7, 2014

APPENDIX 1—Proposed Framework for Reorganization of PCAOB Auditing Standards

APPENDIX 2—Comparison of Existing PCAOB Auditing Standards to Proposed Framework for Reorganization of PCAOB Auditing Standards

APPENDIX 3—Comparison of Proposed Framework for Reorganization of PCAOB Auditing Standards to Existing PCAOB Auditing Standards and the Standards of the International Auditing and Assurance Standards Board and Auditing Standards Board

APPENDIX 4—Proposed Amendments to PCAOB Rules and Standards

Appendix 1—Proposed Framework for Reorganization of PCAOB Auditing Standards^{1/}



General Auditing Standards

1000 **General Principles and Responsibilities**

1001	Responsibilities and Functions of the Independent Auditor
1005	Independence
1010	Training and Proficiency of the Independent Auditor
1015	Due Professional Care in the Performance of Work



1100 **General Concepts**

1101	Audit Risk
1105	Audit Evidence
1110	Relationship of Auditing Standards to Quality Control Standards ^{2/}



1200 **General Activities**

1201	Supervision of the Audit Engagement
1205	Part of the Audit Performed by Other Independent Auditors
1210	Using the Work of a Specialist

^{1/} The PCAOB's website has a demonstration version of the auditing standards, reorganized pursuant to this supplemental request for comment. The demonstration version can be accessed at <http://pcaobus.org/Rules/Rulemaking/Pages/Docket040.aspx>.

^{2/} AU sec. 161 is currently entitled, *The Relationship of Generally Accepted Auditing Standards to Quality Control Standards*. The Board proposes to amend the title of this standard to make it more consistent in style with other standards without changing its substance.

Page: 11

Number: 1 Author: Pw Carey, Senior IT Auditor (GRC), CISSP, CISA Subject: Compliance Partners, LLC, Barrington, IL 60010 USA
Date: 7/4/2014 10:33:38 AM

Where is the

Chronological,

Sequential,

Organizational Process Work Flow Road Map construct

for conducting an Audit,

End to End from

Step One Initial Interview (Audit Charter) thru

Final Formal Report....don't see that construct here.....why not?

Number: 2 Author: Pw Carey, Senior IT Auditor (GRC), CISSP, CISA Subject: Compliance Partners, LLC, Barrington, IL 60010 USA
Date: 7/7/2014 12:46:27 PM

Please Correct General Auditing Standards to read as follows:

Correct 1001 to read:

Duties, Obligations, and Responsibilities of the Independent Auditor

1005 Demonstrable Perceptions of Auditor Independence

1010 Auditor Training and Best Practices

1015 Due Diligence and Professional Skepticism

Number: 3 Author: Pw Carey, Senior IT Auditor (GRC), CISSP, CISA Subject: Compliance Partners, LLC, Barrington, IL 60010 USA
Date: 7/7/2014 12:49:38 PM

1100 General Concepts

1101 Sources of Audit Risks Including Fraud

1105 Sources of Audit Evidence Associated With Fraud

1110 Audit Quality Control Best Practices

Number: 4 Author: Pw Carey, Senior IT Auditor (GRC), CISSP, CISA Subject: Compliance Partners, LLC, Barrington, IL 60010 USA
Date: 7/7/2014 1:06:04 PM

1200 General Activities

1201 Audit Engagement Best Practices

1205 Audits Requiring Outside Specialists

1210 Audit Collaboration With Outside Specialists

1300 Audit Baselines of Platforms & Technologies (End-to-End)

1300 Networks, Internet & Web Based Systems

1301 Mobile Networks, Platforms & Systems

1305 Big Data/Cloud Eco-systems

1310 Audit Best Practices: GRC/CIA, PCI-DSS, & ESCA



1215	Audit Documentation
1220	Engagement Quality Review
1300	<i>Auditor Communications</i>
1301	Communications with Audit Committees
1305	Communications About Control Deficiencies in an Audit of Financial Statements
Audit Procedures	
2100	<i>Audit Planning and Risk Assessment</i>
2101	Audit Planning
2105	Consideration of Materiality in Planning and Performing an Audit
2110	Identifying and Assessing Risks of Material Misstatement
2200	<i>Auditing Internal Control Over Financial Reporting</i>
2201	An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements
2300	<i>Audit Procedures in Response to Risks—Nature, Timing, and Extent</i>
2301	The Auditor's Responses to the Risks of Material Misstatement
2305	Substantive Analytical Procedures
2310	The Confirmation Process
2315	Audit Sampling
2400	<i>Audit Procedures for Specific Aspects of the Audit</i>
2401	Consideration of Fraud in a Financial Statement Audit
2405	Illegal Acts by Clients



2410	Related Parties
2415	Consideration of an Entity's Ability to Continue as a Going Concern ^{3/}
2500	<i>Audit Procedures for Certain Accounts or Disclosures</i>
2501	Auditing Accounting Estimates
2502	Auditing Fair Value Measurements and Disclosures
2503	Auditing Derivative Instruments, Hedging Activities, and Investments in Securities
2505	Inquiry of a Client's Lawyer Concerning Litigation, Claims, and Assessments
2510	Auditing Inventories ^{4/}
2600	<i>Special Topics</i>
2601	Consideration of an Entity's Use of a Service Organization ^{5/}
2605	Consideration of the Internal Audit Function ^{6/}

^{3/} AU sec. 341 is currently entitled, *The Auditor's Consideration of an Entity's Ability to Continue as a Going Concern*. The Board proposes to amend the title of this standard to make it more consistent in style with other standards without changing its substance.

^{4/} AU sec. 331 is currently entitled, *Inventories*. The Board proposes to amend the title of this standard to make it more consistent in style with other standards without changing its substance.

^{5/} AU sec. 324 is currently entitled, *Service Organizations*. The Board proposes to amend the title of this standard to make it more consistent in style with other standards without changing its substance.

^{6/} AU sec. 322 is currently entitled, *The Auditor's Consideration of the Internal Audit Function in an Audit of Financial Statements*. The Board proposes to amend the title of this standard to make it more consistent in style with other standards without changing its substance.



2610 Initial Audits—Communications Between Predecessor and Successor Auditors^{7/}

2700 Auditor's Responsibilities Regarding Supplementary and Other Information^{8/}

2701 Auditing Supplemental Information Accompanying Audited Financial Statements^{9/}

2705 Unaudited Supplementary Information Included in Audited Financial Statements^{10/}

2710 Other Information in Documents Containing Audited Financial Statements^{11/}

2800 Concluding Audit Procedures

2801 Subsequent Events

^{7/} AU sec. 315 is currently entitled, *Communications Between Predecessor and Successor Auditors*. The Board proposes to amend the title of this standard to clarify the subject of the standard without changing its substance.

^{8/} The title of this subcategory has been changed from "Auditor's Responsibilities Regarding Other Information" in the proposing release to clarify the topics of the standards within this subcategory.

^{9/} Since the proposing release of the reorganization framework, the Board has adopted, and the SEC has approved, Auditing Standard No. 17, *Auditing Supplemental Information Accompanying Audited Financial Statements*, which superseded AU sec. 551. See PCAOB Release No. 2013-008 (October 10, 2013). The title of this section has been updated to conform to the title of Auditing Standard No. 17.

^{10/} AU sec. 558 is currently entitled, *Required Supplementary Information*. The Board proposes to amend the title of this standard to distinguish it more clearly from Auditing Standard No. 17 without changing the substance of the standard.

^{11/} The Board has proposed a new auditing standard, *The Auditor's Responsibilities Regarding Other Information in Certain Documents Containing Audited Financial Statements and the Related Auditor's Report*. See PCAOB Release No. 2013-005 (August 13, 2013). If adopted by the Board and approved by the SEC, that proposed standard would become AS 2710.



PCAOB Release No. 2014-001
May 7, 2014
Appendix 1 – Proposed Framework
Page A1–5

2805	Management Representations
2810	Evaluating Audit Results
2815	The Meaning of "Present Fairly in Conformity with Generally Accepted Accounting Principles"
2820	Evaluating Consistency of Financial Statements
2900	<i>Post-Audit Matters</i>
2901	Consideration of Omitted Procedures After the Report Date
2905	Subsequent Discovery of Facts Existing at the Date of the Auditor's Report

Auditor Reporting

3100 *Reporting on Audits of Financial Statements*

3101	Reports on Audited Financial Statements ^{12/}
3105	Dating of the Independent Auditor's Report

3200 *Reserved*

3300 *Other Reporting Topics*

3305	Special Reports
------	-----------------

^{12/} The Board has proposed a new auditing standard, *The Auditor's Report on an Audit of Financial Statements When the Auditor Expresses an Unqualified Opinion* and amendments to AU sec. 508. See PCAOB Release No. 2013-005 (August 13, 2013). If adopted by the Board and approved by the SEC, that proposed standard would become AS 3101. In addition, the former AU sec. 508 would become AS 3105, *Departures from Unqualified Opinions and Other Reporting Circumstances*, and AS 3105, *Dating of the Independent Auditor's Report*, would become AS 3110.



3310	Special Reports on Regulated Companies ^{13/}
3315	Reporting on Condensed Financial Statements and Selected Financial Data
3320	Association with Financial Statements

Matters Relating to Filings Under Federal Securities Laws

4101	Responsibilities Regarding Filings Under Federal Securities Statutes ^{14/}
4105	Reviews of Interim Financial Information ^{15/}
5000	<i>Reserved</i>

Other Matters Associated with Audits

6101	Letters for Underwriters and Certain Other Requesting Parties
6105	Reports on the Application of Accounting Principles
6110	Compliance Auditing Considerations in Audits of Recipients of Governmental Financial Assistance ^{16/}
6115	Reporting on Whether a Previously Reported Material Weakness Continues to Exist

^{13/} AU sec. 544 is currently entitled, *Lack of Conformity With Generally Accepted Accounting Principles*. The Board proposes to amend the title of this standard to clarify the subject of the standard without changing its substance.

^{14/} AU sec. 711 is currently entitled, *Filings Under Federal Securities Statutes*. The Board proposes to amend the title of this standard to clarify the subject of the standard without changing its substance.

^{15/} AU sec. 722 is currently entitled, *Interim Financial Information*. The Board proposes to amend the title of this standard to clarify the subject of the standard without changing its substance.

^{16/} AU sec. 801 is currently entitled, *Compliance Auditing Considerations in Audits of Governmental Entities and Recipients of Governmental Financial Assistance*. The Board proposes to amend the title of this standard to clarify the subject of the standard without changing its substance.



Appendix 2—Comparison of Existing PCAOB Auditing Standards to Proposed Framework for Reorganization of PCAOB Auditing Standards

This appendix presents the existing PCAOB auditing standards ("AS No." or "AU sec.") along with their respective AS reference under the proposed framework for reorganization of PCAOB auditing standards. For the convenience of readers we have carried forward this appendix from the proposing release,^{1/} updated for certain changes discussed in Section II.B. to this release.

Standards that note "Rescind" in the Proposed AS Reference column are existing standards that the Board proposes to rescind in conjunction with the proposed reorganization.

Current PCAOB Reference (AU section or AS No.)	Current Title	Proposed AS Reference
AS No. 1	References in Auditors' Reports to the Standards of the Public Company Accounting Oversight Board	Supersede ^{2/}
AS No. 3	Audit Documentation	1215
AS No. 4	Reporting on Whether a Previously Reported Material Weakness Continues to Exist	6115
AS No. 5	An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements	2201
AS No. 6	Evaluating Consistency of Financial Statements	2820

^{1/} See *Proposed Framework for Reorganization of PCAOB Auditing Standards and Related Amendments to PCAOB Auditing Standards and Rules*, PCAOB Release No. 2013-002 (March 26, 2013).

^{2/} Auditing Standard No. 1 would be superseded as a result of the proposed amendments made to other standards.



PCAOB Release No. 2014-001
May 7, 2014
Appendix 2 – Comparison
Page A2–2

Current PCAOB Reference (AU section or AS No.)	Current Title	Proposed AS Reference
AS No. 7	Engagement Quality Review	1220
AS No. 8	Audit Risk	1101
AS No. 9	Audit Planning	2101
AS No. 10	Supervision of the Audit Engagement	1201
AS No. 11	Consideration of Materiality in Planning and Performing an Audit	2105
AS No. 12	Identifying and Assessing Risks of Material Misstatement	2110
AS No. 13	The Auditor's Responses to the Risks of Material Misstatement	2301
AS No. 14	Evaluating Audit Results	2810
AS No. 15	Audit Evidence	1105
AS No. 16	Communications with Audit Committees	1301
AS No. 17	Auditing Supplemental Information Accompanying Audited Financial Statements	2701
AU sec. 110	Responsibilities and Functions of the Independent Auditor	1001
AU sec. 150	Generally Accepted Auditing Standards	Rescind
AU sec. 161	The Relationship of Generally Accepted Auditing Standards to Quality Control Standards	1110



PCAOB Release No. 2014-001
May 7, 2014
Appendix 2 – Comparison
Page A2–3

Current PCAOB Reference (AU section or AS No.)	Current Title	Proposed AS Reference
AU sec. 201	Nature of the General Standards	Rescind
AU sec. 210	Training and Proficiency of the Independent Auditor	1010
AU sec. 220	Independence	1005
AU sec. 230	Due Professional Care in the Performance of Work	1015
AU sec. 315	Communications Between Predecessor and Successor Auditors	2610
AU sec. 316	Consideration of Fraud in a Financial Statement Audit	2401
AU sec. 317	Illegal Acts by Clients	2405
AU sec. 322	The Auditor's Consideration of the Internal Audit Function in an Audit of Financial Statements	2605
AU sec. 324	Service Organizations	2601
AU sec. 325	Communications About Control Deficiencies in an Audit of Financial Statements	1305
AU sec. 328	Auditing Fair Value Measurements and Disclosures	2502
AU sec. 329	Substantive Analytical Procedures	2305
AU sec. 330	The Confirmation Process	2310
AU sec. 331	Inventories	2510
AU sec. 332	Auditing Derivative Instruments, Hedging Activities, and Investments in Securities	2503



PCAOB Release No. 2014-001
May 7, 2014
Appendix 2 – Comparison
Page A2–4

Current PCAOB Reference (AU section or AS No.)	Current Title	Proposed AS Reference
AU sec. 333	Management Representations	2805
AU sec. 334	Related Parties	2410
AU sec. 336	Using the Work of a Specialist	1210
AU sec. 337	Inquiry of a Client's Lawyer Concerning Litigation, Claims, and Assessments	2505
AU sec. 341	The Auditor's Consideration of an Entity's Ability to Continue as a Going Concern	2415
AU sec. 342	Auditing Accounting Estimates	2501
AU sec. 350	Audit Sampling	2315
AU sec. 390	Consideration of Omitted Procedures After the Report Date	2901
AU sec. 410	Adherence to Generally Accepted Accounting Principles	Rescind
AU sec. 411	The Meaning of Present Fairly in Conformity With Generally Accepted Accounting Principles	2815
AU sec. 504	Association With Financial Statements	3320
AU sec. 508	Reports on Audited Financial Statements	3101
AU sec. 530	Dating of the Independent Auditor's Report	3105
AU sec. 532	Restricting the Use of an Auditor's Report	Rescind
AU sec. 534	Reporting on Financial Statements Prepared for Use in	Not Included



PCAOB Release No. 2014-001
May 7, 2014
Appendix 2 – Comparison
Page A2–5

Current PCAOB Reference (AU section or AS No.)	Current Title	Proposed AS Reference
	Other Countries	
AU sec. 543	Part of Audit Performed by Other Independent Auditors	1205
AU sec. 544	Lack of Conformity With Generally Accepted Accounting Principles	3310
AU sec. 550	Other Information in Documents Containing Audited Financial Statements	2710
AU sec. 552	Reporting on Condensed Financial Statements and Selected Financial Data	3315
AU sec. 558	Required Supplementary Information	2705
AU sec. 560	Subsequent Events	2801
AU sec. 561	Subsequent Discovery of Facts Existing at the Date of the Auditor's Report	2905
AU sec. 623	Special Reports	3305
AU sec. 625	Reports on the Application of Accounting Principles	6105
AU sec. 634	Letters for Underwriters and Certain Other Requesting Parties	6101
AU sec. 711	Filings Under Federal Securities Statutes	4101
AU sec. 722	Interim Financial Information	4105
AU sec. 801	Compliance Auditing Considerations in Audits of Governmental Entities and Recipients of Governmental Financial Assistance	6110



PCAOB Release No. 2014-001
May 7, 2014
Appendix 2 – Comparison
Page A2–6

Current PCAOB Reference (AU section or AS No.)	Current Title	Proposed AS Reference
AU sec. 901	Public Warehouses—Controls and Auditing Procedures for Goods Held	Rescind



Appendix 3—Comparison of Proposed Framework for Reorganization of PCAOB Auditing Standards to Existing PCAOB Auditing Standards and the Standards of the International Auditing and Assurance Standards Board and Auditing Standards Board

This appendix presents the proposed framework for reorganization of PCAOB auditing standards ("AS") along with their current references in existing PCAOB auditing standards and the analogous standards of the International Auditing and Assurance Standards Board ("IAASB") and the Auditing Standards Board of the American Institute of Certified Public Accountants ("ASB"). For the convenience of readers we have carried forward this appendix from the proposing release,^{1/} updated for the changes discussed in Section II.B. to this release.

Proposed AS Reference	Proposed Title	Current PCAOB Reference (AU section or AS No.)	Analogous IAASB Standard (ISA)	Analogous ASB Standard (AU-C)
1001	Responsibilities and Functions of the Independent Auditor	AU sec. 110	200 ^{2/}	200
1005	Independence	AU sec. 220	200	200
1010	Training and Proficiency of the Independent Auditor	AU sec. 210	200	200
1015	Due Professional Care in the Performance of Work	AU sec. 230	200	200

^{1/} See *Proposed Framework for Reorganization of PCAOB Auditing Standards and Related Amendments to PCAOB Auditing Standards and Rules*, PCAOB Release No. 2013-002 (March 26, 2013).

^{2/} The responsibilities, functions, training, and proficiency of the independent auditor; independence requirements; exercising due professional care; and audit risk are included in multiple PCAOB standards (AS 1001, 1005, 1010, 1015, and 1101, respectively) but are included in one IAASB standard (ISA 200) and one ASB standard (AU-C 200).



PCAOB Release No. 2014-001
 May 7, 2014
 Appendix 3 – Comparison
 Page A3–2

Proposed AS Reference	Proposed Title	Current PCAOB Reference (AU section or AS No.)	Analogous IAASB Standard (ISA)	Analogous ASB Standard (AU-C)
1101	Audit Risk	AS No. 8	200	200
1105	Audit Evidence	AS No. 15	500	500
1110	Relationship of Auditing Standards to Quality Control Standards	AU sec. 161	220 ^{3/}	220
1201	Supervision of the Audit Engagement	AS No. 10	220	220
1205	Part of the Audit Performed by Other Independent Auditors	AU sec. 543	600	600
1210	Using the Work of a Specialist	AU sec. 336	620	620
1215	Audit Documentation	AS No. 3	230	230
1220	Engagement Quality Review	AS No. 7	220	220
1301	Communications with Audit Committees	AS No. 16	210, 260 ^{4/}	210, 260

^{3/} The relationship of auditing standards to quality control standards, supervision of the audit engagement, and engagement quality review are covered in separate PCAOB standards (AS 1110, 1201, and 1220, respectively) but are included in one IAASB standard (ISA 220) and one ASB standard (AU-C 220).

^{4/} Under PCAOB standards, agreeing to the terms of an audit and communications with audit committees are covered in one standard, whereas those subjects are covered by separate standards under IAASB standards (ISA 210 and 260, respectively) and ASB standards (AU-C 210 and 260, respectively).



Proposed AS Reference	Proposed Title	Current PCAOB Reference (AU section or AS No.)	Analogous IAASB Standard (ISA)	Analogous ASB Standard (AU-C)
1305	Communications About Control Deficiencies in an Audit of Financial Statements	AU sec. 325	265	265
2101	Audit Planning	AS No. 9	300	300
2105	Consideration of Materiality in Planning and Performing an Audit	AS No. 11	320	320
2110	Identifying and Assessing Risks of Material Misstatement	AS No. 12	315	315
2201	An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements	AS No. 5	N/A ^{5/}	AT 501
2301	The Auditor's Responses to the Risks of Material Misstatement	AS No. 13	330	330
2305	Substantive Analytical Procedures	AU sec. 329	520 ^{6/}	520

^{5/} The PCAOB has a standard for auditing internal control over financial reporting when auditing financial statements. The IAASB does not have a standard on auditing internal control over financial reporting, and the ASB addresses that subject in its attestation standards (AT 501).

^{6/} Under PCAOB standards, substantive analytical procedures are covered in a separate standard (AS 2305) and analytical procedures performed in the overall review are included in the standard on evaluating audit results (AS 2810), whereas those subjects are both included in one IAASB standard (ISA 520) and one ASB standard (AU-C 520).



Proposed AS Reference	Proposed Title	Current PCAOB Reference (AU section or AS No.)	Analogous IAASB Standard (ISA)	Analogous ASB Standard (AU-C)
2310	The Confirmation Process	AU sec. 330	505	505
2315	Audit Sampling	AU sec. 350	530	530
2401	Consideration of Fraud in a Financial Statement Audit	AU sec. 316	240	240
2405	Illegal Acts by Clients	AU sec. 317	250	250
2410	Related Parties	AU sec. 334	550	550
2415	Consideration of an Entity's Ability to Continue as a Going Concern	AU sec. 341	570	570
2501	Auditing Accounting Estimates	AU sec. 342	540 ^{7/}	540
2502	Auditing Fair Value Measurements and Disclosures	AU sec. 328	540	540
2503	Auditing Derivative Instruments,	AU sec. 332	N/A ^{8/}	501

^{7/} The PCAOB has separate standards for auditing accounting estimates (AS 2501) and auditing fair value measurements and disclosures (AS 2502), whereas the IAASB and ASB standards each have one standard on auditing accounting estimates including fair value estimates and disclosures (ISA 540 and AU-C 540, respectively).

^{8/} The PCAOB has a separate standard for auditing derivative instruments, hedging activities, and investments in securities (AS 2503). In ASB standards, that subject is included in the standard on specific considerations regarding audit evidence (AU-C 501). The IAASB has a practice note on auditing financial instruments but does not have a standard on the subject.



Proposed AS Reference	Proposed Title	Current PCAOB Reference (AU section or AS No.)	Analogous IAASB Standard (ISA)	Analogous ASB Standard (AU-C)
	Hedging Activities, and Investments in Securities			
2505	Inquiry of a Client's Lawyer Concerning Litigation, Claims, and Assessments	AU sec. 337	501 ^{9/}	501
2510	Auditing Inventories	AU sec. 331	501 ^{10/}	501
2601	Consideration of an Entity's Use of a Service Organization	AU sec. 324	402	402
2605	Consideration of the Internal Audit Function	AU sec. 322	610	610
2610	Initial Audits—Communications Between Predecessor and Successor Auditors	AU sec. 315	510	510
2701	Auditing Supplemental Information Accompanying Audited Financial Statements	AS No. 17	N/A	725
2705	Unaudited Supplementary Information Included in Audited Financial Statements	AU sec. 558	N/A	730

^{9/} The PCAOB has separate standards on inquiry of a client's lawyers (AS 2505) and auditing inventories (AS 2510). In IAASB and ASB standards, those subjects are included in the standard on specific considerations regarding audit evidence (ISA 501 and AU-C 501, respectively).

^{10/} *Id.*



Proposed AS Reference	Proposed Title	Current PCAOB Reference (AU section or AS No.)	Analogous IAASB Standard (ISA)	Analogous ASB Standard (AU-C)
2710	Other Information in Documents Containing Audited Financial Statements	AU sec. 550	720	720
2801	Subsequent Events	AU sec. 560	560 ^{11/}	560
2805	Management Representations	AU sec. 333	580	580
2810	Evaluating Audit Results	AS No. 14	240, 330, 450, 520 ^{12/}	240, 330, 450, 520
2815	The Meaning of "Present Fairly in	AU sec. 411	700 ^{13/}	700

^{11/} In PCAOB standards, the subjects of subsequent events and subsequent discovery of facts existing at the report date are covered by separate standards (AS 2801 and 2905, respectively). In IAASB and ASB standards, those subjects are included in the standard on subsequent events (ISA 560 and AU-C 560, respectively).

^{12/} In PCAOB standards, the subject of evaluating audit results is covered in one standard (AS 2810). In IAASB and ASB standards, various topics related to evaluating audit results are covered in multiple standards, particularly, the standards related to the auditor's responsibilities regarding fraud, the auditor's responses to assessed risks, evaluation of misstatements, and analytical procedures (ISA 240, 330, 450, and 520 and AU-C 240, 330, 450, and 520, respectively).

^{13/} The PCAOB has separate standards on the subjects of present fairly in conformity with generally accepted accounting principles (AS 2815) and reporting on audited financial statements, including emphasis paragraphs, departures from the standard opinion, and reporting on comparative statements (AS 3101). In IAASB and ASB standards, the subject of presenting fairly is included in the standard on forming an opinion and reporting on audited financial statements (ISA 700 and AU-C 700, respectively), but there are separate standards for emphasis paragraphs and departures from the standard opinion (ISA 705 and 706, respectively, and AU-C 705 and 706, respectively). In IAASB standards, reporting on comparative financial



Proposed AS Reference	Proposed Title	Current PCAOB Reference (AU section or AS No.)	Analogous IAASB Standard (ISA)	Analogous ASB Standard (AU-C)
	Conformity with Generally Accepted Accounting Principles"			
2820	Evaluating Consistency of Financial Statements	AS No. 6	N/A	708
2901	Consideration of Omitted Procedures After the Report Date	AU sec. 390	N/A	585
2905	Subsequent Discovery of Facts Existing at the Date of the Auditor's Report	AU sec. 561	560	560
3101	Reports on Audited Financial Statements	AU sec. 508	700, 705, 706, 710	700, 705, 706
3105	Dating of the Independent Auditor's Report	AU sec. 530	560, 700 ^{14/}	560, 700
3305	Special Reports	AU sec. 623	800, 805 ^{15/}	800, 805, 806

statements also is covered in a separate standard (ISA 710), whereas that subject is included in the ASB standard on forming an opinion and reporting on audited financial statements (AU-C 700).

^{14/} Under PCAOB standards, the subject of dating the independent auditor's report is covered in a single standard (AS 3105). Under IAASB and ASB standards, the standard requirement for dating the auditor's report is covered in the reporting standard (ISA 700 and AU-C 700, respectively), and the subject of dating the auditor's report when there is a subsequent discovery of facts is covered in the subsequent events standard (ISA 560 and AU-C 560, respectively).

^{15/} Under PCAOB standards, financial statements prepared in accordance with special purpose frameworks and reporting on specified elements, accounts or items of a financial statement are covered in one standard (AS 3305). Under IAASB and



Proposed AS Reference	Proposed Title	Current PCAOB Reference (AU section or AS No.)	Analogous IAASB Standard (ISA)	Analogous ASB Standard (AU-C)
3310	Special Reports on Regulated Companies	AU sec. 544	210 ^{16/}	800
3315	Reporting on Condensed Financial Statements and Selected Financial Data	AU sec. 552	810	810
3320	Association with Financial Statements	AU sec. 504	N/A	Withdrawn by ASB
4101	Responsibilities Regarding Filings Under Federal Securities Statutes	AU sec. 711	N/A	925
4105	Reviews of Interim Financial Information	AU sec. 722	ISRE 2410 ^{17/}	930

ASB standards, those subjects are covered by separate standards (ISA 800 and 805, respectively) and ASB standards (AU-C 800 and 805, respectively). Reporting on compliance with contractual agreements or regulatory requirements in connection with audited financial statements also is covered by the PCAOB standard, whereas that subject is not covered by the IAASB standards and is covered by a separate ASB standard (AU-C 806).

^{16/} Under PCAOB standards, the subject of reporting on financial statements prepared in accordance with a regulatory basis of accounting is covered in a separate standard (AS 3310). That subject is covered in the IAASB standard on agreeing to the terms of audit engagements (ISA 210) and in the ASB standard on financial statements prepared in accordance with special purpose frameworks (AU-C 800).

^{17/} In PCAOB standards, the subject of conducting a review of interim financial information is covered in AS 4105. Under IAASB standards, that subject is covered in their review standards (ISRE 2410). Reviewing interim financial information is covered by the ASB standards in AU-C 930.



PCAOB Release No. 2014-001
May 7, 2014
Appendix 3 – Comparison
Page A3–9

Proposed AS Reference	Proposed Title	Current PCAOB Reference (AU section or AS No.)	Analogous IAASB Standard (ISA)	Analogous ASB Standard (AU-C)
6101	Letters for Underwriters and Certain Other Requesting Parties	AU sec. 634	N/A	920
6105	Reports on the Application of Accounting Principles	AU sec. 625	N/A	915
6110	Compliance Auditing Considerations in Audits of Recipients of Governmental Financial Assistance	AU sec. 801	N/A	935
6115	Reporting on Whether a Previously Reported Material Weakness Continues to Exist	AS No. 4	N/A	N/A



Appendix 4—Proposed Amendments to PCAOB Rules and Standards

This appendix presents the proposed amendments to implement the Board's proposed reorganization of PCAOB auditing standards and related changes to PCAOB rules and attestation, quality control, and ethics and independence standards. The PCAOB's website has a demonstration version of the reorganized auditing standards, as proposed (with refinements described in this release), that can be accessed at <http://pcaobus.org/Rules/Rulemaking/Pages/Docket040.aspx>.

I. Proposed Amendments to Rules of the Board

Rule 3101. Certain Terms Used in Auditing and Related Professional Practice Standards

Rule 3101. Certain Terms Used in Auditing and Related Professional Practice Standards, is amended as follows:

In paragraph (b), the phrase "adopted in Rules 3200T, 3300T, 3400T, 3500T, and 3600T" is deleted.

Rule 3200T. Interim Auditing Standards

Rule 3200T. Interim Auditing Standards, is amended as follows:

- The letter "T" is removed from the reference to Rule 3200T.
- The word "Interim" is removed from the title of the rule.
- The text of the rule is replaced with the following:

In connection with the preparation or issuance of any audit report, a registered public accounting firm and its associated persons shall comply with all applicable auditing standards adopted by the Board and approved by the SEC, including, to the extent not superseded or amended by the Board, AICPA Statements on Auditing Standards as in existence on April 16, 2003.



II. Proposed Amendments to PCAOB Standards

Auditing Standards and Interpretations

Auditing Standard No. 1, *References in Auditors' Reports to the Standards of the Public Company Accounting Oversight Board*^{1/}

Auditing Standard No. 1, *References in Auditors' Reports to the Standards of the Public Company Accounting Oversight Board*, is superseded.

Auditing Standard No. 3, *Audit Documentation*

Auditing Standard No. 3, *Audit Documentation*, as amended, is amended as follows:

- a. The section number "Auditing Standard No. 3" is replaced with "AS 1215."
- b. In the references before paragraph 1, the phrase "[supersedes SAS No. 96, *Audit Documentation*]" is deleted.
- c. Paragraph numbers 1 through 21 are replaced with .01 through .21.
- d. In footnote 1 to paragraph 4, the reference to "paragraph 12" is replaced with "paragraph .12."
- e. In footnote 2 to paragraph 6, the reference to "paragraphs 28–33 of Auditing Standard No. 5" is replaced with "paragraphs .28–.33 of AS 2201."
- f. In paragraph 9:
 - The parenthetical reference to "paragraph 15" is replaced with "paragraph .15."
 - In the first bullet, the reference to "paragraph 16" is replaced with "paragraph .16."
 - In the second bullet, the reference to "AU sec. 390" is replaced with "AS 2901."

^{1/} The captions in this section refer to the numbers and titles of the current PCAOB auditing standards and interpretations.



- g. In footnote 2A to paragraph 12a:
 - The reference to "paragraphs 12–13 of Auditing Standard No. 12" is replaced with "paragraphs .12–.13 of AS 2110."
 - The reference to "AU sec. 316" is replaced with "AS 2401."
- h. In footnote 2B to paragraph 12c, the reference to "paragraphs 10–23 of Auditing Standard No. 14" is replaced with "paragraphs .10–.23 of AS 2810."
- i. In footnote 2C to paragraph 12f:
 - The reference to "paragraph 74 of Auditing Standard No. 12, *Identifying and Assessing Risks of Material Misstatement*," is replaced with "AS 2110.74."
 - The reference to "paragraph 36 of Auditing Standard No. 14, *Evaluating Audit Results*" is replaced with "AS 2810.36."
- j. In the second sentence of paragraph 17, the reference to "AU sec. 711, *Filings Under Federal Securities Statutes*" is replaced with "AS 4101, *Responsibilities Regarding Filings Under Federal Securities Statutes*."
- k. In the first sentence of paragraph 18, the reference to "paragraphs 4–13" is replaced with "paragraphs .04–.13."
- l. In paragraph 19a, the reference to "paragraphs 12 and 13" is replaced with "paragraphs .12 and .13."
- m. In paragraph 19c, the reference to "paragraph 8" is replaced with "paragraph .08."
- n. In the last sentence of paragraph 19, the reference to "AU sec. 543, *Part of Audit Performed by Other Independent Auditors*," is replaced with "AS 1205, *Part of the Audit Performed by Other Independent Auditors*."

Auditing Standard No. 4, *Reporting on Whether a Previously Reported Material Weakness Continues to Exist*

Auditing Standard No. 4, *Reporting on Whether a Previously Reported Material Weakness Continues to Exist*, as amended, is amended as follows:

- a. The section number "Auditing Standard No. 4" is replaced with "AS 6115."



- b. Paragraph numbers 1 through 65 are replaced with .01 through .65.
- c. In Note 1 to paragraph 1, the reference to "Auditing Standard No. 5" is replaced with "AS 2201."
- d. In paragraph 2:
 - In item (1), the reference to "Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*," is replaced with "AS 2201."
 - In item (2), the reference to "Auditing Standard No. 5" is replaced with "AS 2201."
 - The parenthetical reference to "paragraph 26" is replaced with "paragraph .26."
 - In the note, the reference to "Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*," is replaced with "AS 2201."
- e. In the last sentence of paragraph 4, the reference to "Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*," is replaced with "AS 2201."
- f. In paragraph 7e, the reference to "paragraph 48" is replaced with "paragraph .48."
- g. In paragraph 8, the reference to "paragraph 7" is replaced with "paragraph .07."
- h. In paragraph 9, the reference to "Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*" is replaced with "AS 2201."
- i. In paragraph 10:
 - In the first sentence, the reference to "Paragraph 5 of Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*," is replaced with "AS 2201.05."



- In the first sentence of the note, the reference to "Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*," is replaced with "AS 2201."
- j. In paragraph 11, the reference to "Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*" is replaced with "AS 2201."
- k. In footnote 2 to paragraph 13, the reference to "paragraph 42 of Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*" is replaced with "AS 2201.42."
- l. In the last sentence of the note to paragraph 17, the reference to "Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*" is replaced with "AS 2201."
- m. In Note 2 to paragraph 18, the reference to "Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*" is replaced with "AS 2201."
- n. In the first sentence of paragraph 23, the reference to "paragraph 20 of Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*" is replaced with "AS 2201.20."
- o. In the last sentence of paragraph 24, the reference to "paragraph 9 of Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*" is replaced with "AS 2201.09."
- p. In paragraph 25:
 - In the last sentence, the reference to "Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*," is replaced with "AS 2201."
 - In the note:
 - Each reference to "Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated*



with An Audit of Financial Statements," is replaced with "AS 2201."

- In the second sentence, the reference to "paragraphs 26a–b and 27" is replaced with "paragraphs .26a–b and .27."
 - In the last sentence, the reference to "paragraphs 26 and 27" is replaced with "paragraphs .26 and .27."
- q. In paragraph 26:
- In the first sentence, the reference to "paragraph 5" is replaced with "paragraph .05."
 - In footnote 3, the reference to "paragraph .02 of AU sec. 315, *Communications Between Predecessor and Successor Auditors*" is replaced with "paragraph .02 of AS 2610, *Initial Audits—Communications Between Predecessor and Successor Auditors*."
- r. In the first sentence of paragraph 26a, the reference to "paragraphs 22–27 of Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*" is replaced with "AS 2201.22–.27."
- s. In paragraph 26b, the reference to "paragraphs 34–38 of Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*" is replaced with "AS 2201.34–.38."
- t. In the first sentence of paragraph 26c, the reference to "AU sec. 315, *Communications Between Predecessor and Successor Auditors*" is replaced with "AS 2610."
- u. In paragraph 27:
- In the first sentence, the reference to "paragraph 26" is replaced with "paragraph .26."
 - In the last sentence, the reference to "Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*" is replaced with "AS 2201."



- v. In the last sentence of paragraph 28, the reference to "paragraph 7" is replaced with "paragraph .07."
- w. In the last sentence of paragraph 31, the reference to "paragraphs 42–43 of Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*" is replaced with "AS 2201.42–.43."
- x. In paragraph 32:
 - In the first sentence, the reference to "paragraphs 44–45 of Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*" is replaced with "AS 2201.44–.45."
 - In the last sentence, the reference to "paragraphs 50–54 of Auditing Standard No. 5" is replaced with "AS 2201.50–.54."
- y. In the third sentence of paragraph 33, the reference to "paragraphs 22–24 of Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*" is replaced with "AS 2201.22–.24."
- z. In paragraph 35:
 - The reference to "paragraphs B10–B16" is replaced with "paragraphs .B10–.B16."
 - The reference to "Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*," is replaced with "AS 2201."
- aa. In the last sentence of paragraph 36, the reference to "paragraphs 16–19 of Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*" is replaced with "AS 2201.16–.19."
- bb. In the first sentence of paragraph 38, the reference to "Paragraphs 18–19 of Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*," is replaced with "AS 2201.18–.19."



- cc. In the first sentence of paragraph 40, the reference to "AU sec. 543, *Part of Audit Performed by Other Independent Auditors*" is replaced with "AS 1205, *Part of the Audit Performed by Other Independent Auditors*."
- dd. In the first sentence of the note to paragraph 43, the reference to "paragraph 51" is replaced with "paragraph .51."
- ee. In the second sentence of paragraph 46, the reference to "paragraph 43" is replaced with "paragraph .43."
- ff. In paragraph .47:
- In the first sentence, the reference to "Auditing Standard No. 3" is replaced with "AS 1215."
 - In the second sentence, the reference to "Paragraph 14 of Auditing Standard No. 3" is replaced with "AS 1215.14."
 - In the third sentence, the reference to "paragraph 29" is replaced with "paragraph .29."
 - In the last sentence, the reference to "Auditing Standard No. 3" is replaced with "AS 1215."
- gg. In the first sentence of paragraph 48, the reference to "paragraph 7e" is replaced with "paragraph .07e."
- hh. In the first sentence of the note to paragraph 51b, the reference to "Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*" is replaced with "AS 2201."
- ii. In the note to paragraph 51g, the reference to "paragraph 31" is replaced with "paragraph .31."
- jj. In the first sentence of the note to paragraph 51l, the reference to "Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*" is replaced with "AS 2201."
- kk. In the note to paragraph 51o, the reference to "Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*" is replaced with "AS 2201."



- ll. In the first sentence of paragraph 52, the reference to "Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*" is replaced with "AS 2201."
- mm. In paragraph 53:
- In the first sentence, the reference to "paragraph 3" is replaced with "paragraph .03."
 - In the last sentence, the reference to "paragraph 51" is replaced with "paragraph .51."
- nn. In paragraph 54a, the parenthetical reference to "paragraph 56" is replaced with "paragraph .56."
- oo. In paragraph 54b, the parenthetical reference to "paragraphs 57 and 58" is replaced with "paragraphs .57 and .58."
- pp. In paragraph 54c, the parenthetical reference to "paragraphs 59 through 60" is replaced with "paragraphs .59 through .60."
- qq. In the first sentence of paragraph 55, the reference to "paragraph 43" is replaced with "paragraph .43."
- rr. In the third sentence of paragraph 57, the reference to "paragraph 44" is replaced with "paragraph .44."
- ss. In the first sentence of paragraph 58, the reference to "paragraph 61" is replaced with "paragraph .61."
- tt. In the first sentence of paragraph 59, the reference to "paragraph 48" is replaced with "paragraph .48."
- uu. In the note to paragraph 60, each reference to "paragraph 59" is replaced with "paragraph .59."
- vv. In the first sentence of paragraph 62, the reference to "paragraph 55" is replaced with "paragraph .55."
- ww. In paragraph 63, the reference to "paragraphs 7 and 29–32 of AU sec. 722, *Interim Financial Information*" is replaced with "paragraphs .07 and .29–.32 of AS 4105, *Reviews of Interim Financial Information*."



- xx. In paragraph 64:
- In the second sentence, the reference to "paragraph 56" is replaced with "paragraph .56."
 - In the last sentence, the reference to "paragraphs 7 and 29–32 of AU 722, *Interim Financial Information*" is replaced with "AS 4105.07 and AS 4105.29–.32."
- yy. In Appendix A, in the first sentence of the first paragraph, the reference to "Paragraphs 51 through 60" is replaced with "Paragraphs .51 through .60."

Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*

Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*, as amended, is amended as follows:

- a. The section number "Auditing Standard No. 5" is replaced with "AS 2201."
- b. Paragraph numbers 1 through 98 are replaced with .01 through .98.
- c. In footnote 3 to paragraph 2, the reference to "Paragraph A5" is replaced with "Paragraph .A5."
- d. In footnote 5 to paragraph 3, the reference to "AU sec. 230" is replaced with "AS 1015."
- e. In paragraph 4:
- In the first sentence, the phrase "The general standards" is replaced with the phrase "The standards, AS 1005, *Independence*, AS 1010, *Training and Proficiency of the Independent Auditor*, and AS 1015, *Due Professional Care in the Performance of Work*."
 - ¹Footnote 6 is deleted.
- f. In the second sentence to paragraph 14:
- The reference to "paragraph 22" is replaced with "paragraph .22."
 - The reference to "paragraph 39" is replaced with "paragraph .39."



- In footnote 10, the reference to "Auditing Standard No. 12" is replaced with "AS 2110."
- g. In paragraph 15, the reference to "paragraphs 65–69 of Auditing Standard No. 12, *Identifying and Assessing Risks of Material Misstatement*" is replaced with "AS 2110.65–.69."
- h. In the last sentence of paragraph 16, the reference to "AU sec. 322, *The Auditor's Consideration of the Internal Audit Function in an Audit of Financial Statements*" is replaced with "AS 2605, *Consideration of the Internal Audit Function*."
- i. In the third sentence of paragraph 18, the reference to "paragraphs .09 through .11 of AU sec. 322" is replaced with "AS 2605.09 through .11."
- j. In footnote 11 to paragraph 20, the reference to "Auditing Standard No. 11" is replaced with "AS 2105."
- k. In footnote 12 to paragraph 28, the reference to "Auditing Standard No. 15" is replaced with "AS 1105."
- l. In footnote 13 to the note to paragraph 31:
 - The first parenthetical reference to "paragraph 14 of Auditing Standard No. 14" is replaced with "paragraph .14 of AS 2810."
 - The second parenthetical reference to "paragraph 61 and paragraph 5 of Auditing Standard No. 13" is replaced with "paragraph .61 and paragraph .05 of AS 2301."
- m. In paragraph 35:
 - The reference to "paragraph 34" is replaced with "paragraph .34."
 - The reference to "AU sec. 322" is replaced with "AS 2605."
- n. In the second sentence of paragraph 36:
 - The reference to "paragraph 29" is replaced with "paragraph .29."
 - The reference to "Auditing Standard No. 12, *Identifying and Assessing Risks of Material Misstatement*" is replaced with "AS 2110."



- o. In the first sentence of paragraph 37, the reference to "paragraph 34" is replaced with "paragraph .34."
- p. In paragraph 53, the parenthetical reference to "paragraph B1" is replaced with "paragraph .B1."
- q. In the last sentence of paragraph 57, the reference to "paragraphs 46 through 56" is replaced with "paragraphs .46 through .56."
- r. In paragraph 58, the reference to "paragraph 47" is replaced with "paragraph .47."
- s. In the first sentence of paragraph 59, the reference to "paragraphs 47 and 58" is replaced with "paragraphs .47 and .58."
- t. In the last sentence of paragraph 60, the reference to "paragraph B28" is replaced with "paragraph .B28."
- u. In paragraph 73, the reference to "paragraph C2" is replaced with "paragraph .C2."
- v. In paragraph 74, the parenthetical reference to "paragraphs C3 through C7" is replaced with "paragraphs .C3 through .C7."
- w. In paragraph 75g, the reference to "paragraphs 78 and 80" is replaced with "paragraphs .78 and .80."
- x. In paragraph 76, the reference to "paragraph C3" is replaced with "paragraph .C3."
- y. In paragraph 77, the reference to "AU sec. 333" is replaced with "AS 2805."
- z. In the last sentence of paragraph 84:
 - The reference to "AU sec. 316" is replaced with "AS 2401."
 - The reference to "AU sec. 317" is replaced with "AS 2405."
- aa. In paragraph 85e, the reference to "paragraph A5" is replaced with "paragraph .A5."
- bb. In paragraph 90:



- In the first sentence, the reference to "Paragraphs 62 through 70" is replaced with "Paragraphs .62 through .70."
 - In footnote 19, the reference to "paragraph C3" is replaced with "paragraph .C3."
- cc. In the first bullet of paragraph 91, the reference to "paragraph A7" is replaced with "paragraph .A7."
- dd. In the first sentence of the note to paragraph 92, the reference to "paragraphs 88 and 91" is replaced with "paragraphs .88 and .91."
- ee. In the last sentence of paragraph 93, the reference to "paragraph 75h" is replaced with "paragraph .75h."
- ff. In the second sentence of paragraph 95, the reference to "AU sec. 560" is replaced with "AS 2801."
- gg. In paragraph 96:
- The parenthetical reference to "paragraph C2" is replaced with "paragraph .C2."
 - In the last sentence, the reference to "paragraph C13" is replaced with "paragraph .C13."
- hh. In the last sentence of paragraph 98, the reference to "AU sec. 561" is replaced with "AS 2905."
- ii. In Appendix A, paragraph numbers A1 through A11 are replaced with .A1 through .A11.
- jj. In Appendix B, paragraph numbers B1 through B33 are replaced with .B1 through .B33.
- kk. In the first sentence of paragraph B5, the reference to "paragraph B2" is replaced with "paragraph .B2."
- ll. In paragraph B13, the reference to "paragraph 61" is replaced with "paragraph .61."
- mm. In the fifth sentence of paragraph B16, the reference to "AU sec. 722, *Interim Financial Information*" is replaced with "AS 4105, *Reviews of Interim Financial Information*."



- nn. In paragraph B17:
- In the first sentence, the reference to "AU sec. 324, *Service Organizations*," is replaced with "AS 2601, *Consideration of an Entity's Use of a Service Organization*."
 - In the last sentence, the reference to "AU sec. 324" is replaced with "AS 2601."
- oo. In the first sentence of paragraph B18, the reference to "AU sec. 324.03" is replaced with "AS 2601.03."
- pp. In the first sentence of paragraph B19, the reference to "AU sec. 324.07" is replaced with "AS 2601.07."
- qq. In the first sentence of paragraph B20, the reference to "AU sec. 324.12" is replaced with "AS 2601.12."
- rr. In the note to paragraph B20a:
- In the first sentence, the parenthetical reference to "AU sec. 324.24b" is replaced with "AS 2601.24b."
 - In the second sentence, the parenthetical reference to "AU sec. 324.24a" is replaced with "AS 2601.24a."
 - In the last sentence, the reference to "AU sec. 324" is replaced with "AS 2601."
- ss. In the note to paragraph B21, the reference to "AU sec. 324.16" is replaced with "AS 2601.16."
- tt. In the last sentence to paragraph B23, the reference to "AU sec. 543, *Part of Audit Performed by Other Independent Auditors*" is replaced with "AS 1205, *Part of the Audit Performed by Other Independent Auditors*."
- uu. In Appendix C, paragraph numbers C1 through C17 are replaced with .C1 through .C17.
- vv. In the last sentence of paragraph C2, the reference to "paragraph 91" is replaced with "paragraph .91."
- ww. In paragraph C4, the parenthetical reference to "paragraph 85" is replaced with "paragraph .85."



- xx. In paragraph C5:
- In the first bullet, the reference to "paragraph A7" is replaced with "paragraph .A7."
 - In the last sentence of the second bullet, the reference to "paragraph 91" is replaced with "paragraph .91."
- yy. In the note to paragraph C6, the reference to "paragraph 89" is replaced with "paragraph .89."
- zz. In the second sentence of paragraph C8, the reference to "AU sec. 543, *Part of Audit Performed by Other Independent Auditors*" is replaced with "AS 1205, *Part of the Audit Performed by Other Independent Auditors*."
- aaa. In the last sentence of paragraph C9, the reference to "AU sec. 543" is replaced with "AS 1205."
- bbb. In footnote 1 to paragraph C10, the reference to "paragraph B15" is replaced with "paragraph .B15."
- ccc. In paragraph C12, the reference to "paragraph 72" is replaced with "paragraph .72."
- ddd. In paragraph C14:
- In the last sentence, the reference to "AU sec. 317" is replaced with "AS 2405."
 - In the first sentence of the note, the reference to "paragraph C12" is replaced with "paragraph .C12."
- eee. In paragraph C15:
- In the first sentence, the reference to "AU sec. 722, *Interim Financial Information*" is replaced with "AS 4105, *Reviews of Interim Financial Information*."
 - In the last sentence, the reference to "AU sec. 722" is replaced with "AS 4105."
- fff. In paragraph C16:



- In the first sentence, the reference to "AU sec. 711, *Filings Under Federal Securities Statutes*" is replaced with "AS 4101, *Responsibilities Regarding Filings Under Federal Securities Statutes*."
- In the second sentence, the reference to "AU sec. 711" is replaced with "AS 4101."
- In the last sentence, the reference to "AU sec. 711.10" is replaced with "AS 4101.10."

Auditing Standard No. 6, *Evaluating Consistency of Financial Statements*

Auditing Standard No. 6, *Evaluating Consistency of Financial Statements*, as amended, is amended as follows:

- a. The section number "Auditing Standard No. 6" is replaced with "AS 2820."
- b. In the references before paragraph 1, the phrase "*Supersedes AU secs. 420 and 9420*" is deleted.
- c. Paragraph numbers 1 through 11 are replaced with .01 through .11.
- d. In paragraph 8:
 - In the second sentence, the reference to "paragraph 7" is replaced with "paragraph .07."
 - Each reference to "AU sec. 508" is replaced with "AS 3101."
 - In the last sentence of the note, the reference to "AU sec. 508" is replaced with "AS 3101."
- e. In paragraph 9, the reference to "AU sec. 508" is replaced with "AS 3101."
- f. In the last sentence of paragraph 10:
 - The reference to "paragraph 31" is replaced with "paragraph .31."
 - The reference to "Auditing Standard No. 14" is replaced with "AS 2810."
 - The reference to "AU sec. 508" is replaced with "AS 3101."



- g. In paragraph 11:
- In the fifth sentence, the reference to "paragraphs 7 and 8 and AU sec. 508" is replaced with "paragraphs .07 and .08 and AS 3101."
 - In the last sentence, the reference to "paragraphs 9 and 10 and AU sec. 508" is replaced with "paragraphs .09 and .10 and AS 3101."

Auditing Standard No. 7, *Engagement Quality Review*

Auditing Standard No. 7, *Engagement Quality Review*, as amended, is amended as follows:

- a. The section number "Auditing Standard No. 7" is replaced with "AS 1220."
- b. In the references before paragraph 1, the phrase "*Supersedes SECPS Requirements of Membership § 1000.08(f)*." is deleted.
- c. Paragraph numbers 1 through 21 are replaced with .01 through .21.
- d. In the last sentence of footnote 1 to paragraph 2, the reference to "AU section ("sec.") 722, *Interim Financial Information*" is replaced with "AS 4105, *Reviews of Interim Financial Information*."
- e. In the last sentence of paragraph 9, the reference to "paragraphs 10 and 11" is replaced with "paragraphs .10 and .11."
- f. In footnote 4 to paragraph 10e, the reference to "Paragraph 13 of PCAOB Auditing Standard No. 3" is replaced with "Paragraph .13 of AS 1215."
- g. In footnote 5 to paragraph 10g:
 - The reference to "AU sec. 550" is replaced with "AS 2710."
 - The reference to "AU sec. 711, *Filings Under Federal Securities Statutes*" is replaced with "AS 4101, *Responsibilities Regarding Filings Under Federal Securities Statutes*."
- h. In the first sentence of paragraph 11, the reference to "paragraph 10" is replaced with "paragraph .10."
- i. In footnote 6 to paragraph 12, the reference to "AU sec. 230" is replaced with "AS 1015."



- j. In the last sentence of paragraph 14, the reference to "paragraphs 15 and 16" is replaced with "paragraphs .15 and .16."
- k. In paragraph 15c, the reference to "paragraphs 10.d and 10.e" are replaced with "paragraphs .10d and .10e."
- l. In footnote 8 to paragraph 15e:
 - The reference to "AU sec. 722.18f" is replaced with "AS 4105.18f"
 - The reference to "AU sec. 711" is replaced with "AS 4101."
- m. In paragraph 15f, the reference to "paragraphs 10.h and 10.i" are replaced with "paragraphs .10h and .10i."
- n. In paragraph 16, the reference to "paragraph 15" is replaced with "paragraph .15."
- o. In paragraph 21, the reference to "PCAOB Auditing Standard No. 3, *Audit Documentation*," is replaced with "AS 1215."

Auditing Standard No. 8, *Audit Risk*

Auditing Standard No. 8, *Audit Risk*, is amended as follows:

- a. The section number "Auditing Standard No. 8" is replaced with "AS 1101."
- b. Paragraph numbers 1 through 11 are replaced with .01 through .11.
- c. In the first sentence of footnote 1 to paragraph 1, the reference to "Auditing Standard No. 5" is replaced with "AS 2201."
- d. In paragraph 3:
 - In footnote 2, the reference to "Auditing Standard No. 14" is replaced with "AS 2810."
 - In footnote 3:
 - The reference to "AU sec. 110" is replaced with "AS 1001."
 - The reference to "AU sec. 230" is replaced with "AS 1015."
- e. In paragraph 5:



- In the last sentence, the reference to "Auditing Standard No. 12" is replaced with "AS 2110."
 - In footnote 4, the reference to "Auditing Standard No. 15" is replaced with "AS 1105."
 - In footnote 5, the reference to "Paragraph 59 of Auditing Standard No. 12" is replaced with "AS 2110.59."
- f. In paragraph 8:
- In footnote 6, the reference to "Paragraph 59.a. of Auditing Standard No. 12" is replaced with "AS 2110.59a."
 - In footnote 7, the reference to "Paragraphs 32–34 of Auditing Standard No. 13" is replaced with "Paragraphs .32–.34 of AS 2301."
- g. In footnote 8 to paragraph 11, the reference to "Paragraph 37 of Auditing Standard No. 13" is replaced with "AS 2301.37."

Auditing Standard No. 9, *Audit Planning*

Auditing Standard No. 9, *Audit Planning*, as amended, is amended as follows:

- a. The section number "Auditing Standard No. 9" is replaced with "AS 2101."
- b. Paragraph numbers 1 through 19 are replaced with .01 through .19.
- c. In the second sentence of footnote 3 to paragraph 6a, the reference to "AU sec. 161, *The Relationship of Generally Accepted Auditing Standards to Quality Control Standards*" is replaced with "AS 1110, *Relationship of Auditing Standards to Quality Control Standards*."
- d. In paragraph 6c, the reference to "Auditing Standard No. 16" is replaced with "AS 1301."
- e. In paragraph 7:
 - In the second sentence, the reference to "paragraphs 8–10" is replaced with "paragraphs .08–.10."



- In footnote 5, the reference to "Auditing Standard No. 11" is replaced with "AS 2105."
- f. In the first sentence of footnote 7 to paragraph 9a, the reference to "Auditing Standard No. 16, *Communications with Audit Committees*" is replaced with "AS 1301."
- g. In footnote 8 to paragraph 9b, the reference to "paragraph 6 of Auditing Standard No. 10" is replaced with "paragraph .06 of AS 1201."
- h. In paragraph 9c:
 - The reference to "paragraph 7" is replaced with "paragraph .07."
 - In footnote 9, the reference to "Paragraph 6" is replaced with "Paragraph .06."
- i. In footnote 10 to paragraph 9d:
 - The reference to "AU sec. 230" is replaced with "AS 1015."
 - The reference to "paragraph 16" is replaced with "paragraph .16."
 - The reference to "paragraph 5.a." is replaced with "paragraph .05a."
 - The reference to "Auditing Standard No. 13" is replaced with "AS 2301."
- j. In footnote 11 to paragraph 10a, the reference to "Auditing Standard No. 12" is replaced with "AS 2110."
- k. In footnote 12 to paragraph 10b:
 - The reference to "Auditing Standard No. 13" is replaced with "AS 2301."
 - The reference to "Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*" is replaced with "AS 2201."
- l. In footnote 14 to paragraph 12a, the reference to "AU sec. 316" is replaced with "AS 2401."



- m. In footnote 15 to paragraph 12b, the reference to "Paragraph 10 of Auditing Standard No. 11" is replaced with "AS 2105.10."
- n. In paragraph 12:
 - In the note, the reference to "Auditing Standard No. 5" is replaced with "AS 2201, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements.*"
 - In footnote 17 to the note, the reference to "Paragraphs B10–B16 of Auditing Standard No. 5" is replaced with "AS 2201.B10–.B16."
- o. In paragraph 13:
 - In the first sentence:
 - The reference to "AU sec. 322, *The Auditor's Consideration of the Internal Audit Function in an Audit of Financial Statements*" is replaced with "AS 2605, *Consideration of the Internal Audit Function.*"
 - The reference to "Auditing Standard No. 5" is replaced with "AS 2201."
 - In the last sentence:
 - The reference to "AU sec. 322" is replaced with "AS 2605."
 - The reference to "Auditing Standard No. 5" is replaced with "AS 2201."
- p. In paragraph 14:
 - In the first sentence, the reference to "AU sec. 543, *Part of Audit Performed by Other Independent Auditors*" is replaced with "AS 1205, *Part of the Audit Performed by Other Independent Auditors.*"
 - In the last sentence, the reference to "paragraphs 11–13" is replaced with "paragraphs .11–.13."
 - In footnote 18, the reference to "paragraphs C8–C11 of Auditing Standard No. 5" is replaced with "AS 2201.C8–.C11."



- q. In paragraph 18b, the reference to "AU sec. 315, *Communications Between Predecessor and Successor Auditors*" is replaced with "AS 2610, *Initial Audits—Communications Between Predecessor and Successor Auditors*."
- r. In footnote 19 to paragraph 19, the reference to "paragraph 3 of Auditing Standard No. 6" is replaced with "paragraph .03 of AS 2820."
- s. In Appendix A, paragraph numbers A1 through A2 are replaced with .A1 through .A2.

Auditing Standard No. 10, *Supervision of the Audit Engagement*

Auditing Standard No. 10, *Supervision of the Audit Engagement*, is amended as follows:

- a. The section number "Auditing Standard No. 10" is replaced with "AS 1201."
- b. Paragraph numbers 1 through 6 are replaced with .01 through .06.
- c. In paragraph 3:
 - In the last sentence, the reference to "Paragraphs 5–6" is replaced with "Paragraphs .05–.06."
 - In footnote 2, the reference to "AU sec. 336" is replaced with "AS 1210."
 - In footnote 3, the reference to "AU sec. 543, *Part of Audit Performed by Other Independent Auditors*" is replaced with "AS 1205, *Part of the Audit Performed by Other Independent Auditors*."
 - In footnote 4, the reference to "AU sec. 322, *The Auditor's Consideration of the Internal Audit Function in an Audit of Financial Statements*" is replaced with "AS 2605, *Consideration of the Internal Audit Function*."
 - In footnote 5, the reference to "Paragraphs 16–19 of Auditing Standard No. 5" is replaced with "Paragraphs .16–.19 of AS 2201."
 - In footnote 6, the reference to "AU sec. 230" is replaced with "AS 1015."



- d. In paragraph 5a:
- In footnote 7 to paragraph 5a:
 - The reference to "AU sec. 230.06" is replaced with "AS 1015.06."
 - The reference to "paragraph 5 of Auditing Standard No. 13" is replaced with "paragraph .05 of AS 2301."
 - In footnote 8 to item (3), the reference to "Auditing Standard No. 12" is replaced with "AS 2110."
- e. In footnote 9 to paragraph 5b:
- The reference to "paragraph 15 of Auditing Standard No. 9" is replaced with "paragraph .15 of AS 2101."
 - The reference to "paragraph 74 of Auditing Standard No. 12" is replaced with "AS 2110.74."
 - The reference to "paragraphs 20–23 and 35–36 of Auditing Standard No. 14" is replaced with "paragraphs .20–.23 and .35–.36 of AS 2810."
- f. In the note to paragraph 5, the reference to "AU sec. 230" is replaced with "AS 1015."
- g. In footnote 10 to item (3) of paragraph 5c:
- The reference to "Auditing Standard No. 14" is replaced with "AS 2810."
 - The reference to "Auditing Standard No. 3" is replaced with "AS 1215."
- h. In footnote 11 to paragraph 6a, the reference to "Paragraph 10 of Auditing Standard No. 12" is replaced with "AS 2110.10."
- i. In footnote 12 to paragraph 6d:
- The reference to "paragraph 5.a. of Auditing Standard No. 13" is replaced with "AS 2301.05a."



- The reference to "AU sec. 230.06" is replaced with "AS 1015.06."
- j. In the note to paragraph 6:
- The reference to "paragraph 5 of Auditing Standard No. 13, *The Auditor's Responses to the Risks of Material Misstatement*," is replaced with "AS 2301.05."
 - In footnote 13, the reference to "Paragraph 5.b. of Auditing Standard No. 13" is replaced with "AS 2301.05b."
- k. In Appendix A, paragraph numbers A1 and A2 are replaced with .A1 and .A2.

Auditing Standard No. 11, *Consideration of Materiality in Planning and Performing an Audit*

Auditing Standard No. 11, *Consideration of Materiality in Planning and Performing an Audit*, is amended as follows:

- a. The section number "Auditing Standard No. 11" is replaced with "AS 2105."
- b. Paragraph numbers 1 through 12 are replaced with .01 through .12.
- c. In footnote 1 to paragraph 1, the reference to "Auditing Standard No. 14" is replaced with "AS 2810."
- d. In paragraph 3:
 - In the third sentence, the reference to "Auditing Standard No. 14" is replaced with "AS 2810."
 - In footnote 4, the reference to "Auditing Standard No. 14" is replaced with "AS 2810."
- e. In paragraph 4:
 - The reference to "Auditing Standard No. 5" is replaced with "AS 2201."
 - In footnote 5, the reference to "Paragraph 20 of Auditing Standard No. 5" is replaced with "AS 2201.20."



- f. In paragraph 12:
- In the note, the reference to "Auditing Standard No. 14" is replaced with "AS 2810."
 - In footnote 6 to the note, the reference to "Paragraph 17 of Auditing Standard No. 14" is replaced with "AS 2810.17."

Auditing Standard No. 12, *Identifying and Assessing Risks of Material Misstatement*

Auditing Standard No. 12, *Identifying and Assessing Risks of Material Misstatement*, is amended as follows:

- a. The section number "Auditing Standard No. 12" is replaced with "AS 2110."
- b. Paragraph numbers 1 through 74 are replaced with .01 through .74.
- c. In footnote 1 to paragraph 1, the reference to "Paragraphs 5–8 of Auditing Standard No. 8" is replaced with "Paragraphs .05–.08 of AS 1101."
- d. In paragraph 2:
- In the first sentence, the reference to "Paragraphs 4–58" is replaced with "Paragraphs .04–.58."
 - In the last sentence, the reference to "Paragraphs 59–73" is replaced with "Paragraphs .59–.73."
- e. In paragraph 4:
- In footnote 3, the reference to "AU sec. 316" is replaced with "AS 2401."
 - In footnote 4, the reference to "Auditing Standard No. 15" is replaced with "AS 1105."
- f. In paragraph 5a, the parenthetical reference to "paragraphs 7–17" is replaced with "paragraphs .07–.17."
- g. In paragraph 5b, the parenthetical reference to "paragraphs 18–40" is replaced with "paragraphs .18–.40."



- h. In paragraph 5c, the parenthetical reference to "paragraphs 41–45" is replaced with "paragraphs .41–.45."
- i. In paragraph 5d, the parenthetical reference to "paragraphs 46–48" is replaced with "paragraphs .46–.48."
- j. In paragraph 5e, the parenthetical reference to "paragraphs 49–53" is replaced with "paragraphs .49–.53."
- k. In paragraph 5f, the parenthetical reference to "paragraphs 54–58" is replaced with "paragraphs .54–.58."
- l. In footnote 5 to the note to paragraph 5, the reference to "Paragraph 11 of Auditing Standard No. 15" is replaced with "AS 1105.11."
- m. In footnote 7 to paragraph 9, the reference to "AU sec. 317" is replaced with "AS 2405."
- n. In the note to paragraph 10, the reference to "AU sec. 334" is replaced with "AS 2410."
- o. In paragraph 11, the reference to "paragraph 7" is replaced with "paragraph .07."
- p. In footnote 8 to paragraph 18, the reference to "Paragraphs 21–22" is replaced with "Paragraphs .21–.22."
- q. In paragraph 19:
 - In footnote 9, the reference to "Paragraph 13 of Auditing Standard No. 5" is replaced with "Paragraph .13 of AS 2201."
 - In footnote 10 to the note, the reference to "Paragraph 10 of Auditing Standard No. 15" is replaced with "AS 1105.10."
- r. In paragraph 20:
 - In the last sentence of the first note, the reference to "paragraphs 37–38" is replaced with "paragraphs .37–.38."
 - In the last sentence of the second note, the reference to "paragraphs 37–38" is replaced with "paragraphs .37–.38."
- s. In paragraph 22:



- In the third sentence, the reference to "Auditing Standard No. 5" is replaced with "AS 2201."
 - In the last sentence, the reference to "paragraphs 23–36" is replaced with "paragraphs .23–.36."
 - In footnote 13, the reference to "Paragraph 5 of Auditing Standard No. 5" is replaced with "AS 2201.05."
- t. In the note to paragraph 24:
- In the first sentence, the reference to "paragraph 23" is replaced with "paragraph .23."
 - In the last sentence, the reference to "Auditing Standard No. 5" is replaced with "AS 2201."
 - In footnote 14, the reference to "Paragraph 25 of Auditing Standard No. 5" is replaced with "AS 2201.25."
- u. In paragraph 25:
- The reference to "paragraphs 65–66" is replaced with "paragraphs .65–.66."
 - In footnote 15, the reference to "Paragraph A3 of Auditing Standard No. 5" is replaced with "AS 2201.A3."
- v. In paragraph 32:
- The reference to "paragraph 28.e." is replaced with "paragraph .28e."
 - In footnote 17, the reference to "Paragraphs 12–13" is replaced with "Paragraphs .12–.13."
- w. In paragraph 34:
- In the first sentence, the reference to "paragraph 18" is replaced with "paragraph .18."
 - In footnote 18, the reference to "paragraph B5" is replaced with "paragraph .B5."



- x. In footnote 19 to paragraph 35, the reference to "AU sec. 322, *The Auditor's Consideration of the Internal Audit Function in an Audit of Financial Statements*" is replaced with "AS 2605, *Consideration of the Internal Audit Function*."
- y. In paragraph 37:
- In the first sentence, the reference to "paragraph 20" is replaced with "paragraph .20."
 - In the first and last sentences of the note, the references to "Auditing Standard No. 5" are replaced with "AS 2201."
 - In footnote 20 to the note, the reference to "paragraphs 34–38 of Auditing Standard No. 5" is replaced with "AS 2201.34–.38."
- z. In paragraph 39:
- In the first sentence, the reference to "paragraph 18" is replaced with "paragraph .18."
 - In footnote 21, the reference to "Paragraphs 16–35 of Auditing Standard No. 13" is replaced with "Paragraphs .16–.35 of AS 2301."
 - In footnote 22, the reference to "Paragraph B1 of Auditing Standard No. 5" is replaced with "AS 2201.B1."
- aa. In paragraph 40:
- In the first sentence, the reference to "Auditing Standard No. 5" is replaced with "AS 2201."
 - In footnote 23, the reference to "Paragraph 22 of Auditing Standard No. 5" is replaced with "AS 2201.22."
 - In footnote 24, the reference to "paragraph 24 of Auditing Standard No. 5" is replaced with "AS 2201.24."
- bb. In the last sentence of paragraph 41, the reference to "paragraph 59" is replaced with "paragraph .59."



- cc. In paragraph 42, the reference to "paragraph 8" is replaced with "paragraph .08."
- dd. In paragraph 44, the reference to "AU sec. 722, *Interim Financial Information*" is replaced with "AS 4105, *Reviews of Interim Financial Information*."
- ee. In footnote 26 to paragraph 45, the reference to "Paragraph 7 of Auditing Standard No. 9" is replaced with "Paragraph .07 of AS 2101."
- ff. In the last sentence of paragraph 47, the reference to "AU sec. 722" is replaced with "AS 4105."
- gg. In paragraph 49:
 - In footnote 28 to the first note to paragraph 49, the reference to "Paragraphs 52–53" is replaced with "Paragraphs .52–.53."
 - In the second note, the reference to "paragraph 67" is replaced with "paragraph .67."
- hh. In footnote 29 to paragraph 51, the reference to "paragraph 29 of Auditing Standard No. 14" is replaced with "paragraph .29 of AS 2810."
- ii. In paragraph 53:
 - In the first bullet, the reference to "AU sec. 316" is replaced with "AS 2401."
 - In footnote 30 to the first bullet, the reference to "AU sec. 316.13" is replaced with "AS 2401.13."
 - In the second bullet, the parenthetical reference to "Auditing Standard No. 14" is replaced with "AS 2810."
 - In footnote 31 to the third bullet, the reference to "Paragraphs 20–23 of Auditing Standard No. 14" is replaced with "AS 2810.20–.23."
- jj. In paragraph 59a:
 - The parenthetical reference to "paragraphs 4–58" is replaced with "paragraphs .04–.58."



- In the note, the reference to "paragraphs 65–69" is replaced with "paragraphs .65–69."
- kk. In footnote 32 to the note to paragraph 59d, the reference to "Paragraphs 16–35 of Auditing Standard No. 13" is replaced with "AS 2301.16–.35."
- ll. In paragraph 59e:
- The parenthetical reference to "paragraphs 60–64" is replaced with "paragraphs .60–.64."
 - In footnote 33, the reference to "Paragraph A10 of Auditing Standard No. 5" is replaced with "AS 2201.A10."
 - In footnote 34, the reference to "Paragraph A9 of Auditing Standard No. 5" is replaced with "AS 2201.A9."
- mm. In paragraph 59f, the parenthetical reference to "paragraphs 70–71" is replaced with "paragraphs .70–.71."
- nn. In the first sentence of paragraph 60, the reference to "paragraph 59.e." is replaced with "paragraph .59e."
- oo. In the note to paragraph 62:
- In the second sentence of footnote 35, the reference to "paragraphs 11, 14, and 25 of Auditing Standard No.14" is replaced with "AS 2810.11, .14, and .25."
 - In the last sentence of footnote 35:
 - The reference to "paragraph 61 of Auditing Standard No. 5" is replaced with "AS 2201.61."
 - The reference to "paragraph 5.c. of Auditing Standard No. 13" is replaced with "AS 2301.5c."
- pp. In paragraph 65:
- In the fourth sentence, the reference to "AU sec. 316.85" is replaced with "AS 2401.85."
 - In the first sentence of the note, the reference to "AU sec. 316.85" is replaced with "AS 2401.85."



- qq. In paragraph 71a, the reference to "paragraph 60" is replaced with "paragraph .60."
- rr. In paragraph 72:
- The reference to "paragraphs 18–40" is replaced with "paragraphs .18–.40."
 - In footnote 36, the reference to "Auditing Standard No. 13" is replaced with "AS 2301."
- ss. In footnote 37 to paragraph 73:
- The reference to "AU sec. 316.88" is replaced with "AS 2401.88."
 - The reference to "paragraph 14 of Auditing Standard No. 5" is replaced with "AS 2201.14."
- tt. In footnote 38 to paragraph 74, the reference to "paragraph 46 of Auditing Standard No. 13" is replaced with "AS 2301.46."
- uu. In Appendix A, paragraph numbers A1 through A5 are replaced with .A1 through .A5.
- vv. In Appendix B, paragraph numbers B1 through B6 are replaced with .B1 through .B6.
- ww. In paragraph B1:
- In footnote 1, the reference to "AU sec. 324, *Service Organizations*" is replaced with "AS 2601, *Consideration of an Entity's Use of a Service Organization*."
 - In footnote 2, the reference to "paragraphs 16–17 of Auditing Standard No. 9" is replaced with "paragraphs .16–.17 of AS 2101."

Auditing Standard No. 13, *The Auditor's Responses to the Risks of Material Misstatement*

Auditing Standard No. 13, *The Auditor's Responses to the Risks of Material Misstatement*, is amended as follows:

- a. The section number "Auditing Standard No. 13" is replaced with "AS 2301."



- b. Paragraph numbers 1 through 47 are replaced with .01 through .47.
- c. In paragraph 3, the reference to "Auditing Standard No. 12" is replaced with "AS 2110."
- d. In paragraph 4a, the reference to "paragraphs 5–7" is replaced with "paragraphs .05–.07."
- e. In paragraph 4b, the reference to "paragraphs 8–46" is replaced with "paragraphs .08–.46."
- f. In footnote 1 to paragraph 5a, the reference to "AU sec. 230" is replaced with "AS 1015."
- g. In paragraph 5b, the parenthetical reference to "paragraphs 5–6 of Auditing Standard No. 10" is replaced with "paragraphs .05–.06 of AS 1201."
- h. In footnote 2 to item (5) of paragraph 5c, the reference to "paragraphs 61 and B13 of Auditing Standard No. 5" is replaced with "paragraphs .61 and .B13 of AS 2201."
- i. In footnote 3 to paragraph 5d:
 - In the first sentence, the reference to "Paragraphs 12–13 of Auditing Standard No. 12" is replaced with "AS 2110.12–.13."
 - In the last sentence:
 - The reference to "AU sec. 316" is replaced with "AS 2401."
 - The reference to "AU sec. 411, *The Meaning of Present Fairly in Conformity With Generally Accepted Accounting Principles*" is replaced with "AS 2815, *The Meaning of 'Present Fairly in Conformity with Generally Accepted Accounting Principles.'*"
- j. In footnote 4 to paragraph 7, the reference to "AU secs. 230.07–.09" is replaced with "AS 1015.07–.09."
- k. In footnote 5 to paragraph 7, the reference to "AU secs. 316.13" is replaced with "AS 2401.13."
- l. In paragraph 9c:



- In footnote 7 to item (1), the reference to "paragraph 7.b. of Auditing Standard No. 8" is replaced with "paragraph .07b of AS 1101."
 - In the note to item (2), the reference to "Auditing Standard No. 5" is replaced with "AS 2201."
- m. In paragraph 10:
- In the last sentence:
 - The reference to "Paragraphs 16–35" is replaced with "Paragraphs .16–35."
 - The reference to "paragraphs 36–46" is replaced with "paragraphs .36–46."
 - In the first sentence of the note, the reference to "Paragraphs 16–17" is replaced with "Paragraphs .16–.17."
- n. In paragraph 11:
- In the note, the reference to "Auditing Standard No. 12" is replaced with "AS 2110."
 - In footnote 10 to the note, the reference to "paragraph 71 of Auditing Standard No. 12" is replaced with "AS 2110.71."
- o. In paragraph 12:
- In the second note, the reference to "Auditing Standard No. 5" is replaced with "AS 2201."
 - In footnote 11 to the second note, the reference to "Paragraphs 14–15 of Auditing Standard No. 5" is replaced with "AS 2201.14–.15."
- p. In the last sentence of paragraph 13, the reference to "paragraphs 16–17" is replaced with "paragraphs .16–.17."
- q. In the note to paragraph 14, the reference to "AU secs. 316.54–.67" is replaced with "AS 2401.54–.67."
- r. In paragraph 15, the reference to "AU sec. 316" is replaced with "AS 2401."



- s. In paragraph 15a, the parenthetical reference to "AU secs. 316.58–.62" is replaced with "AS 2401.58–.62."
- t. In paragraph 15b, the parenthetical reference to "AU secs. 316.63–.65" is replaced with "AS 2401.63–.65."
- u. In paragraph 15c, the parenthetical reference to "AU secs. 316.66–.67" is replaced with "AS 2401.66–.67."
- v. In footnote 14 to paragraph 17:
 - The reference to "Paragraph 10 of Auditing Standard No. 15" is replaced with "Paragraph .10 of AS 1105."
 - The reference to "AU sec. 329" is replaced with "AS 2305."
- w. In footnote 15 to paragraph 20, the reference to "Paragraphs 37–38 of Auditing Standard No. 12" is replaced with "AS 2110.37–.38."
- x. In the note to paragraph 27, the reference to "AU sec. 350" is replaced with "AS 2315."
- y. In the last sentence of paragraph 28, the reference to "Paragraph 16" is replaced with "Paragraph .16."
- z. In the last sentence of footnote 16 to the ninth bullet of paragraph 31, the reference to "paragraph B28 of Auditing Standard No. 5" is replaced with "AS 2201.B28."
- aa. In the note to paragraph 34:
 - In the first sentence, the reference to "Auditing Standard No. 5" is replaced with "AS 2201."
 - In the last sentence, the reference to "AU sec. 325" is replaced with "AS 1305."
- bb. In paragraph 35:
 - Each reference to "Auditing Standard No. 5" is replaced with "AS 2201."
 - In footnote 17, the reference to "Paragraph B1 of Auditing Standard No. 5" is replaced with "AS 2201.B1."



- cc. In paragraph 38:
- In footnote 18, the reference to "Paragraph A5 of Auditing Standard No. 5" is replaced with "AS 2201.A5."
 - In footnote 19, the reference to "AU sec. 328" is replaced with "AS 2502."
- dd. In the note to paragraph 39, the reference to "Auditing Standard No. 15" is replaced with "AS 1105."
- ee. In paragraph 40, the reference to "paragraph 9.b." is replaced with "paragraph .09b."
- ff. In the note to paragraph 41b, the reference to "AU secs. 316.58–.62" is replaced with "AS 2401.58–.62."
- gg. In item (1) of paragraph 44a, the reference to "paragraphs 32–34" is replaced with "paragraphs .32–.34."
- hh. In footnote 20 to paragraph 47, the reference to "AU sec. 350" is replaced with "AS 2315."
- ii. In Appendix A, paragraph numbers A1 through A3 are replaced with .A1 through .A3.

Auditing Standard No. 14, *Evaluating Audit Results*

Auditing Standard No. 14, *Evaluating Audit Results*, is amended as follows:

- a. The section number "Auditing Standard No. 14" is replaced with "AS 2810."
- b. Paragraph numbers 1 through 37 are replaced with .01 through .37.
- c. In footnote 3 to paragraph 6b:
- The reference to "Auditing Standard No. 12" is replaced with "AS 2110."
 - The reference to "AU sec. 329" is replaced with "AS 2305."
- d. In the note to paragraph 6, the reference to "paragraph 36" is replaced with "paragraph .36."



- e. In footnote 4 to paragraph 7, the reference to "Paragraph 47 of Auditing Standard No. 12" is replaced with "AS 2110.47."
- f. In the first sentence of paragraph 9, the reference to "paragraph 6.b." is replaced with "paragraph .06b."
- g. In the second sentence of the note to paragraph 10, the reference to "Auditing Standard No. 11" is replaced with "AS 2105."
- h. In paragraph 12:
 - In the last sentence:
 - The reference to "paragraph 13" is replaced with "paragraph .13."
 - The reference to "AU sec. 350" is replaced with "AS 2315."
 - In footnote 5, the reference to "AU sec. 350.26" is replaced with "AS 2315.26."
- i. In the last sentence of the note to paragraph 13, the reference to "Paragraph 27" is replaced with "Paragraph .27."
- j. In footnote 6 to paragraph 14b, the reference to "Auditing Standard No. 11" is replaced with "AS 2105."
- k. In paragraph 17:
 - In footnote 7:
 - In the first sentence, the reference to "AU sec. 508" is replaced with "AS 3101."
 - In the last sentence, the reference to "AU sec. 508.35" is replaced with "AS 3101.35."
 - In footnote 11 to the second note, the reference to "AU sec. 317" is replaced with "AS 2405."
 - In the third note, the reference to "Auditing Standard No. 11" is replaced with "AS 2105."



- In footnote 12 to the third note, the reference to "Paragraphs 11–12 of Auditing Standard No. 11" is replaced with "AS 2105.11–.12."
- l. In paragraph 18, the reference to "paragraph 17" is replaced with "paragraph .17."
- m. In the last sentence of paragraph 19, the reference to "paragraph 36" is replaced with "paragraph .36."
- n. In the last sentence of paragraph 20, the reference to "AU sec. 316" is replaced with "AS 2401."
- o. In footnote 14 to paragraph 20, the reference to "AU sec. 316.05" is replaced with "AS 2401.05."
- p. In paragraph 23, the reference to "AU secs. 316.79–.82A, AU sec. 317" is replaced with "AS 2401.79–.82A, AS 2405."
- q. In the note to paragraph 25a, the reference to "paragraph 15" is replaced with "paragraph .15."
- r. In footnote 15 to paragraph 25c, the reference to "Paragraph 5.d. of Auditing Standard No. 13" is replaced with "Paragraph .05d of AS 2301."
- s. In footnote 16 to paragraph 25d, the reference to "Paragraph 27" is replaced with "Paragraph .27."
- t. In the note to paragraph 27, the reference to "AU secs. 316.64–.65" is replaced with "AS 2401.64–.65."
- u. In footnote 17 to paragraph 28:
 - The first parenthetical reference to "paragraph 9" is replaced with "paragraph .09."
 - The second parenthetical reference to "paragraphs 20–23" is replaced with "paragraphs .20–.23."
 - The third parenthetical reference to "paragraphs 24–27" is replaced with "paragraphs .24–.27."
- v. In the note to paragraph 29, the parenthetical reference to "paragraphs 49–51 of Auditing Standard No. 12" is replaced with "paragraphs .49–.51 of AS 2110."



- w. In the first note to paragraph 30:
- In the first sentence, the reference to "AU sec. 411, *The Meaning of Present Fairly in Conformity With Generally Accepted Accounting Principles*" is replaced with "AS 2815, *The Meaning of 'Present Fairly in Conformity with Generally Accepted Accounting Principles.'*"
 - In the last sentence, the reference to "Auditing Standard No. 6" is replaced with "AS 2820."
- x. In paragraph 31:
- In the note, the reference to "AU sec. 508" is replaced with "AS 3101."
 - In footnote 18 to the note, the reference to "AU secs. 508.41–.44" is replaced with "AS 3101.41–.44."
- y. In paragraph 32:
- The reference to "Auditing Standard No. 8" is replaced with "AS 1101."
 - In footnote 19, the reference to "Paragraph 3 of Auditing Standard No. 8" is replaced with "AS 1101.03."
- z. In paragraph 34a, the parenthetical reference to "paragraphs 14 and 17–19" is replaced with "paragraphs .14 and .17–.19."
- aa. In paragraph 34b, the parenthetical reference to "paragraphs 20–23 and 28–29" is replaced with "paragraphs .20–.23 and .28–.29."
- bb. In paragraph 34c, the parenthetical reference to "paragraph 36" is replaced with "paragraph .36."
- cc. In footnote 20 to paragraph 34e, the reference to "Paragraphs 7–9 of Auditing Standard No. 15" is replaced with "Paragraphs .07–.09 of AS 1105."
- dd. In paragraph 35:



- In the last sentence, the reference to "AU sec. 508" is replaced with "AS 3101."
 - In footnote 21, the reference to "AU sec 508.22–.34" is replaced with "AS 3101.22–.24."
- ee. In the note to paragraph 36:
- In the first sentence, the reference to "Auditing Standard No. 12" is replaced with "AS 2110."
 - In footnote 22, the reference to "Paragraph 74 of Auditing Standard No.12" is replaced with "AS 2110.74."
 - In the last sentence, the reference to "Auditing Standard No. 13" is replaced with "AS 2301."
 - In footnote 23, the reference to "Paragraphs 32–34 of Auditing Standard No. 13" is replaced with "AS 2301.32–.34."
- ff. In paragraph 37:
- Each reference to "Auditing Standard No. 5" is replaced with "AS 2201."
 - In footnote 24:
 - The reference to "Paragraphs 62–70 of Auditing Standard No. 5" is replaced with "AS 2201.62–.70."
 - The reference to "paragraphs 71–73 of Auditing Standard No. 5" is replaced with "AS 2201.71–.73."
- gg. In Appendix A, paragraph numbers A1 through A3 are replaced with .A1 through .A3.
- hh. In footnote 2 to paragraph A2, the reference to "AU sec. 316" is replaced with "AS 2401."
- ii. In footnote 3 to paragraph A3, the reference to "Paragraph 10" is replaced with "Paragraph .10."
- jj. In Appendix B, paragraph numbers B1 through B2 are replaced with .B1 through .B2.



- kk. In paragraph B1:
- The reference to "Paragraph 17" is replaced with "Paragraph .17."
 - In footnote 1:
 - In the first sentence, the reference to "AU sec. 508" is replaced with "AS 3101."
 - In the last sentence, the reference to "AU sec. 508.35" is replaced with "AS 3101.35."
 - In footnote 5 to the second note, the reference to "AU sec. 317" is replaced with "AS 2405."
- ll. In paragraph B2o, the reference to "paragraph B2.l" is replaced with "paragraph .B2l."
- mm. In Appendix C, paragraph number C1 is replaced with .C1.
- nn. In paragraph C1, the reference to "paragraph 28" is replaced with "paragraph .28."
- oo. In footnote 1 to item (2) of paragraph C1b, the reference to "Paragraph 9 of Auditing Standard No. 15" is replaced with "Paragraph .09 of AS 1105."
- pp. In the parenthetical reference of footnote 2 to item (1) of paragraph C1c:
- The reference to "Auditing Standard No. 5" is replaced with "AS 2201."
 - The reference to "AU sec. 508" is replaced with "AS 3101."

Auditing Standard No. 15, *Audit Evidence*

Auditing Standard No. 15, *Audit Evidence*, is amended as follows:

- a. The section number "Auditing Standard No. 15" is replaced with "AS 1105."
- b. Paragraph numbers 1 through 29 are replaced with .01 through .29.
- c. In footnote 1 to paragraph 3:



- In the first sentence, the reference to "Auditing Standard No. 14" is replaced with "AS 2810."
 - In the second sentence, the reference to "Auditing Standard No. 3" is replaced with "AS 1215."
- d. In footnote 2 to the first bullet of paragraph 5, the reference to "Paragraph A5 of Auditing Standard No. 12" is replaced with "Paragraph .A5 of AS 2110."
- e. In footnote 3 to paragraph 10:
- In the first sentence, the reference to "AU sec. 336" is replaced with "AS 1210."
 - In the last sentence:
 - The reference to "AU sec. 324, *Service Organizations*" is replaced with "AS 2601, *Consideration of an Entity's Use of a Service Organization*."
 - The reference to "Auditing Standard No. 5" is replaced with "AS 2201."
- f. In footnote 5 to paragraph 12, the reference to "paragraph 28 of Auditing Standard No. 5" is replaced with "AS 2201.28."
- g. In footnote 6 to paragraph 13a, the reference to "Auditing Standard No.12" is replaced with "AS 2110."
- h. In footnote 7 to paragraph 13b, the reference to "Auditing Standard No. 13" is replaced with "AS 2301."
- i. In the first sentence of paragraph 14, the reference to "Paragraphs 15–21" is replaced with "Paragraphs .15–.21."
- j. In footnote 8 to paragraph 16, the reference to "AU sec. 331, *Inventories*" is replaced with "AS 2510, *Auditing Inventories*."
- k. In footnote 9 to paragraph 17, the reference to "AU sec. 333" is replaced with "AS 2805."
- l. In footnote 10 to paragraph 18, the reference to "AU sec. 330" is replaced with "AS 2310."



- m. In footnote 11 to paragraph 21, the reference to "AU sec. 329" is replaced with "AS 2305."
- n. In paragraph 27, the reference to "paragraphs 25–26" is replaced with "paragraphs .25–.26."
- o. In footnote 12 to paragraph 27, the reference to "paragraphs 12–13 and paragraphs 17–19 of Auditing Standard No. 14" is replaced with "AS 2810.12–.13 and AS 2810.17–.19."
- p. In footnote 13 to paragraph 28, the reference to "AU sec. 350" is replaced with "AS 2315."

Auditing Standard No. 16, *Communications with Audit Committees*

Auditing Standard No. 16, *Communications with Audit Committees*, is amended as follows:

- a. The section number "Auditing Standard No. 16" is replaced with "AS 1301."
- b. Paragraph numbers 1 through 26 are replaced with .01 through .26.
- c. In the first sentence to footnote 5 to paragraph 8, the reference to "paragraphs 5.f. and 54–57 of Auditing Standard No. 12" is replaced with "paragraphs .05f and .54–.57 of AS 2110."
- d. In the first sentence of footnote 6 to paragraph 8, the reference to "AU sec. 317" is replaced with "AS 2405."
- e. In footnote 7 to paragraph 9, the reference to "paragraphs 8–9 of Auditing Standard No. 9" is replaced with "paragraphs .08–.09 of AS 2101."
- f. In the first sentence of footnote 8 to paragraph 9, the reference to "Auditing Standard No. 12" is replaced with "AS 2110."
- g. In footnote 9 to paragraph 10a, the reference to "paragraph 16 of Auditing Standard No. 9" is replaced with "paragraph .16 of AS 2101."
- h. In footnote 10 to paragraph 10b, the reference to "AU sec. 322, *The Auditor's Consideration of the Internal Audit Function in an Audit of Financial Statements*" is replaced with "AS 2605, *Consideration of the Internal Audit Function*."



- i. In footnote 11 to paragraph 10c, the reference to "paragraphs 16–19 of Auditing Standard No. 5" is replaced with "paragraphs .16–.19 of AS 2201."
- j. In footnote 12 to paragraph 10d, the reference to "paragraphs 8–14 of Auditing Standard No. 9" is replaced with "AS 2101.08–.14."
- k. In footnote 13 to paragraph 10e, the reference to "AU sec. 543, *Part of Audit Performed by Other Independent Auditors*" is replaced with "AS 1205, *Part of the Audit Performed by Other Independent Auditors*."
- l. In footnote 14 to paragraph 11, the reference to "paragraph 15 of Auditing Standard No. 9" is replaced with "AS 2101.15."
- m. In footnote 17 to item (1) of paragraph 12c, the reference to "AU sec. 342" is replaced with "AS 2501."
- n. In footnote 20 to item (1) of paragraph 12d, the reference to "paragraph 71.g. of Auditing Standard No. 12" is replaced with "AS 2110.71g."
- o. In the first sentence of the note to paragraph 12, the reference to "paragraph 12" is replaced with "paragraph .12."
- p. In footnote 21 to item (1) of paragraph 13a, the reference to "paragraphs 24–27 of Auditing Standard No. 14" is replaced with "paragraphs .24–.27 of AS 2810."
- q. In footnote 22 to item (2) of paragraph 13a, the reference to "paragraph 27 of Auditing Standard No. 14" is replaced with "AS 2810.27."
- r. In footnote 23 to paragraph 13c, the reference to "AU sec. 342" is replaced with "AS 2501."
- s. In footnote 24 to paragraph 13d, the reference to "AU sec. 316" is replaced with "AS 2401."
- t. In footnote 25 to paragraph 13e:
 - In the first sentence, the reference to "paragraphs 30–31 of Auditing Standard No. 14" is replaced with "AS 2810.30–.31."
 - In the last sentence:
 - The reference to "AU sec. 334" is replaced with "AS 2410."



- The reference to "AU sec. 341, *The Auditor's Consideration of an Entity's Ability to Continue as a Going Concern*" is replaced with "AS 2415, *Consideration of an Entity's Ability to Continue as a Going Concern*."
- u. In footnote 27 to paragraph 14:
 - In the first sentence, the reference to "AU sec. 550" is replaced with "AS 2710."
 - In the last sentence:
 - The reference to "AU sec. 550" is replaced with "AS 2710."
 - The reference to "Auditing Standard No. 17" is replaced with "AS 2701."
 - The reference to "AU sec. 558, *Required Supplementary Information*" is replaced with "AS 2705, *Unaudited Supplementary Information Included in Audited Financial Statements*."
 - The reference to "AU sec. 711, *Filings Under Federal Securities Statutes*" is replaced with "AS 4101, *Responsibilities Regarding Filings Under Federal Securities Statutes*."
- v. In footnote 28 to paragraph 17:
 - In the first sentence, the reference to "AU sec. 341" is replaced with "AS 2415."
 - In the last sentence, the reference to "AU secs. 341.03a–c" is replaced with "AS 2415.03a–c."
- w. In footnote 29 of paragraph 17a:
 - The reference to "AU sec. 341.06" is replaced with "AS 2415.06."
 - The reference to "AU sec 341.07" is replaced with "AS 2415.07."
- x. In footnote 30 to paragraph 17b, the reference to "AU sec. 341.08" is replaced with "AS 2415.08."



- y. In footnote 31 to paragraph 17c:
 - In the first sentence, the reference to "AU sec. 341.12" is replaced with "AS 2415.12."
 - In the last sentence, the reference to "AU sec. 341.03c" is replaced with "AS 2415.03c."
- z. In footnote 32 to item (1) of paragraph 17c, the reference to "AU sec. 341.10" is replaced with "AS 2415.10."
- aa. In footnote 33 to item (2) of paragraph 17c, the reference to "AU sec. 341.12–.16" is replaced with "AS 2415.12–.16."
- bb. In footnote 34 to paragraph 18, the reference to "paragraph 20 of Auditing Standard No. 14" is replaced with "paragraph .20 of AS 2810."
- cc. In footnote 36 to paragraph 18, the reference to "Auditing Standard No. 14" is replaced with "AS 2810."
- dd. In footnote 37 to paragraph 19, the reference to "paragraph 10 of Auditing Standard No. 14" is replaced with "AS 2810.10."
- ee. In footnote 39 to the note to paragraph 23, the reference to "AU sec. 508" is replaced with "AS 3101."
- ff. In footnote 40 to paragraph 24:
 - The reference to "AU sec. 316.79–.81" is replaced with "AS 2401.79–.81."
 - The reference to "AU sec. 317.17" is replaced with "AS 2405.17."
- gg. Footnote 41 to paragraph 25 is deleted.
- hh. In footnote 42 to paragraph 25, the reference to "Auditing Standard No. 3" is replaced with "AS 1215."
- ii. In the note to paragraph 25, the reference to "paragraphs 12 or 18" is replaced with "paragraphs .12 or .18."
- jj. In Appendix A, paragraph numbers A1 through A4 are replaced with .A1 through .A4.



kk. Appendix B of Auditing Standard No.16 is replaced with the following:

This appendix identifies other PCAOB rules and standards related to the audit that require communication of specific matters between the auditor and the audit committee.

- AS 6115, *Reporting on Whether a Previously Reported Material Weakness Continues to Exist*, paragraphs .60, .62, and .64
- AS 2201, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*, paragraphs .78–.81, .91, .C7, and .C14
- AS 2110, *Identifying and Assessing Risks of Material Misstatement*, paragraphs .05f and .54–.57
- Attestation Standard No. 1, *Examination Engagements Regarding Compliance Reports of Brokers and Dealers*, paragraphs 34 and 35
- Attestation Standard No. 2, *Review Engagements Regarding Exemption Reports of Brokers and Dealers*, paragraph 15
- PCAOB Rule 3524, *Audit Committee Pre-approval of Certain Tax Services*
- PCAOB Rule 3525, *Audit Committee Pre-approval of Non-audit Services Related to Internal Control Over Financial Reporting*
- PCAOB Rule 3526, *Communication with Audit Committees Concerning Independence*
- AS 2401, *Consideration of Fraud in a Financial Statement Audit*, paragraphs .79–.81
- AS 2405, *Illegal Acts by Clients*, paragraphs .08, .17, and .20
- AS 1305, *Communications About Control Deficiencies in an Audit of Financial Statements*, paragraphs .04–.07 and .09
- AS 2502, *Auditing Fair Value Measurements and Disclosures*, paragraph .50
- AS 2805, *Management Representations*, paragraph .05



- AS 2710, *Other Information in Documents Containing Audited Financial Statements*, paragraphs .04 and .06
 - AS 4101, *Responsibilities Regarding Filings Under Federal Securities Statutes*, paragraph .13
 - AS 4105, *Reviews of Interim Financial Information*, paragraphs .08–.09, .30–.31, and .33–.36
- ll. In Appendix C, paragraph numbers C1 through C2 are replaced with .C1 through .C2.
- mm. In footnote 2 to item 2b of paragraph .C1b, the reference to "AU sec. 325" is replaced with "AS 1305."
- nn. In footnote 3 to item (b) of paragraph .C2, the reference to "AU sec. 722, *Interim Financial Information*" is replaced with "AS 4105, *Reviews of Interim Financial Information*."

Auditing Standard No. 17, *Auditing Supplemental Information Accompanying Audited Financial Statements*

Auditing Standard No. 17, *Auditing Supplemental Information Accompanying Audited Financial Statements*, is amended as follows:

- a. The section number "Auditing Standard No. 17" is replaced with "AS 2701."
- b. Paragraph numbers 1 through 15 are replaced with .01 through .15.
- c. In footnote 3 to the note to paragraph 3b, the reference to "Auditing Standard No. 11" is replaced with "AS 2105."
- d. In footnote 6 to paragraph 7, the reference to "paragraph 10 of Auditing Standard No. 14" is replaced with "paragraph .10 of AS 2810."
- e. In footnote 7 to the note to paragraph 8, the reference to "paragraph 17 of Auditing Standard No. 14" is replaced with "AS 2810.17."
- f. In footnote 8 to paragraph 12b:
 - In the first sentence, the reference to "AU sec. 561" is replaced with "AS 2905."



- In the second sentence, the reference to "AU sec. 561" is replaced with "AS 2905."
- g. In Appendix A, paragraph numbers A1 and A2 are replaced with .A1 and .A2.

AU sec. 110, "Responsibilities and Functions of the Independent Auditor"

SAS No. 1, "Codification of Auditing Standards and Procedures," section 110, "Responsibilities and Functions of the Independent Auditor" (AU sec. 110, "Responsibilities and Functions of the Independent Auditor"), as amended, is amended as follows:

- a. The section number "AU Section 110" is replaced with "AS 1001."
- b. In the third sentence of paragraph .01, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
- c. In paragraph 02:
 - In footnote 1:
 - In the first sentence, the reference to "Auditing Standard No. 11" is replaced with "AS 2105."
 - In the second sentence, the reference to "section 317" is replaced with "AS 2405."
 - In footnote 2, the phrase "section 230, *Due Professional Care in the Performance of Work*, paragraphs .10 through .13" is replaced with "paragraphs .10 through .13 of AS 1015, *Due Professional Care in the Performance of Work*."
- d. In the first sentence of paragraph .05, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
- e. In the first bracketed sentence of paragraphs [.06–.09], the reference to "section 316" is replaced with "Statement on Auditing Standards Nos. 82 and 99."
- f. Paragraph .10 is deleted.
- g. Paragraph .11 and its following note is added:



The auditor should be aware of and consider auditing interpretations applicable to his or her audit. If the auditor does not apply the auditing guidance included in an applicable auditing interpretation, the auditor should be prepared to explain how he or she complied with the provisions of the auditing standard addressed by such auditing guidance.

Note: The term "auditing interpretations," as used in this paragraph, refers to the publications entitled "Auditing Interpretation" issued by the American Institute of Certified Public Accountants' Auditing Standards Board as in existence on April 16, 2003, and in effect.

AU sec. 150, "Generally Accepted Auditing Standards"

SAS No. 95, "Generally Accepted Auditing Standards" (AU sec. 150, "Generally Accepted Auditing Standards"), as amended, is rescinded.

AU sec. 161, "The Relationship of Generally Accepted Auditing Standards to Quality Control Standards"

SAS No. 25, "The Relationship of Generally Accepted Auditing Standards to Quality Control Standards," (AU sec. 161, "The Relationship of Generally Accepted Auditing Standards to Quality Control Standards"), as amended, is amended as follows:

- a. The section number "AU Section 161" is replaced with "AS 1110."
- b. The title "The Relationship of Generally Accepted Auditing Standards to Quality Control Standards" is replaced with "Relationship of Auditing Standards to Quality Control Standards."
- c. In the references before paragraph .01, the phrase "(Supersedes SAS No. 4)" is deleted.
- d. In paragraph .01:
 - In the first sentence, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
 - The last sentence is deleted.
- e. In the second sentence of paragraph .02, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
- f. In paragraph .03:



- In the first sentence, the phrase "Generally accepted auditing standards" is replaced with "Auditing standards."
- In the second sentence, the phrase "generally accepted auditing standards" is replaced with "auditing standards."
- In the third sentence, the phrase "generally accepted auditing standards" is replaced with "the auditing standards."

AU sec. 201, "Nature of the General Standards"

SAS No. 1, "Codification of Auditing Standards and Procedures" (AU sec. 201, "Nature of the General Standards"), is rescinded.

AU sec. 210, "Training and Proficiency of the Independent Auditor"

SAS No. 1, "Codification of Auditing Standards and Procedures" section 210 "Training and Proficiency of the Independent Auditor" (AU sec. 210, "Training and Proficiency of the Independent Auditor"), as amended, is amended as follows:

- a. The section number "AU Section 210" is replaced with "AS 1010."
- b. In paragraph .01, the introductory phrase "The first general standard is:" is deleted.
- c. In paragraph .02, the phrase "This standard" is replaced with the phrase "The statement in the preceding paragraph."

AU sec. 220, "Independence"

SAS No. 1, "Codification of Auditing Standards and Procedures" section 220 "Independence" (AU sec. 220, "Independence"), as amended, is amended as follows:

- a. The section number "AU Section 220" is replaced with "AS 1005."
- b. In paragraph .01, the introductory phrase "The second general standard is:" is deleted.
- c. In the first sentence of paragraph .02, the phrase "This standard" is replaced with the phrase "The statement in the preceding paragraph."
- d. In paragraph .05, the phrase "that differ from the AICPA requirements in certain respects" is deleted.



AU sec. 230, "Due Professional Care in the Performance of Work"

SAS No. 1, "Codification of Auditing Standards and Procedures" section 230 "Due Professional Care in the Performance of Work" (AU sec. 230, "Due Professional Care in the Performance of Work"), as amended, is amended as follows:

- a. The section number "AU Section 230" is replaced with "AS 1015."
- b. Footnote * to the title of the standard is deleted.
- c. In paragraph .01:
 - The introductory phrase "The third general standard is:" is deleted.
 - Footnote 1 is deleted.
- d. In the first sentence of paragraph .02, the phrase "This standard" is replaced with "The statement in the preceding paragraph."
- e. In footnote 4 to paragraph .06, the reference to "Auditing Standard No. 10" is replaced with "AS 1201."
- f. In footnote 5 to paragraph .11, the reference to "section 342" is replaced with "AS 2501."
- g. In paragraph .12:
 - In the fifth sentence, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
 - In the sixth sentence, the parenthetical reference to "paragraph 9 of Auditing Standard No. 15" is replaced with "paragraph .09 of AS 1105."

AU sec. 315, "Communications Between Predecessor and Successor Auditors"


SAS No. 84, "Communications Between Predecessor and Successor Auditors" (AU sec. 315, "Communications Between Predecessor and Successor Auditors"), as amended, is amended as follows:

- a. The section number "AU Section 315" is replaced with "AS 2610."



- b. The title "Communications Between Predecessor and Successor Auditors" is replaced with "Initial Audits—Communications Between Predecessor and Successor Auditors."
- c. In the references before paragraph .01, the phrase "(Supersedes SAS No. 7)" is deleted.
- d. In last sentence of paragraph .01, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
- e. In footnote 5 to the third bullet of paragraph .09:
- The reference to "section 316" is replaced with "AS 2401."
 - The reference to "section 317" is replaced with "AS 2405."
 - The reference to "section 325" is replaced with "AS 1305."
- f. In the last sentence of footnote 8 to paragraph .12, the reference to "section 543, *Part of Audit Performed by Other Independent Auditors*, paragraph 10a" is replaced with "paragraph .10a of AS 1205, *Part of the Audit Performed by Other Independent Auditors*."
- g. In paragraph .16:
- In the first sentence, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
 - In the second sentence, the reference to "section 543, *Part of Audit Performed by Other Independent Auditors*" is replaced with "AS 1205."
 - In the last sentence:
 - The reference to "AU sec. 336" is replaced with "AS 1210."
 - The reference to "AU sec. 322, *The Auditor's Consideration of the Internal Audit Function in an Audit of Financial Statements*," is replaced with "AS 2605, *Consideration of the Internal Audit Function*."
 - The reference to "paragraphs 16–19 of PCAOB Auditing Standard No. 5" is replaced with "paragraphs .16–.19 of AS 2201."

Page: 83

 Number: 1 Author: Pw Carey, Senior IT Auditor (GRC), CISSP, CISA Subject: Compliance Partners, LLC, Barrington, IL 60010 USA
Date: 7/4/2014 10:49:35 AM

Finally...not a cosmetic change....Good change...folks...keep up the good work....Respectfully yours, Pw



- h. In the first sentence of paragraph .20, the reference to "section 331, *Inventories*" is replaced with "AS 2510, *Auditing Inventories*."
- i. In paragraph .21:
- In the last sentence, the reference to "section 561" is replaced with "AS 2905."
 - In footnote 9, the reference to "section 508, *Reports on Audited Financial Statements*, paragraphs .70 through .74" is replaced with "paragraphs .70 through .74 of AS 3101, *Reports on Audited Financial Statements*."
- j. Under item 1 of paragraph 25:
- In the first sentence of the illustrative letter's first paragraph, the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
 - In the first bullet, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
 - In item (2) of the illustrative paragraph, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."

AU sec. 316, "Consideration of Fraud in a Financial Statement Audit"

SAS No. 99, "Consideration of Fraud in a Financial Statement Audit" (AU sec. 316, "Consideration of Fraud in a Financial Statement Audit"), as amended, is amended as follows:

- a. The section number "AU Section 316" is replaced with "AS 2401."
- b. In the references before paragraph .01, the phrase "(Supersedes SAS No. 82)" is deleted.
- c. In the first sentence of paragraph .01, the reference to "Section 110, *Responsibilities and Functions of the Independent Auditor*, paragraph .02" is replaced with "Paragraph .02 of AS 1001, *Responsibilities and Functions of the Independent Auditor*."



- d. In paragraph .01:
- In the note, the reference to "paragraphs 14–15 of PCAOB Auditing Standard No. 5" is replaced with "paragraphs .14–.15 of AS 2201."
 - In the first sentence of footnote 1, the reference to "section 317" is replaced with "AS 2405."
- e. In paragraph .01A:
- In the first sentence, the reference to "Auditing Standard No. 12" is replaced with "AS 2110."
 - In the second sentence, the reference to "Auditing Standard No. 13" is replaced with "AS 2301."
 - In the last sentence, the reference to "Auditing Standard No. 14" is replaced with "AS 2810."
- f. In the second sentence of paragraph .04, the reference to "section 110.03" is replaced with "AS 1001.03."
- g. In the fifth sentence of paragraph .09, the term "GAAS" is replaced with "the standards of the PCAOB."
- h. In footnote 7 to paragraph .12, the reference to "section 230, *Due Professional Care in the Performance of Work*, paragraphs .10 through .13" is replaced with "paragraphs .10 through .13 of AS 1015, *Due Professional Care in the Performance of Work*."
- i. In the first sentence of paragraph .13, the phrase "section 230, *Due Professional Care in the Performance of Work*, paragraphs .07 through .09" is replaced with "AS 1015.07 through .09."
- j. In paragraph .52:
- In the first sentence, the reference to "Paragraph 8 of Auditing Standard No. 13, *The Auditor's Responses to the Risks of Material Misstatement*," is replaced with "AS 2301.08."
 - In the last sentence, the reference to "Paragraph 12 of Auditing Standard No. 13" is replaced with "AS 2301.12."



- In the note, the reference to "Paragraph 71.b. of Auditing Standard No. 12, *Identifying and Assessing Risks of Material Misstatement*," is replaced with "AS 2110.71b."
- k. In paragraph .53:
- In footnote 20 to the fourth bullet, the reference to "AU sec. 329" is replaced with "AS 2305."
 - In the fifth bullet, the parenthetical reference to "paragraph 54 of Auditing Standard No. 12, *Identifying and Assessing Risks of Material Misstatement*" is replaced with "AS 2110.54."
- l. In paragraph .54:
- In footnote 21 to the second sub-bullet of the first bullet, the reference to "AU sec. 330" is replaced with "AS 2310."
 - In footnote 22 to the second bullet, the reference to "AU sec. 336" is replaced with "AS 1210."
 - In the third bullet:
 - In the fourth sentence, the reference to "section 342" is replaced with "AS 2501."
 - In the fifth sentence, the parenthetical reference to "section 342.09 through .14" is replaced with "AS 2501.09 through .14."
- m. In the second sentence of paragraph .56, the reference to "paragraphs 8 through 15 of Auditing Standard No. 13, *The Auditor's Responses to the Risks of Material Misstatement*," is replaced with "AS 2301.08 through .15."
- n. In footnote 23 to item 1 of paragraph .58, the reference to "paragraphs 28 through 32 of Auditing Standard No. 12, *Identifying and Assessing Risks of Material Misstatement*" is replaced with "AS 2110.28 through .32."
- o. In the last sentence of the fifth bullet of paragraph .61, the reference to "paragraphs 11 through 14 of Auditing Standard No. 9" is replaced with "paragraphs .11 through .14 of AS 2101."



- p. In the last sentence of paragraph .63, the reference to "Paragraphs 24 through 27 of Auditing Standard No. 14, *Evaluating Audit Results*" is replaced with "AS 2810.24 through .27."
- q. In footnote 24 to paragraph .63, the reference to "section 342, *Auditing Accounting Estimates*, paragraphs .02 and .16," is replaced with "AS 2501.02 and .16."
- r. In footnote 25 to the fifth bullet of paragraph .67:
- The reference to "Section 334" is replaced with "AS 2410."
 - The parenthetical reference to "section 334.06" is replaced with "AS 2410.06."
- s. In paragraph .80:
- In the second sentence, the parenthetical reference to "section 325, 'Communications About Control Deficiencies in An Audit of Financial Statements,' paragraph 4" is replaced with "paragraph .04 of AS 1305, *Communications About Control Deficiencies in an Audit of Financial Statements*."
 - In the third sentence, the parenthetical reference to "paragraphs 72–73 of Auditing Standard No. 12, *Identifying and Assessing Risks of Material Misstatement*" is replaced with "AS 2110.72–.73."
- t. In the second sentence of paragraph .81, the parenthetical reference to "paragraphs 12–13 of Auditing Standard No. 16" is replaced with "paragraphs .12–.13 of AS 1301."
- u. In item 2 of paragraph .82, the reference to "section 315, *Communications Between Predecessor and Successor Auditors*" is replaced with "AS 2610, *Initial Audits—Communications Between Predecessor and Successor Auditors*."
- v. In footnote 40 to paragraph .82, the reference to "Section 315" is replaced with "AS 2610."
- w. In paragraph .83:



PCAOB Release No. 2014-001

May 7, 2014

Appendix 4 – Proposed Amendments

Page A4–57

- In the first bullet, the parenthetical reference to "paragraphs 52 and 53 of Auditing Standard No. 12, *Identifying and Assessing Risks of Material Misstatement*" is replaced with "AS 2110.52 and .53."
 - In the second bullet, the parenthetical reference to "paragraph 47, paragraphs 56 through 58, and paragraphs 65 through 69 of Auditing Standard No. 12, *Identifying and Assessing Risks of Material Misstatement*" is replaced with "AS 2110.47, AS 2110.56 through .58, and AS 2110.65 through .69."
 - In the third bullet:
 - The first parenthetical reference to "paragraphs 59 through 69 of Auditing Standard No. 12, *Identifying and Assessing Risks of Material Misstatement*" is replaced with "AS 2110.59 through .69."
 - The second parenthetical reference to "paragraphs 5 through 15 of Auditing Standard No. 13, *The Auditor's Response to the Risks of Material Misstatement*" is replaced with "AS 2301.05 through .15."
 - In the fourth bullet, the parenthetical reference to "paragraph 68 of Auditing Standard No. 12, *Identifying and Assessing Risks of Material Misstatement*" is replaced with "AS 2110.68."
 - In the fifth bullet, the parenthetical reference to "paragraph 15 of Auditing Standard No. 13, *The Auditor's Responses to the Risks of Material Misstatements*" is replaced with "AS 2301.15."
 - In the sixth bullet, the parenthetical reference to "paragraphs 5 through 9 of Auditing Standard No. 14, *Evaluating Audit Results*" is replaced with "AS 2810.05 through .09."
- x. In the first sentence of item A.1 of paragraph .85, the reference to "paragraphs 65 through 69 of Auditing Standard No. 12, *Identifying and Assessing Risks of Material Misstatement*" is replaced with "AS 2110.65 through .69."
- y. Paragraphs .86 through .88 are deleted.
- z. Footnotes 5 and 6 to paragraph .86 are deleted.



- aa. Footnote 8 to paragraph .87 is deleted.
- bb. Footnotes 1 through 11 to paragraph .88 are deleted.

AU sec. 317, "Illegal Acts by Clients"

SAS No. 54, "Illegal Acts by Clients" (AU sec. 317, "Illegal Acts by Clients"), as amended, is amended as follows:

- a. The section number "AU Section 317" is replaced with "AS 2405."
- b. In the references before paragraph .01, the phrase "(Supersedes section 328)" is deleted.
- c. In the first sentence of paragraph .01, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
- d. In the last sentence of paragraph .05, the reference to "section 110" is replaced with "AS 1001."
- e. In the last sentence of paragraph .07, the phrase "generally accepted auditing standards" is replaced with "PCAOB auditing standards."
- f. In paragraph .08:
 - In the first sentence, the phrase "generally accepted auditing standards" is replaced with "PCAOB auditing standards."
 - The parenthetical reference to "section 333" is replaced with "AS 2805."
- g. In footnote 2 to paragraph .21, the reference to "section 508" is replaced with "AS 3101."
- h. In the subtitle before paragraph .22, the phrase "in Accordance With Generally Accepted Auditing Standards" is deleted.
- i. In paragraph .23b:
 - The reference to "section 315, *Communications Between Predecessor and Successor Auditors*" is replaced with "AS 2610, *Initial Audits—Communications Between Predecessor and Successor Auditors*."



- In footnote 5, the reference to "section 315" is replaced with "AS 2610."

AU sec. 9317, "Illegal Acts by Clients: Auditing Interpretations of Section 317"

AU sec. 9317, "Illegal Acts by Clients: Auditing Interpretations of Section 317," is amended as follows:

- a. The section number "AU Section 9317" is replaced with "AI 13."
- b. The title "Illegal Acts by Clients: Auditing Interpretations of Section 317" is replaced with "Illegal Acts by Clients: Auditing Interpretations of AS 2405."
- c. In paragraph .01:
 - In the first sentence, the phrase "The second standard of field work requires" is replaced with "The auditing standards require."
 - In the last sentence:
 - The reference to "section 317" is replaced with "AS 2405, *Illegal Acts by Clients*."
 - The phrase "the second standard of field work" is replaced with "AS 2110, *Identifying and Assessing Risks of Material Misstatement*."
- d. In paragraph .03, the reference to "section 317" is replaced with "AS 2405."
- e. In paragraph .05, the parenthetical reference to "section 317.22" is replaced with "AS 2405.22."

AU sec. 322, "The Auditor's Consideration of the Internal Audit Function in an Audit of Financial Statements"

SAS No. 54, "The Auditor's Consideration of the Internal Audit Function in an Audit of Financial Statements" (AU sec. 322, "The Auditor's Consideration of the Internal Audit Function in an Audit of Financial Statements"), as amended, is amended as follows:

- a. The section number "AU Section 322" is replaced with "AS 2605."



- b. The title "The Auditor's Consideration of the Internal Audit Function in an Audit of Financial Statements" is replaced with "Consideration of the Internal Audit Function."
- c. In the references before paragraph .01, the phrase "(Supersedes SAS No. 9)" is deleted.
- d. In the last sentence of paragraph .01, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
- e. In the note to paragraph .01, the reference to "paragraphs 16–19 of PCAOB Auditing Standard No. 5" is replaced with "paragraphs .16–.19 of AS 2201."
- f. In paragraph .02:
 - In the first sentence, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
 - In footnote 2, the phrase "the AICPA Code of Professional Conduct" is replaced with "PCAOB Rule 3520, *Auditor Independence*."
- g. In footnote 3 to paragraph .04, the reference to "Auditing Standard No. 12" is replaced with "AS 2110."
- h. In footnote 5 to paragraph .18, the reference to "paragraph 8 of Auditing Standard No. 15" is replaced with "paragraph .08 of AS 1105."
- i. In footnote 6 to paragraph .19, the reference to "section 543, *Part of Audit Performed by Other Independent Auditors*" is replaced with "AS 1205, *Part of the Audit Performed by Other Independent Auditors*."
- j. In the note to paragraph .22, the reference to "paragraphs 18–19 of PCAOB Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*" is replaced with "AS 2201.18–.19."
- k. In footnote 8 to paragraph .27, the reference to "Auditing Standard No. 10" is replaced with "AS 1201."
- l. In the appendix, the title "The Auditor's Consideration of the Internal Audit Function in an Audit of Financial Statements" is replaced with "Consideration of the Internal Audit Function."



AU sec. 324, "Service Organizations"

SAS No. 70, "Service Organizations" (AU sec. 324, "Service Organizations"), as amended, is amended as follows:

- a. The section number "AU Section 324" is replaced with "AS 2601."
- b. The title "Service Organizations" is replaced with "Consideration of an Entity's Use of a Service Organization."
- c. Footnote * to the title of the standard is deleted.
- d. In the references before paragraph .01, the phrase "(Supersedes SAS No. 44) is deleted.
- e. In the note to paragraph .01, the reference to "paragraphs B17–B27 of Appendix B, *Special Topics*, of PCAOB Auditing Standard No. 5" is replaced with " paragraphs .B17–.B27 of Appendix B, *Special Topics*, of AS 2201."
- f. In paragraph .07:
 - In the first sentence, the reference to "Auditing Standard No. 12" is replaced with "AS 2110."
 - In the third bullet, the second sentence is deleted.
- g. In the first sentence of paragraph .16, the reference to "paragraph 18 and paragraphs 29 through 31 of Auditing Standard No. 13" is replaced with "paragraph .18 and paragraphs .29 through .31 of AS 2301."
- h. In the last sentence of paragraph .18, the reference to "section 543, *Part of Audit Performed by Other Independent Auditors*, paragraph .10a" is replaced with "paragraph .10a of AS 1205, *Part of the Audit Performed by Other Independent Auditors*."
- i. In the first sentence of paragraph 19, the reference to "section 543.12" is replaced with "AS 1205.12."
- j. In the last sentence of paragraph .20, the reference to "section 325" is replaced with "AS 1305."
- k. In the second sentence of paragraph .22:



- The phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
 - The phrase "general standards and with the relevant fieldwork and reporting standards" is replaced with "relevant PCAOB auditing standards."
- l. In the second sentence of paragraph .23:
- The reference to "Auditing Standard No. 14" is replaced with "AS 2810."
 - The reference to "section 317" is replaced with "AS 2405."
- m. In paragraph .38, in the last sentence of the first paragraph of the sample report on controls placed in operation at a service organization, the phrase "standards established by the American Institute of Certified Public Accountants" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
- n. In the last sentence of paragraph .41, the reference to "Section 350" is replaced with "AS 2315."
- o. In paragraph .54, in the last sentence of the first paragraph of the sample report on controls placed in operation at a service organization and tests of operating effectiveness, the phrase "standards established by the American Institute of Certified Public Accountants" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."

AU sec. 9324, "Service Organizations: Auditing Interpretations of Section 324"

AU sec. 9324, "Service Organizations: Auditing Interpretations of Section 324," as amended, is amended as follows:

- a. The section number "AU Section 9324" is replaced with "AI 18."
- b. The title "Service Organizations: Auditing Interpretations of Section 324" is replaced with "Consideration of an Entity's Use of a Service Organization: Auditing Interpretations of AS 2601."
- c. In paragraph .01:



- In the first sentence, the reference to "section 324, *Service Organizations*" is replaced with "AS 2601, *Consideration of an Entity's Use of a Service Organization*."
 - In the second sentence, the reference to "Section 324.44f" is replaced with "AS 2601.44f."
- d. In the first sentence of paragraph .02, the reference to "section 324.44f" is replaced with "AS 2601.44f."
- e. In paragraph .05:
- In the third sentence, the reference to "Paragraphs .06 through .17 of section 324, *Service Organizations*," is replaced with "AS 2601.06 through .17."
 - In the fourth sentence, the reference to "section 324.06–.17" is replaced with "AS 2601.06–.17."
 - In the last sentence, the reference to "section 324.06" is replaced with "AS 2601.06."
- f. In the second sentence of paragraph .07, the reference to "Section 324.11–.16" is replaced with "AS 2601.11–.16."
- g. In paragraph .16:
- In the last sentence of the Sample Scope Paragraph of a Service Auditor's Report Using the Carve-Out Method, the phrase "standards established by the American Institute of Certified Public Accountants" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
 - In the bracketed sentence, the reference to "section 324.38 and .54" is replaced with "AS 2601.38 and .54."
- h. In the first sentence of paragraph .17, the reference to "section 324.12" is replaced with "AS 2601.12."
- i. In the last sentence of the first paragraph of the Sample Service Auditor's Report Using the Inclusive Method, following paragraph .18, the phrase "standards established by the American Institute of Certified Public



Accountants" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."

- j. In paragraph .35, each reference to "Section 324.32" or "section 324.32" is replaced with "AS 2601.32."
- k. In paragraph .36:
 - Each reference to "Section 324.32" or "section 324.32" is replaced with "AS 2601.32."
 - Footnote 2 is deleted.
- l. In the first sentence of paragraph .37, the reference to "section 550" is replaced with "AS 2710."
- m. In paragraph .38:
 - In the first sentence, the reference to "Section 324.29g and .44/" is replaced with "AS 2601.29g and .44/."
 - In the second sentence, the reference to "Section 324.44/" is replaced with "AS 2601.44/."
 - In the third sentence, the reference to "section 324.38 and .54" is replaced with "AS 2601.38 and .54."
 - In the fourth sentence, the reference to "section 324.54" is replaced with "AS 2601.54."
- n. In the first sentence of paragraph .39, the reference to "section 324.38 and .54" is replaced with "AS 2601.38 and .54."
- o. In the first sentence of paragraph .40, the reference to "section 324.38 and .54" is replaced with "AS 2601.38 and .54."

AU sec. 325, "Communications About Control Deficiencies in an Audit of Financial Statements"

AU sec. 325, "Communications About Control Deficiencies in an Audit of Financial Statements," as amended, is amended as follows:

- a. The section number "AU Section 325" is replaced with "AS 1305."



- b. Paragraph numbers 1 through 9 are replaced with .01 through .09.
- c. The directions before paragraph 1 are replaced with the following:

Note: For an integrated audit of financial statements and internal control over financial reporting, see paragraphs .78–.84 of AS 2201, An Audit of Internal Control Over Financial Reporting That is Integrated with An Audit of Financial Statements.

Note: The following paragraphs apply in an audit of financial statements only:

- d. In the second note to paragraph 3, the reference to "paragraphs 62–70 of PCAOB Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*" is replaced with "AS 2201.62–.70."
- e. In the last sentence of paragraph 4, the reference to "paragraphs 2 and 3" is replaced with "paragraphs .02 and .03."
- f. In the last sentence of paragraph 9:
 - The reference to "AU sec. 325" is replaced with "AS 1305."
 - The reference to "paragraph 2" is replaced with "paragraph .02."

AU sec. 9325, "Communication of Internal Control Related Matters Noted in an Audit: Auditing Interpretations of Section 325"

AU sec. 9325, "Communication of Internal Control Related Matters Noted in an Audit: Auditing Interpretations of Section 325," as amended, is amended as follows:

- a. The section number "AU Section 9325" is replaced with "AI 12."
- b. The title "Communication of Internal Control Related Matters Noted in an Audit: Auditing Interpretations of Section 325" is replaced with "Communications About Control Deficiencies in an Audit of Financial Statements: Auditing Interpretations of AS 1305."
- c. In the note before paragraph .01:
 - In the first sentence:



- The reference to "AU sec. 325" is replaced with "AS 1305, *Communications About Control Deficiencies in an Audit of Financial Statements*."
- The reference to "paragraph 2" is replaced with "paragraph .02."
- In the last sentence, the reference to "paragraph A7 of Appendix A, *Definitions*, of PCAOB Auditing Standard No. 5" is replaced with "paragraph .A7 of Appendix A, *Definitions*, of AS 2201."
- d. In the first sentence of paragraph .01, the reference to "Section 325" is replaced with "AS 1305."
- e. In the second sentence of paragraph .02, the reference to "Section 325" is replaced with "AS 1305."
- f. In the first sentence of paragraph .03, the reference to "Section 325" is replaced with "AS 1305."
- g. In the example report below paragraph .04, in the second sentence, the phrase "standards established by the American Institute of Certified Public Accountants" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."

AU sec. 9326, "Evidential Matter: Auditing Interpretations of Section 326"

AU sec. 9326, "Evidential Matter: Auditing Interpretations of Section 326," as amended, is amended as follows:

- a. The section number "AU Section 9326" is replaced with "AI 28."
- b. The title "Evidential Matter: Auditing Interpretations of Section 326" is replaced with "Evidential Matter Relating to Income Tax Accruals: Auditing Interpretations."
- c. In paragraph .10:
 - In the first sentence, the phrase "third standard of field work requires" is replaced with "auditing standards require."
 - In the second sentence, the reference to "Paragraph 35 of Auditing Standard No. 14" is replaced with "Paragraph .35 of AS 2810."



- In the third sentence, the reference to "Section 508, *Reports on Audited Financial Statements*, paragraph .24" is replaced with "Paragraph .24 of AS 3101, *Reports on Audited Financial Statements*."
 - In the fourth sentence, the reference to "section 333 on *Management Representations*" is replaced with "AS 2805, *Management Representations*."
 - In the fifth sentence:
 - The reference to "Section 333.06" is replaced with "AS 2805.06."
 - The reference to "section 333.08" is replaced with "AS 2805.08."
 - In the last sentence, the reference to "section 333.13" is replaced with "AS 2805.13."
- d. In the first sentence of paragraph .12, the phrase "Section 339, *Audit Documentation*, states that audit documentation is the principal record" is replaced with "Audit documentation is the written record."
- e. In paragraph .16, the reference to "section 336" is replaced with "AS 1210."
- f. In the first sentence of paragraph .18, the reference to "Section 336.01" is replaced with "AS 1210.01."
- g. In the first sentence of paragraph .19, the reference to "section 337" is replaced with "AS 2505."

AU sec. 328, "Auditing Fair Value Measurements and Disclosures"

SAS No. No. 101, "Auditing Fair Value Measurements and Disclosures" (AU sec. 328, "Auditing Fair Value Measurements and Disclosures"), as amended, is amended as follows:

- a. The section number "AU Section 328" is replaced with "AS 2502."
- b. In paragraph .06 each reference to "Section 342" or "section 342" is replaced with "AS 2501."



- c. In footnote 3 to paragraph .07, the reference to "section 332" is replaced with "AS 2503."
- d. In the first sentence of paragraph .11, the reference to "Auditing Standard No. 12" is replaced with "AS 2110."
- e. In the last sentence of the fifth bullet of paragraph .12, the reference to "section 324, *Service Organizations*" is replaced with "AS 2601, *Consideration of an Entity's Use of a Service Organization*."
- f. In the first sentence of paragraph .14, the reference to "Paragraph A5, second note of Auditing Standard No. 5" is replaced with "Paragraph .A5, second note of AS 2201."
- g. In the last sentence of paragraph .20, the reference to "section 336" is replaced with "AS 1210."
- h. In paragraph .22, the reference to "Section 336" or "section 336" is replaced with "AS 1210."
- i. In footnote 6 to paragraph .40, the reference to "section 329, *Analytical Procedures*" is replaced with "AS 2305, *Substantive Analytical Procedures*."
- j. In footnote 7 to paragraph .41, the reference to "section 560" is replaced with "AS 2801."
- k. In footnote 8 to paragraph .43, the reference to "paragraph 31 of Auditing Standard No. 14" is replaced with "paragraph .31 of AS 2810."
- l. In the last sentence of paragraph .47, the parenthetical reference to "paragraphs 12 through 18 and 24 through 27 of Auditing Standard No. 14, *Evaluating Audit Results*" is replaced with "AS 2810.12 through .18 and AS 2810.24 through .27."
- m. In the first sentence of paragraph .48:
 - The reference to "Section 333" is replaced with "AS 2805."
 - The reference to "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
- n. In paragraph .50, the reference to "Paragraphs 12–13 of Auditing Standard No. 16" is replaced with "Paragraphs .12–.13 of AS 1301."



AU sec. 329, "Substantive Analytical Procedures"

SAS No. 56, "Analytical Procedures" (AU sec. 329, "Substantive Analytical Procedures"), as amended, is amended as follows:

- a. The section number "AU Section 329" is replaced with "AS 2305."
- b. In the references before paragraph .01, the phrase "(Supersedes section 318)" is deleted.
- c. In the first note to paragraph .01, the reference to "Auditing Standard No. 12" is replaced with "AS 2110."
- d. In the second note to paragraph .01, the reference to "Auditing Standard No. 14" is replaced with "AS 2810."
- e. In the last sentence of paragraph .09, the parenthetical reference to "paragraph 11 of Auditing Standard No. 13" is replaced with "paragraph .11 of AS 2301."
- f. In footnote 1 to paragraph .09, the reference to "Auditing Standard No. 15" is replaced with "AS 1105."
- g. In the last sentence of paragraph .21, the parenthetical reference to "Auditing Standard No. 14, *Evaluating Audit Results*" is replaced with "AS 2810."

AU sec. 330, "The Confirmation Process"

SAS No. 67, "The Confirmation Process" (AU sec. 330, "The Confirmation Process"), as amended, is amended as follows:

- a. The section number "AU Section 330" is replaced with "AS 2310."
- b. In the references before paragraph .01, the phrase "(Supersedes section 331.03–.08)" is deleted.
- c. In paragraph .01:
 - In the first sentence, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
 - In the last bullet:

- In the first sentence, the reference to "section 331, *Inventories*, paragraphs .03–.08" is replaced with "paragraphs .03–.08 of AS 2510, *Auditing Inventories*."
 - Each reference to "section 331.01" is replaced with "AS 2510.01."
- d. In paragraph .02:
- In the second sentence:
 - The reference to "section 350" is replaced with "AS 2315."
 - The reference to "Auditing Standard No. 13" is replaced with "AS 2301."
 - In the last sentence, the reference to "Auditing Standard No. 13, *The Auditor's Responses to the Risks of Material Misstatement*" is replaced with "AS 2301."
- e. In paragraph .03:
- The reference to "section 336" is replaced with "AS 1210."
 - The reference to "section 337" is replaced with "AS 2505."
- f. In the first sentence of paragraph .05, the reference to "Auditing Standard No. 8" is replaced with "AS 1101."
- g. In the last sentence of paragraph .06, the reference to "paragraph 8 of Auditing Standard No. 15" is replaced with "paragraph .08 of AS 1105."
- h. In the last sentence of paragraph .11, the reference to "Auditing Standard No. 15, *Audit Evidence*," is replaced with "AS 1105."
- i. In paragraph .15, the parenthetical reference to "section 230" is replaced with "AS 1015."
- j. In footnote 2 to paragraph .27, the reference to "Section 334, *Related Parties*, paragraphs .09 and .10," is replaced with "Paragraphs .09 and .10 of AS 2410, *Related Parties*."
- k. In the last sentence of footnote 3 to paragraph .28, the reference to "Section 322, *The Auditor's Consideration of the Internal Audit Function*



in an Audit of Financial Statements" is replaced with "AS 2605, *Consideration of the Internal Audit Function*."

AU sec. 331, "Inventories"

SAS No. 1, "Codification of Auditing Standards and Procedures" section 331 "Inventories" (AU sec. 331, "Inventories"), as amended, is amended as follows:

- a. The section number "AU Section 331" is replaced with "AS 2510."
- b. The title "Inventories" is replaced with "Auditing Inventories."
- c. Footnote * to the title of the standard is deleted.
- d. Footnote 3 to the subtitle before paragraph .14, "Inventories Held in Public Warehouses," is deleted.
- e. In paragraph .15, the reference to "sections 508.24 and 508.67" is replaced with "paragraphs .24 and .67 of AS 3101, *Reports on Audited Financial Statements*."

AU sec. 332, "Auditing Derivative Instruments, Hedging Activities, and Investments in Securities"

SAS No. 92, "Auditing Derivative Instruments, Hedging Activities, and Investments in Securities" (AU sec. 332, "Auditing Derivative Instruments, Hedging Activities, and Investments in Securities"), as amended, is amended as follows:

- a. The section number "AU Section 332" is replaced with "AS 2503."
- b. Footnote 1 to the title of the standard is deleted.
- c. In the references before paragraph .01, the phrase "(Supersedes SAS No. 81)" is deleted.
- d. In the last sentence of paragraph .01, the reference to "paragraphs 11 and 12 of Auditing Standard No. 15" is replaced with "paragraphs .11 and .12 of AS 1105."
- e. In paragraph .06:
 - In the first sentence, the reference to "Auditing Standard No. 9" is replaced with "AS 2101."



- In the second sentence, the reference to "Auditing Standard No. 10" is replaced with "AS 1201."
 - In the last sentence, the reference to "AU sec. 336" is replaced with "AS 1210."
- f. In the last sentence of paragraph .07, the reference to "section 322, *The Auditor's Consideration of the Internal Audit Function in an Audit of Financial Statements*" is replaced with "AS 2605, *Consideration of the Internal Audit Function*."
- g. In the first sentence of paragraph .09, the reference to "Auditing Standard No. 12" is replaced with "AS 2110."
- h. Footnote 6 to paragraph .10 is deleted.
- i. In paragraph .11:
- In the fourth sentence, the reference to "Paragraphs 28 through 32 and B1 through B6 of Auditing Standard No. 12, *Identifying and Assessing Risks of Material Misstatement*" is replaced with "AS 2110.28 through .32 and AS 2110.B1 through .B6."
 - In the last sentence, the reference to "section 324, *Service Organizations*" is replaced with "AS 2601, *Consideration of an Entity's Use of a Service Organization*."
- j. In the note to paragraph .11, the reference to "paragraph 39 of PCAOB Auditing Standard No. 5" is replaced with "paragraph .39 of AS 2201."
- k. In footnote 8 to the fifth bullet of paragraph .14, the reference to "Section 324" is replaced with "AS 2601."
- l. In the last sentence of paragraph .15, the reference to "Auditing Standard No. 12, *Identifying and Assessing Risks of Material Misstatement*" is replaced with "AS 2110."
- m. In paragraph .16a, the reference to "section 324" is replaced with "AS 2601."
- n. Footnote 10 to paragraph .18 is deleted.
- o. In paragraph .21:



- In the first sentence of footnote 11 to the second bullet, the reference to "Section 330" is replaced with "AS 2310, *The Confirmation Process*."
 - In footnote 12 to the last bullet, the reference to "Section 329" is replaced with "AS 2305, *Substantive Analytical Procedures*."
- p. In footnote 13 to the second bullet of paragraph .22, the reference to "Section 330.17" is replaced with "AS 2310.17."
- q. In footnote 15 to paragraph .32, the reference to "section 508, *Reports on Audited Financial Statements*, paragraphs .16–.18" is replaced with "paragraphs .16–.18 of AS 3101, *Reports on Audited Financial Statements*."
- r. In paragraph .33:
- In the third sentence, the reference to "section 560, *Subsequent Events*, paragraphs .05–.06)" is replaced with "paragraphs .05–.06 of AS 2801, *Subsequent Events*."
 - In the last sentence, the reference to "section 560.03" is replaced with "AS 2801.03."
- s. In paragraph .35:
- In the sixth sentence, the reference to "section 342" is replaced with "AS 2501."
 - In the last sentence, the reference to "paragraphs 24 through 27 of Auditing Standard No. 14" is replaced with "paragraphs .24 through .27 of AS 2810."
- t. In paragraph .39:
- Each reference to "Section 336" is replaced with "AS 1210."
 - Each reference to "Section 324" is replaced with "AS 2601."
- u. In paragraph .43a, the reference to "section 342" is replaced with "AS 2501."



- v. In paragraph .43*b*, the reference to "section 336" is replaced with "AS 1210."
- w. In paragraph .49:
 - In the third sentence, the reference to "section 411, *The Meaning of Present Fairly in Conformity with Generally Accepted Accounting Principles*, paragraph .04" is replaced with "paragraph .04 of AS 2815, *The Meaning of 'Present Fairly in Conformity with Generally Accepted Accounting Principles*."
 - In the bracketed sentence, the reference to "section 411" is replaced with "AS 2815."
- x. In paragraph .51, the parenthetical reference to "paragraph 31 of Auditing Standard No. 14, *Evaluating Audit Results*" is replaced with "AS 2810.31."
- y. In paragraph .58:
 - In the first sentence, the reference to "Section 333" is replaced with "AS 2805."
 - In footnote 20, the reference to "section 333.17" is replaced with "AS 2805.17."

AU sec. 333, "Management Representations"

SAS No. 85, "Management Representations" (AU sec. 333, "Management Representations"), as amended, is amended as follows:

- a. The section number "AU Section 333" is replaced with "AS 2805."
- b. In the references before paragraph .01, the phrase "(Supersedes SAS No. 19)" is deleted.
- c. In paragraph .01, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
- d. In footnote 1 to paragraph .02, the reference to "Section 230" is replaced with "AS 1015."
- e. In the third sentence of paragraph .03, the reference to "section 334" is replaced with "AS 2410."



- f. In the note to paragraph .05, the reference to "paragraphs 75–77 of PCAOB Auditing Standard No. 5" is replaced with "paragraphs .75–.77 of AS 2201."
- g. In paragraph .06g:
- In footnote 4, the reference to "Auditing Standard No. 14" is replaced with "AS 2810."
 - In the first sentence of footnote 6, the reference to "Paragraph 11 of Auditing Standard No. 14, *Evaluating Audit Results*" is replaced with "AS 2810.11."
 - In footnote 7:
 - In the first sentence:
 - The reference to "section 317, *Illegal Acts by Clients*, paragraph .17" is replaced with "paragraph .17 of AS 2405, *Illegal Acts by Clients*."
 - The reference to "section 316, *Consideration of Fraud in a Financial Statement Audit*, paragraphs .79 through .82" is replaced with "paragraphs .79 through .82 of AS 2401, *Consideration of Fraud in a Financial Statement Audit*."
 - In the last sentence:
 - The reference to "section 317" is replaced with "AS 2405."
 - The reference to "section 316" is replaced with "2401."
- h. In footnote 9 to paragraph .06l, the reference to "section 334" is replaced with "AS 2410."
- i. In footnote 10 to paragraph .06o, the reference to "section 317" is replaced with "AS 2405."
- j. In footnote 11 to paragraph .06p:



PCAOB Release No. 2014-001
May 7, 2014

Appendix 4 – Proposed Amendments
Page A4–76

- In the first sentence, the reference to "section 337, *Inquiry of a Client's Lawyer Concerning Litigations, Claims, and Assessments*, paragraph .05d" is replaced with " paragraph .05d of AS 2505, *Inquiry of a Client's Lawyer Concerning Litigations, Claims, and Assessments*."
 - The parenthetic reference to "section 9337.15–.17" is replaced with "paragraphs .15–.17 of AI 17, *Inquiry of a Client's Lawyer Concerning Litigations, Claims, and Assessments: Auditing Interpretations of AS 2505*."
- k. In footnote 12 to paragraph .06q, the reference to "section 337.05b" is replaced with "AS 2505.05b."
- l. In footnote 13 to paragraph .06t:
- a. The reference to "section 560, *Subsequent Events*, paragraph .12" is replaced with "paragraph .12 of AS 2801, *Subsequent Events*."
 - b. The reference to "section 711, *Filings Under Federal Securities Statutes*, paragraph .10" is replaced with "paragraph .10 of AS 4101, *Responsibilities Regarding Filings Under Federal Securities Statutes*."
 - c. The reference to "section 634, *Letters for Underwriters and Certain Other Requesting Parties*, paragraph .45, footnote 29" is replaced with "paragraph .45, footnote 31 of AS 6101, *Letters for Underwriters and Certain Other Requesting Parties*."
- m. Footnote 14 to paragraph .07 is deleted.
- n. In the fourth sentence of paragraph .09, the bracketed reference to "section 530, *Dating of the Independent Auditor's Report*, paragraph .05" is replaced with "paragraph .05 of AS 3105, *Dating of the Independent Auditor's Report*."
- o. In footnote 15 to paragraph .12, the reference to "section 508, *Reports on Audited Financial Statements*, paragraph .71" is replaced with "paragraph .71 of AS 3101, *Reports on Audited Financial Statements*."
- p. In footnote 16 to paragraph .12, the reference to "section 711.10" is replaced with "AS 4101.10."



- q. In footnote 18 to paragraph .13, the reference to "section 508.22–.34" is replaced with "AS 3101.22–.34."
- r. In the second sentence of item 4 of paragraph .16:
 - a. The reference to "section 316" is replaced with "AS 2401, *Consideration of Fraud in a Financial Statement Audit*."
 - b. The reference to "section 334" is replaced with "AS 2410."
- s. The second sentence in item 1 of paragraph .17 is deleted.

AU sec. 9333, "Management Representations: Auditing Interpretations of Section 333"

AU sec. 9333, "Management Representations: Auditing Interpretations of Section 333," is amended as follows:

- a. The section number "AU Section 9333" is replaced with "AI 21."
- b. The title "Management Representations: Auditing Interpretations of Section 333" is replaced with "Management Representations: Auditing Interpretations of AS 2805."
- c. In the first sentence of paragraph .01, the reference to "Section 333" is replaced with "AS 2805."
- d. In paragraph .02, each reference to "Section 317" or "section 317" is replaced with "AS 2405."
- e. In the second sentence of paragraph .03, the reference to "Section 333" is replaced with "AS 2805."

AU sec. 334, "Related Parties"

SAS No. 45, "Related Parties" (AU sec. 334 "Related Parties"), as amended, is amended as follows:

- a. The section number "AU Section 334" is replaced with "AS 2410."
- b. Footnote * to the parenthetical reference of the superseded standard before paragraph .01 is deleted.



- c. In the references before paragraph .01, the phrase "(Supersedes Statement on Auditing Standards No. 6, AICPA, *Professional Standards*, vol. 1, AU sec. 335.01–.19)" is deleted.
- d. In the first sentence of paragraph .01, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
- e. In paragraph .04, each phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
- f. In the first sentence of paragraph .10, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
- g. In footnote 8 to paragraph .11, the reference to "paragraph 31 of Auditing Standard No. 14" is replaced with "paragraph .31 of AS 2810."
- h. In the last sentence of paragraph .12, the parenthetical reference to "section 508.35 and .36" is replaced with "paragraphs .35 and .36 of AS 3101, *Report on Audited Financial Statements*."

AU sec. 9334, "Related Parties: Auditing Interpretations of Section 334"

AU sec. 9334, "Related Parties: Auditing Interpretations of Section 334," as amended, is amended as follows:

- a. The section number "AU Section 9334" is replaced with "AI 14."
- b. The title "Related Parties: Auditing Interpretations of Section 334" is replaced with "Related Parties: Auditing Interpretations of AS 2410."
- c. Footnote * to the section number is deleted.
- d. In paragraphs [.01–.05], the parenthetical reference to "section 334" is replaced with "AS 2410, *Related Parties*."
- e. In paragraphs [.06–.09], the parenthetical reference to "section 334" is replaced with "AS 2410."
- f. In paragraphs [.10–.11], the parenthetical reference to "section 334" is replaced with "AS 2410."
- g. In the first sentence of paragraph .12, the reference to "Section 334, *Related Parties*, paragraphs .04 and .07" is replaced with "AS 2410.04 and .07."



- h. In the first sentence of paragraph .14, the reference to "section 334.09" is replaced with "AS 2410.09."
- i. In paragraph .15:
 - In footnote 2, the reference to "*Specified Procedures Performed by Other Auditors at the Principal Auditor's Request*, section 9543.01–.03" is replaced with "'Specified Procedures Performed by Other Auditors at the Principal Auditor's Request,' paragraphs .01–.03 of AI 10, *Part of the Audit Performed by Other Independent Auditors: Auditing Interpretations of AS 1205*."
 - In footnote 3, the reference to "section 543.12c" is replaced with "paragraph .12c of AS 1205, *Part of the Audit Performed by Other Independent Auditors*."
- j. In the first sentence of paragraph .16, the reference to "Section 334, *Related Parties*," is replaced with "AS 2410."
- k. In footnote 4 to paragraph .17, the reference to "Auditing Standard No. 8" is replaced with "AS 1101."
- l. In footnote 5 to paragraph .18, the reference to "section 334.06" is replaced with "AS 2410.06."
- m. In the first sentence of paragraph .20, the reference to "Section 334, *Related Parties*, paragraph .07," is replaced with "AS 2410.07."
- n. In the last sentence of paragraph .23, the reference to "Section 334, *Related Parties*, paragraph .12 (section 334.12)," is replaced with "AS 2410.12."

AU sec. 336, "Using the Work of a Specialist"

SAS No. 73, "Using the Work of a Specialist" (AU sec. 336, "Using the Work of a Specialist"), as amended, is amended as follows:

- a. The section number "AU Section 336" is replaced with "AS 1210."
- b. In the references before paragraph .01, the phrase "(Supersedes SAS No. 11) is deleted.
- c. In paragraph .01:



- In the first sentence, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
 - In footnote 1, the reference to "Auditing Standard No. 10" is replaced with "AS 1201."
- d. In the second sentence of paragraph .02, the reference to "section 337" is replaced with "AS 2505."
- e. In paragraph .04, the reference to "section 623" is replaced with "AS 3305."
- f. In footnote 3 to paragraph .04, the reference to "section 623, *Special Reports*" is replaced with "AS 3305."
- g. In in the last sentence of paragraph .05, the reference to "Auditing Standard No. 10, *Supervision of the Audit Engagement*" is replaced with "AS 1201."
- h. In footnote 4 to paragraph .07c, the parenthetical sentence is deleted.
- i. In footnote 6 to paragraph .10, the reference to "section 334, *Related Parties*, footnote 1" is replaced with "footnote 1 of AS 2410, *Related Parties*."
- j. In the last sentence of paragraph .13, the parenthetical reference to "section 508, *Reports on Audited Financial Statements*, paragraphs .22 and .23" is replaced with "paragraphs .22 and .23 of AS 3101, *Reports on Audited Financial Statements*."
- k. In the last sentence of paragraph .14, the parenthetical reference to "section 508.35, .36, and .41" is replaced with "AS 3101.35, .36, and .41."

AU sec. 9336, "Using the Work of a Specialist: Auditing Interpretations of Section 336"

AU sec. 9336, "Using the Work of a Specialist: Auditing Interpretations of Section 336," as amended, is amended as follows:

- a. The section number "AU Section 9336" is replaced with "AI 11."



- b. The title "Using the Work of a Specialist: Auditing Interpretations of Section 336" is replaced with "Using the Work of a Specialist: Auditing Interpretations of AS 1210."
- c. In the first sentence of paragraph .04, the reference to "Section 336, *Using the Work of a Specialist*, paragraph .06" is replaced with "Paragraph .06 of AS 1210, *Using the Work of a Specialist*."
- d. In the second sentence of paragraph .11, the reference to "Section 336.13" is replaced with "AS 1210.13."
- e. In the fourth sentence of paragraph .15, the reference to "Paragraph 6 of Auditing Standard No. 15" is replaced with "Paragraph .06 of AS 1105."
- f. In the second sentence of paragraph .17, the reference to "section 336.09" is replaced with "AS 1210.09."
- g. In paragraph .21:
 - In footnote 14, the reference to "section 336.13" is replaced with "AS 1210.13."
 - In the third sentence, the reference to "section 508, *Reports on Audited Financial Statements*, paragraphs .35 through .60" is replaced with "paragraphs .35 through .60 of AS 3101, *Reports on Audited Financial Statements*."

In the last sentence, the reference to "section 508.22–.26 and 508.61–.63." is replaced with "AS 3101.22–.26 and AS 3101.61–.63."

AU sec. 337, "Inquiry of a Client's Lawyer Concerning Litigation, Claims, and Assessments"

SAS No. 12, "Inquiry of a Client's Lawyer Concerning Litigation, Claims, and Assessments" (AU sec. 336, "Inquiry of a Client's Lawyer Concerning Litigation, Claims, and Assessments"), as amended, is amended as follows:

- a. The section number "AU Section 337" is replaced with "AS 2505."
- b. Footnote 1 to the title of the standard is deleted.
- c. In paragraph .01, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."

- d. In footnote 2 to paragraph .03:
 - The first sentence is deleted.
 - In the last sentence, the term "SAS" is replaced with "auditing standard."
- e. In footnote 4 to the subtitle before paragraph .08 ("*Inquiry of a Client's Lawyer*"), the parenthetical reference to "section 337A" is replaced with "AS 2505A."
- f. In footnote 6 to the subtitle before paragraph .12 ("*Limitations on the Scope of a Lawyer's Response*"), the parenthetical reference to "section 337C" is replaced with "AS 2505C."
- g. In the first sentence of paragraph .13, the parenthetical reference to "section 508.22 and .23" is replaced with "paragraphs .22 and .23 of AS 3101, *Reports on Audited Financial Statements*."
- h. In the fourth sentence of paragraph .14, the reference to "section 508.45 through .49" is replaced with "AS 3101.45 through .49."
- i. The section number "AU Section 337A" is replaced with "AS 2505A."
- j. In AU Section 337A, the paragraph number ".01" is deleted.
- k. Exhibit I, AU sec. 337B and related footnotes are deleted.
- l. The section number "AU Section 337C" is replaced with "AS 2505C."




AU sec. 9337, "Inquiry of a Client's Lawyer Concerning Litigation, Claims, and Assessments: Auditing Interpretation of Section 337"

AU sec. 9337, "Inquiry of a Client's Lawyer Concerning Litigation, Claims, and Assessments: Auditing Interpretation of Section 337," as amended, is amended as follows:

- a. The section number "AU Section 9337" is replaced with "AI 17."
- b. The title "Inquiry of a Client's Lawyer Concerning Litigation, Claims, and Assessments: Auditing Interpretations of Section 337" is replaced with "Inquiry of a Client's Lawyer Concerning Litigation, Claims, and Assessments: Auditing Interpretation of AS 2505."

Page: 113

 Number: 1 Author: Pw Carey, Senior IT Auditor (GRC), CISSP, CISA Subject: Compliance Partners, LLC, Barrington, IL 60010 USA
Date: 7/4/2014 10:52:00 AM

What's wrong with Liability and Litigation....eh?



- c. In the first sentence of paragraph .01, the reference to "section 337" is replaced with "AS 2505."
- d. In the first sentence of paragraph .04, the reference to "[section 337A] to section 337, *Inquiry of a Client's Lawyer Concerning Litigation, Claims, and Assessments*," is replaced with "[AS 2505A] to AS 2505."
- e. In the first sentence of paragraph .05, the reference to "Section 560.10 through .12 indicates" is replaced with "Paragraphs .10 through .12 of AS 2801, *Subsequent Events*, indicate."
- f. In the first sentence of paragraph .06, the reference to "[section 337A] to section 337, *Inquiry of a Client's Lawyer Concerning Litigation, Claims, and Assessments*," is replaced with "[AS 2505A] to AS 2505."
- g. In the first sentence of paragraph .07, the reference to "[section 337A] to section 337" is replaced with "[AS 2505A] to AS 2505."
- h. In the first sentence of paragraph .08, the reference to "Section 337, *Inquiry of a Client's Lawyer Concerning Litigation, Claims, and Assessments*, paragraph .05c," is replaced with "AS 2505.05c."
- i. In the second sentence of paragraph .09:
 - The parenthetical reference to "section 337.13" is replaced with "AS 2505.13."
 - The reference to "section 337.05c" is replaced with "AS 2505.05c."
- j. In the first sentence of paragraph .10, the reference to "[section 337A] of section 337, *Inquiry of a Client's Lawyer Concerning Litigation, Claims, and Assessments*," is replaced with "[AS 2505A] of AS 2505."
- k. In paragraph .11:
 - In the first sentence, the reference to "Section 337.09," is replaced with "AS 2505.09."
 - In the second sentence, the reference to "section 337" is replaced with "AS 2505."
- l. In the last sentence of footnote 1 to paragraph .13:
 - The reference to "section 337" is replaced with "AS 2505."



- The bracketed reference to "section 337C" is replaced with "AS 2505C."
- m. In footnote 2 to paragraph .14, the parenthetical reference to "sections 9337.01–.05" is replaced with "paragraphs .01–.05."
- n. In the first sentence of paragraph .15, the reference to "Section 337.06" is replaced with "AS 2505.06."
- o. In paragraph .16:
- In the first sentence, the reference to "Section 337" is replaced with "AS 2505."
 - In the second sentence:
 - The reference to "section 337.05 and .07" is replaced with "AS 2505.05 and .07."
 - The reference to "section 333, *Management Representations*, paragraph .06m and n" is replaced with "paragraphs .06o and p of AS 2805, *Management Representations*."
- p. In the first sentence of paragraph .18, the reference to "Section 337, *Inquiry of a Client's Lawyer Concerning Litigation, Claims, and Assessments*, paragraph .09d(2)," is replaced with "AS 2505.09d(2)."
- q. In paragraph .19:
- In the first sentence, the reference to "[section 337C] to section 337" is replaced with "[AS 2505C] to AS 2505."
 - In the second sentence, the bracketed reference to "section 337C" is replaced with "AS 2505C."
- r. In the first sentence of paragraph .22:
- The reference to "section 337.14" is replaced with "AS 2505.14."
 - The bracketed reference to "section 337C" is replaced with "AS 2505C."



- s. In the last sentence of paragraph .23, the reference to "section 508.45 through .49" is replaced with "paragraphs .45 through .49 of AS 3101, *Reports on Audited Financial Statements*."
- t. In the first sentence of paragraph .24, the reference to "Section 337.06" is replaced with "AS 2505.06."
- u. In the first sentence of paragraph .25, the reference to "Section 337.08" is replaced with "AS 2505.08."
- v. In footnote 4 to paragraph .26, the reference to "section 337.08" is replaced with "AS 2505.08."
- w. In paragraph .32:
 - In the third sentence, the bracketed reference to "section 337C" is replaced with "AS 2505C."
 - In footnote 5, each bracketed reference to "section 337C" is replaced with "AS 2505C."

AU sec. 341, "The Auditor's Consideration of an Entity's Ability to Continue as a Going Concern"

SAS No. 59, "The Auditor's Consideration of an Entity's Ability to Continue as Going Concern" (AU sec. 341, "The Auditor's Consideration of an Entity's Ability to Continue as a Going Concern"), as amended, is amended as follows:

- a. The section number "AU Section 341" is replaced with "AS 2415."
- b. The title "The Auditor's Consideration of an Entity's Ability to Continue as a Going Concern" is replaced with "Consideration of an Entity's Ability to Continue as a Going Concern."
- c. In the references before paragraph .01, the phrase "(Supersedes section 340)" is deleted.
- d. In paragraph .01:
 - In the first sentence, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
 - In the last sentence of footnote 1, the parenthetical reference to "section 9508.33–.38" is replaced with "AI 23.33–.38."



- e. In the last sentence of paragraph .02, the reference to "Auditing Standard No. 15" is replaced with "AS 1105."
- f. In the first sentence of footnote 3 to the fifth bullet of paragraph .10, the phrase "generally accepted auditing standards" is replaced with "PCAOB auditing standards."
- g. In the last sentence of footnote 4 to paragraph .12, the parenthetical reference to "section 508" is replaced with "AS 3101."
- h. In the last sentence of paragraph .14, the reference to "section 508, *Reports on Audited Financial Statements*" is replaced with "AS 3101."
- i. In the last sentence of paragraph .15, the reference to "section 508" is replaced with "AS 3101."
- j. In the first sentence of paragraph .17A, the reference to "Paragraph 17 of Auditing Standard No. 16" is replaced with "Paragraph .17 of AS 1301."

AU sec. 9341, "The Auditor's Consideration of an Entity's Ability to Continue as a Going Concern: Auditing Interpretations of Section 341"

AU sec. 9341, "The Auditor's Consideration of an Entity's Ability to Continue as a Going Concern: Auditing Interpretations of Section 341," as amended, is amended as follows:

- a. The section number "AU Section 9341" is replaced with "AI 15."
- b. The title "The Auditor's Consideration of an Entity's Ability to Continue as a Going Concern: Auditing Interpretations of Section 341" is replaced with "Consideration of an Entity's Ability to Continue as a Going Concern: Auditing Interpretations of AS 2415."
- c. In paragraph .02:
 - In footnote 2, the reference to "Section 530, *Dating of the Independent Auditor's Report*, paragraph .05" is replaced with "Paragraph .05 of AS 3105, *Dating of the Independent Auditor's Report*."
 - In the second bullet, the reference to "section 560, *Subsequent Events*, paragraph .12" is replaced with "paragraph .12 of AS 2801, *Subsequent Events*."



- In the third bullet, the reference to "section 341, *The Auditor's Consideration of an Entity's Ability to Continue as a Going Concern*, paragraphs .06 through .11," is replaced with "paragraphs .06 through .11 of AS 2415, *Consideration of an Entity's Ability to Continue as a Going Concern*."

AU sec. 342, "Auditing Accounting Estimates"

SAS No. 57, "Auditing Accounting Estimates" (AU sec. 342, "Auditing Accounting Estimates"), as amended, is amended as follows:

- a. The section number "AU Section 342" is replaced with "AS 2501."
- b. In the first sentence of paragraph .01, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
- c. In paragraph .07c:
 - In footnote 2:
 - The reference to "Section 411, *The Meaning of Present Fairly in Conformity With Generally Accepted Accounting Principles*" is replaced with "AS 2815, *The Meaning of 'Present Fairly in Conformity with Generally Accepted Accounting Principles*."
 - In the bracketed sentence, the reference to "section 411" is replaced with "AS 2815."
 - In footnote 3, the reference to "paragraph 31 of Auditing Standard No. 14" is replaced with "paragraph .31 of AS 2810."
- d. In paragraph .08b:
 - In item 1, the parenthetical reference to "Auditing Standard No. 12" is replaced with "AS 2110."
 - In item 3, the parenthetical reference to "section 337" is replaced with "AS 2505."
- e. In paragraph .11h, the parenthetical reference to "section 336" is replaced with "AS 1210."



- f. In paragraph .14, the reference to "Paragraphs 24 through 27 of Auditing Standard No. 14, *Evaluating Audit Results*," is replaced with "AS 2810.24 through .27."

AU sec. 9342, "Auditing Accounting Estimates: Auditing Interpretations of Section 342"

AU sec. 9342, "Auditing Accounting Estimates: Auditing Interpretations of Section 342," as amended, is amended as follows:

- a. The section number "AU Section 9342" is replaced with "AI 16."
- b. The title "Auditing Accounting Estimates: Auditing Interpretations of Section 342" is replaced with "Auditing Accounting Estimates: Auditing Interpretations of AS 2501."
- c. In the first sentence of paragraph .06—the example paragraph—the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board."
- d. In the last sentence of paragraph .07, the reference to "Auditing Standard No. 17" is replaced with "AS 2701."
- e. In the last sentence of paragraph .09, the reference to "section 550" is replaced with "AS 2710."
- f. In the second flowchart of paragraph .10, "Auditing Guidance for Fair Value Information: Required and Voluntary Information":
 - The reference to "paragraph 10 of Auditing Standard No. 17, *Auditing Supplemental Information Accompanying Audited Financial Statements*," is replaced with "AS 2701.10."
 - The reference to "section 550" is replaced with "AS 2710."
 - The reference to "Interpretation 11 of section 623, 'Reporting on Current-Value Financial Statements That Supplement Historical Cost Financial Statements in a General-Use Presentation of Real Estate Entities'" is replaced with "AI 24, *Special Reports: Auditing Interpretations of AS 3305*, Interpretation 11, 'Reporting on Current-Value Financial Statements That Supplement Historical Cost



Financial Statements in a General-Use Presentation of Real Estate Entities."

AU sec. 350, "Audit Sampling"

SAS No. 39, "Audit Sampling" (AU sec. 350, "Audit Sampling"), as amended, is amended as follows:

- a. The section number "AU Section 350" is replaced with "AS 2315."
- b. In the references before paragraph .01, the phrase "(Supersedes Statement of Auditing Standards No. 1, sections 320A, and 320B.)" is deleted.
- c. The first sentence in the references preceding paragraph .01 is deleted.
- d. In the last sentence of footnote 2 to paragraph .02, the reference to "Auditing Standard No. 14" is replaced with "AS 2810."
- e. In the note to paragraph .06:
 - The reference to "Auditing Standard No. 15" is replaced with "AS 1105."
 - The reference to "Auditing Standard No. 14, *Evaluating Audit Results*," is replaced with "AS 2810."
- f. In the first sentence of paragraph .07, the phrase "referred to in the third standard of field work" is deleted.
- g. In the note to paragraph .09, the reference to "Auditing Standard No. 8" is replaced with "AS 1101."
- h. In the last sentence of paragraph .11, the parenthetical reference to "section 161, *The Relationship of Generally Accepted Auditing Standards to Quality Control Standards*" is replaced with "AS 1110, *Relationship of Auditing Standards to Quality Control Standards*."
- i. In paragraph .15, the reference to "Auditing Standard No. 9" is replaced with "AS 2101."
- j. In the first sentence of paragraph .18A, the reference to "Paragraphs 8–9 of Auditing Standard No. 11" is replaced with "Paragraphs .08–.09 of AS 2105."



- k. The first sentence in paragraph .19 is deleted.
- l. In footnote 6 to paragraph .26, the reference to "Paragraphs 10 through 23 of Auditing Standard No. 14, *Evaluating Audit Results*," is replaced with "AS 2810.10 through .23."
- m. In the last sentence of paragraph .39, the reference to "Paragraphs 44 through 46 of Auditing Standard No. 13" is replaced with "Paragraphs .44 through .46 of AS 2301."
- n. In the note to paragraph .44, the reference to "Paragraph 47 of Auditing Standard No. 13, *The Auditor's Responses to the Risks of Material Misstatement*" is replaced with "AS 2301.47."

AU sec. 390, "Consideration of Omitted Procedures After the Report Date"

SAS No. 46, "Consideration of Omitted Procedures After the Report Date" (AU sec. 390, "Consideration of Omitted Procedures After the Report Date"), is amended as follows:

- a. The section number "AU Section 390" is replaced with "AS 2901."
- b. In the last sentence of paragraph .01, the reference to "section 561" is replaced with "AS 2905, *Subsequent Discovery of Facts Existing at the Date of the Auditor's Report*."
- c. In footnote 2 to paragraph .02, the reference to "section 161, *The Relationship of Generally Accepted Auditing Standards to Quality Control Standards*, paragraph .02" is replaced with "paragraph .02 of AS 1110, *Relationship of Auditing Standards to Quality Control Standards*."
- d. In paragraph .06, the reference to "section 561.05–.09" is replaced with "AS 2905.05–.09."

AU sec. 410, "Adherence to Generally Accepted Accounting Principles"

SAS No. 1, "Codification of Auditing Standards and Procedures" (AU sec. 410, "Adherence to Generally Accepted Accounting Principles"), as amended, is rescinded.

AU sec. 9410, "Adherence to Generally Accepted Accounting Principles: Auditing Interpretations of Section 410"

AU sec. 9410, "Adherence to Generally Accepted Accounting Principles: Auditing Interpretations of Section 410," as amended, is rescinded.

AU sec. 411, "The Meaning of *Present Fairly in Conformity With Generally Accepted Accounting Principles*"

SAS No. 69, "The Meaning of *Present Fairly in Conformity With Generally Accepted Accounting Principles*" (AU sec. 411, "The Meaning of *Present Fairly in Conformity With Generally Accepted Accounting Principles*"), as amended, is amended as follows:


- a. The section number "AU Section 411" is replaced with "AS 2815."
- b. The title "The Meaning of *Present Fairly in Conformity With Generally Accepted Accounting Principles*" is replaced with "The Meaning of '*Present Fairly in Conformity with Generally Accepted Accounting Principles*.'"
- c. Footnote * to the title of the standard is deleted.
- d. ² In the references before paragraph .01, the phrase "(Supersedes SAS No. 5)" is deleted.
- e. The first sentence in the references preceding paragraph .01 is deleted.
- f. In the second sentence of paragraph .01, the parenthetical reference to "section 508.08h" is replaced with "paragraph .08h of AS 3101, *Reports on Audited Financial Statements*."
- g. In paragraph .04:
 - In item (c), the parenthetical reference to "paragraph 31 of Auditing Standard No. 14" is replaced with "paragraph .31 of AS 2810."
 - In item (d), the parenthetical reference to "paragraph 31 of Auditing Standard No. 14, *Evaluating Audit Results*" is replaced with "AS 2810.31."
 - In the last sentence of footnote 1:
 - The parenthetical reference to "section 150.04" is deleted.
 - The parenthetical reference to "Auditing Standard No. 11" is replaced with "AS 2105."
 - The parenthetical reference to "508.36" is replaced with "3101.36."



Page: 122

 Number: 1 Author: Pw Carey, Senior IT Auditor (GRC), CISSP, CISA Subject: Compliance Partners, LLC, Barrington, IL 60010 USA
Date: 7/7/2014 11:34:46 AM

What is the point of deleting....reference SAS No. 5.....

 Number: 2 Author: Pw Carey, Senior IT Auditor (GRC), CISSP, CISA Subject: Highlight Date: 7/7/2014 11:33:48 AM



- In the last sentence, the reference to "section 722, *Interim Financial Information*" is replaced with "AS 4105, *Reviews of Interim Financial Information*."
- g. In paragraph .05:
- Following the first sentence, the parenthetical phrase ", city and state or country," is added following "(Signature."
 - In the second sentence, the phrase "the fourth standard of reporting" is replaced with "paragraph .01."
- h. In paragraph .07:
- The parenthetical reference to "section 623.02–.10" is replaced with "paragraphs .02–.10 of AS 3305."
 - Following the second sentence, the parenthetical phrase ", city and state or country," is added following "(Signature."
- i. In paragraph .08:
- In the first sentence, the phrase "The second general standard requires that" is deleted.
 - The quotation marks included in the first sentence are deleted.
- j. In the first sentence of paragraph .09, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
- k. Following the last sentence of paragraph .10, the parenthetical phrase ", city and state or country," is added following "(Signature."
- l. In the first sentence of paragraph .15, the parenthetical reference to "section 530.06–.08" is replaced with "paragraphs .06–.08 of AS 3105, *Dating of the Independent Auditor's Report*."
- m. In paragraph .18, the phrase "applicable standards established by the American Institute of Certified Public Accountants" is replaced with "the standards of the PCAOB."
- n. In paragraph .19:



- The parenthetical reference to "section 634" is replaced with "AS 6101."
- In footnote *:
 - In the second sentence, the reference to "Section 634" is replaced with "AS 6101."
 - In the third sentence, the reference to "section 634" is replaced with "the referenced standard."
 - The parenthetical reference to "section 634" is replaced with "AS 6101."
- o. In paragraph [.20], the parenthetical reference to "section 634" is replaced with "AS 6101."

AU sec. 9504, "Association With Financial Statements: Auditing Interpretations of Section 504"

AU sec. 9504, "Association With Financial Statements: Auditing Interpretations of Section 504," as amended, is amended as follows:

- a. The section number "AU Section 9504" is replaced with "AI 25."
- b. The title "Association With Financial Statements: Auditing Interpretations of Section 504" is replaced with "Association with Financial Statements: Auditing Interpretations of AS 3320."
- c. In paragraph .07, the reference to "section 722" is replaced with "AS 4105, *Reviews of Interim Financial Information*."
- d. In paragraph .15:
 - In the first sentence, the reference to "Section 150.02" is replaced with "Paragraph .04 of AS 3101, *Reports on Audited Financial Statements*."
 - In the second sentence, the reference to "Section 504.03" is replaced with "Paragraph .03 of AS 3320, *Association with Financial Statements*."
- e. In the first sentence of paragraph .19, the reference to "Section 504" is replaced with "AS 3320."



- f. In paragraph .20:
- In the first sentence, the reference to "Section 504" is replaced with "AS 3320."
 - The third and fourth sentences are deleted.
- g. Paragraph .21 is replaced with "PCAOB Rules establish requirements regarding auditor independence."
- h. In the first sentence of paragraph .22, the reference to "Section 504.10" is replaced with "AS 3320.10."

AU sec. 508, "Reports on Audited Financial Statements"

SAS No. 58, "Reports on Audited Financial Statements" (AU sec. 508, "Reports on Audited Financial Statements"), as amended, is amended as follows:

- a. The section number "AU Section 508" is replaced with "AS 3101."
- b. Footnote * to the title of the standard is deleted.
- c. In the references before paragraph .01, the phrase "(Supersedes sections 505, 509, 542, 545, and 546)" is deleted.
- d. In paragraph .01:
- In footnote 1:
 - In the first sentence, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
 - The second sentence is deleted.
 - In the note:
 - In the second sentence:
 - The reference to "paragraphs 85–98 of PCAOB Auditing Standard No. 5" is replaced with "paragraphs .85–.98 of AS 2201."
 - The reference to "Appendix C, *Special Reporting Situations*, of PCAOB Auditing Standard No. 5, *An*



Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements is replaced with "Appendix C, *Special Reporting Situations*, of AS 2201."

- In the last sentence, the reference to "paragraphs 86–88 of PCAOB Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*" is replaced with "AS 2201.86–.88."
- e. In paragraph .02:
- The reference to "section 504, *Association With Financial Statements*" is replaced with "AS 3320, *Association with Financial Statements*."
 - The reference to "section 623" is replaced with "AS 3305."
- f. In paragraph .03:
- In the first sentence, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
 - The second sentence is deleted.
 - In the last sentence, the phrase "fourth reporting standard" is replaced with "requirements in paragraph .04."
- g. In paragraph .04, the introductory phrase "The fourth standard of reporting is as follows:" is deleted.
- h. In paragraph .05:
- In the first sentence, the phrase "fourth standard" is replaced with "requirements in paragraph .04."
 - In the second sentence, the phrase "the fourth reporting standard" is replaced with "paragraph .04."
 - In the third sentence, the parenthetical phrase "fourth standard of reporting" is replaced with "requirements in paragraph .04."



- i. In the last sentence of paragraph .07, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
- j. In footnote 3 to paragraph .08a, the phrase "section 504, *Association With Financial Statements*," is replaced with "AS 3320."
- k. In paragraph .08d:
 - The phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
 - The parenthetical phrase "auditing standards generally accepted in the United States of America or U.S. generally accepted auditing standards" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
- l. In the first sentence of footnote 5 to paragraph .08f, the reference to "Section 411, *The Meaning of Present Fairly in Conformity With Generally Accepted Accounting Principles*, paragraphs .03 and .04," is replaced with "Paragraphs .03 and .04 of AS 2815, *The Meaning of 'Present Fairly in Conformity with Generally Accepted Accounting Principles*,."
- m. Footnote 6 to paragraph .08h is deleted.
- n. Paragraph ".08k" is replaced with ".08l."
- o. Paragraph ".08j" is replaced with ".08k."
- p. Paragraph .08j is added:

The city and state (or city and country, in the case of non-U.S. auditors) from which the auditor's report has been issued
- q. Footnote 6a is added to the end of the added paragraph .08j:

See SEC Rule 2-02(a) of Regulation S-X, 17 C.F.R. § 210.2-02(a).
- r. In the first sentence of footnote 7 to paragraph .08j, the reference to "section 530" is replaced with "AS 3105."
- s. In the first Independent Auditor's Report following paragraph .08j:
 - In the first sentence of the second paragraph, the phrase "auditing standards generally accepted in the United States of America" is



replaced with "the standards of the Public Company Accounting Oversight Board (United States)."

- The phrase "[*City and State or Country*]" is added following the term "[*Signature*]."
- t. In the second Independent Auditor's Report following paragraph .08j:
- In the first sentence of the second paragraph, the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
 - The phrase "[*City and State or Country*]" is added following the term "[*Signature*]."
- u. In the first sentence of footnote 11 to paragraph .11b, the reference to "Section 341, *The Auditor's Consideration of an Entity's Ability to Continue as a Going Concern*" is replaced with "AS 2415, *Consideration of an Entity's Ability to Continue as a Going Concern*."
- v. In the last sentence of paragraph .11f, the parenthetical reference to "section 722, *Interim Financial Information*, paragraph .50" is replaced with "paragraph .50 of AS 4105, *Reviews of Interim Financial Information*."
- w. In the last sentence of paragraph .11g, the parenthetical reference to "section 558, *Required Supplementary Information*, paragraph .02" is replaced with "paragraph .02 of AS 2705, *Unaudited Supplementary Information Included in Audited Financial Statements*."
- x. In the last sentence of paragraph .11h, the parenthetical reference to "section 550, *Other Information in Documents Containing Audited Financial Statements*, paragraph .04" is replaced with "paragraph .04 of AS 2710, *Other Information in Documents Containing Audited Financial Statements*."
- y. In the last sentence of paragraph .12, the parenthetical reference to "section 543, *Part of Audit Performed by Other Independent Auditors*" is replaced with "AS 1205, *Part of the Audit Performed by Other Independent Auditors*."
- z. In the first sentence of the second paragraph in the Independent Auditor's Report following paragraph .13, the phrase "auditing standards generally



- accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
- aa. In the first sentence of paragraph .17A, the reference to "PCAOB Auditing Standard No. 6" is replaced with "AS 2820."
 - bb. In the first sentence of paragraph .22, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
 - cc. In the third sentence of footnote 14 to paragraph .24, the reference to "section 331, *Inventories*," is replaced with "AS 2510, *Auditing Inventories*."
 - dd. In the first sentence of the first paragraph in the Independent Auditor's Report following paragraph .26, the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
 - ee. In the fourth sentence of paragraph .28, the reference to "section 530, *Dating of the Independent Auditor's Report*," is replaced with "AS 3105."
 - ff. In the first sentence of the second paragraph in the Independent Auditor's Report following paragraph .34, the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
 - gg. In the first sentence of paragraph .35, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
 - hh. In the third sentence of paragraph .41, the reference to "Statement on Auditing Standards" is replaced with "PCAOB standard."
 - ii. In the last sentence of paragraph .49, the parenthetical reference to "paragraph 13 of Auditing Standard No. 14" is replaced with "paragraph .13 of AS 2810."
 - jj. In the first sentence of footnote 20 to paragraph .62, the reference to "Section 504, *Association With Financial Statements*, paragraph .05" is replaced with "AS 3320.05."
 - kk. In the second sentence of footnote 21 to the Independent Auditor's Report following paragraph .63, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."



- ll. In paragraph .65:
- In the first sentence, the phrase "The fourth standard of reporting" is replaced with "Paragraph .04."
 - In the second sentence, the phrase "the fourth reporting standard" is replaced with "paragraph .04."
 - The parenthetical reference to "section 530, *Dating of the Independent Auditor's Report*, paragraph .01" is replaced with "AS 3105.01."
- mm. In the first sentence of footnote 23 to paragraph .65, the parenthetical reference to "section 530, *Dating of the Independent Auditor's Report*, paragraphs .06 through .08" is replaced with "AS 3105.06 through .08."
- nn. In the second sentence of paragraph .66, the parenthetical reference to "paragraph 31 of Auditing Standard No. 14, *Evaluating Audit Results*" is replaced with "AS 2810.31."
- oo. In the first sentence of the first paragraph in the Independent Auditor's Report titled, "*Standard Report on the Current-Year Financial Statements With a Disclaimer of Opinion on the Prior-Year Statements of Income, Retained Earnings, and Cash Flows*," following paragraph .67, the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
- pp. In the second sentence of footnote 25 to the Independent Auditor's Report titled, "*Standard Report on the Current-Year Financial Statements With a Disclaimer of Opinion on the Prior-Year Statements of Income, Retained Earnings, and Cash Flows*," following paragraph .67, the reference to "PCAOB Auditing Standard No. 6, *Evaluating Consistency of Financial Statements*," is replaced with "AS 2820."
- qq. In the sixth sentence of paragraph .71, the reference to "section 543, *Part of Audit Performed by Other Independent Auditors*, paragraphs .10 through .12" is replaced with "AS 1205.10 through .12."
- rr. In the first sentence of footnote 28 to paragraph .71, the reference to "section 333" is replaced with "AS 2805."



- ss. In paragraph .73, the parenthetical reference to "section 530, *Dating of the Independent Auditor's Report*, paragraph .05" is replaced with "AS 3105.05."

AU sec. 9508, "Reports on Audited Financial Statements: Auditing Interpretations of Section 508"

AU sec. 9508, "Reports on Audited Financial Statements: Auditing Interpretations of Section 508," as amended, is amended as follows:

- a. The section number "AU Section 9508" is replaced with "AI 23."
- b. The title "Reports on Audited Financial Statements: Auditing Interpretations of Section 508" is replaced with "Reports on Audited Financial Statements: Auditing Interpretations of AS 3101."
- c. In the first sentence of paragraph .01, the reference to "Section 508, *Reports on Audited Financial Statements*, paragraph .24" is replaced with "Paragraph .24 of AS 3101, *Reports on Audited Financial Statements*,."
- d. In paragraph .02:
 - In the first sentence, the reference to "section 331, *Inventories*, paragraphs .09–.12" is replaced with "paragraphs .09–.12 of AS 2510, *Auditing Inventories*."
 - In the last sentence, the reference to "Section 331.09" is replaced with "AS 2510.09."
- e. In the first sentence of paragraph .03, the reference to "Section 331.10 and .11" is replaced with "AS 2510.10 and .11."
- f. In the first sentence of paragraph .04:
 - The reference to "Section 331.12" is replaced with "AS 2510.12."
 - The reference to "section 331.09–.11" is replaced with "AS 2510.09–.11."
- g. In paragraphs [.11–.14], the parenthetical reference to "section 508" is replaced with "AS 3101."
- h. In paragraphs [.15–.20], the parenthetical reference is deleted.



- i. In paragraphs [.21–.24], the parenthetical reference to "section 508" is replaced with "AS 3101."
- j. In paragraphs [.25–.28], the parenthetical reference to "section 508" is replaced with "AS 3101."
- k. In paragraph .36:
 - In the first sentence of the second paragraph of the *Report on Single Year Financial Statements in Year of Adoption of Liquidation Basis* example report, the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
 - In the first sentence of the second paragraph of the *Report on Comparative Financial Statements in Year of Adoption of Liquidation Basis* example report, the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
- l. In paragraphs [.39–.43], the parenthetical reference to "section 508" is replaced with "AS 3101."
- m. In paragraphs [.49–.50], the parenthetical reference to "section 315" is replaced with "AS 2610, *Initial Audits—Communications Between Predecessor and Successor Auditors*."
- n. In the second sentence of paragraph .52, the reference to "section 508, *Reports on Audited Financial Statements*," is replaced with "AS 3101."
- o. The title of auditing interpretation 14 "Reporting on Audits Conducted in Accordance With Auditing Standards Generally Accepted in the United States of America and in Accordance With International Standards on Auditing" is replaced with "Reporting on Audits Conducted in Accordance with the Standards of the PCAOB and in Accordance with International Standards on Auditing."
- p. In paragraph .56:
 - In the first sentence:



- The reference to "Section 508, *Reports on Audited Financial Statements*," is replaced with "AS 3101."
 - The phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
 - In the last sentence, the phrase "standards generally accepted in the United States of America" is replaced with "the standards of the PCAOB."
- q. In paragraph .57:
- In the second sentence:
 - The reference to "Section 508" is replaced with "AS 3101."
 - The phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
 - The reference to "section 508" is replaced with "AS 3101."
 - Footnote 1 is deleted.
- r. In paragraph .58:
- The phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the PCAOB."
 - The phrase "generally accepted in the United States of America" is replaced with "of the PCAOB."
- s. In the first sentence of paragraph .59:
- The first occurrence of the phrase "auditing standards generally accepted in the United States" is replaced with "the standards of the PCAOB."
 - The second occurrence of the phrase "auditing standards generally accepted in the United States of America" (found in the example paragraph) is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
- t. In paragraph .61:



- In the first sentence, the reference to "section 508, *Reports on Audited Financial Statements*, paragraph .74" is replaced with "AS 3101.74."
 - In the third sentence, the reference to "section 508" is replaced with "AS 3101."
- u. In paragraph .63:
- In the second sentence, the reference to "section 508.74" is replaced with "AS 3101.74."
 - In the last sentence, the reference to "section 561" is replaced with "AS 2905."
- v. In footnote 4 to paragraph .67:
- In the second sentence, the reference to "section 315" is replaced with "AS 2610."
 - In the last sentence, the reference to "Section 561" is replaced with "AS 2905."
- w. In the first sentence of paragraph .71, the reference to "section 508.74" is replaced with "AS 3101.74."
- x. In paragraph .74, the reference to "section 508.74" is replaced with "AS 3101.74."
- y. In the second sentence of paragraph .75, the reference to "Section 508.74" is replaced with "AS 3101.74."
- z. Auditing Interpretation 16 is deleted.
- aa. Footnotes 6 and 7 to paragraph .84 are deleted.

AU sec. 530, "Dating of the Independent Auditor's Report"

SAS No. 1, "Codification of Auditing Standards and Procedures" section 530, "Dating of the Independent Auditor's Report" (AU sec. 530, "Dating of the Independent Auditor's Report"), as amended, is amended as follows:

- a. The section number "AU Section 530" is replaced with "AS 3105."



- b. In paragraph .02:
- In the last sentence, the reference to "section 711.10–.13" is replaced with "paragraphs .10–.13 of AS 4101, *Responsibilities Regarding Filings Under Federal Securities Statutes.*"
 - In footnote 1, the reference to "section 561" is replaced with "AS 2905, *Subsequent Discovery of Facts Existing at the Date of the Auditor's Report.*."
 - Footnote * is deleted.
- c. In the first sentence of paragraph .03, the parenthetical reference to "section 560.03" is replaced with "paragraph .03 of AS 2801, *Subsequent Events.*"
- d. In the first sentence of paragraph .04, the parenthetical reference to "section 560.05" is replaced with "AS 2801.05."
- e. In the last sentence of paragraph .05, the reference to "section 560.12" is replaced with "AS 2801.12."
- f. In paragraph .06:
- In the fifth sentence:
 - The reference to "section 711" is replaced with "AS 4101."
 - The reference to "section 508.70–.73" is replaced with "paragraphs .70–.73 of AS 3101, *Reports on Audited Financial Statements.*"
 - Footnote * is deleted.
- g. In the second sentence of paragraph .07, the reference to "section 560.08" is replaced with "AS 2801.08."
- h. In the first sentence of paragraph .08, the parenthetical reference to "section 560.05 and 560.08" is replaced with "AS 2801.05 and AS 2801.08."

AU sec. 532, "Restricting the Use of an Auditor's Report"

SAS No. 87, "Restricting the Use of an Auditor's Report" (AU sec. 532, "Restricting the Use of an Auditor's Report"), as amended, is rescinded.



AU sec. 543, "Part of Audit Performed by Other Independent Auditors"

SAS No. 1, "Codification of Auditing Standards and Procedures" section 543, "Part of Audit Performed by Other Independent Auditors" (AU sec. 543, "Part of Work Performed by Other Independent Auditors"), as amended, is amended as follows:

- a. The section number "AU Section 543" is replaced with "AS 1205."
- b. The title "Part of Audit Performed by Other Independent Auditors" is replaced with "Part of the Audit Performed by Other Independent Auditors."
- c. In paragraph .01:
 - In footnote 1, the reference to "Section 315" is replaced with "AS 2610, *Initial Audits—Communications Between Predecessor and Successor Auditors*."
 - In the first note:
 - The reference to "paragraphs C8–C11" is replaced with "paragraphs .C8–.C11."
 - The reference to "PCAOB Auditing Standard No. 5" is replaced with "AS 2201."
 - In the second note:
 - The reference to "AU sec. 543" is replaced with "AS 1205."
 - The reference to "Auditing Standard No. 10" is replaced with "AS 1201."
- d. In the first sentence of the second paragraph in the Independent Auditor's Report following paragraph .09, the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
- e. In paragraph 10b, the phrase "American Institute of Certified Public Accountants and, if appropriate," is replaced with "PCAOB and."
- f. In item (ii) of paragraph .10c, the phrase "generally accepted auditing standards promulgated by the American Institute of Certified Public Accountants" is replaced with "standards of the PCAOB."



- g. In paragraph .12, the reference to "AU sec. 543.10" is replaced with "AS 1205.10."
- h. In paragraph .12a, the reference to "paragraphs 12 and 13 of PCAOB Auditing Standard No. 3" is replaced with "paragraphs .12 and .13 of AS 1215, *Audit Documentation*."
- i. In paragraph .12c, the reference to "paragraph 8 of PCAOB Auditing Standard No. 3" is replaced with "AS 1215.08."
- j. In footnote 5 to paragraph .12:
 - The reference to "AU sec. 324" is replaced with "AS 2601, *Consideration of an Entity's Use of a Service Organization*."
 - The reference to "section 543.12" is replaced with "AS 1205.12."
- k. In the last sentence of paragraph [.18], the parenthetical reference to "section 315" is replaced with "AS 2610."

AU sec. 9543, "Part of Audit Performed by Other Independent Auditors: Auditing Interpretations of Section 543"

AU sec. 9543, "Part of Audit Performed by Other Independent Auditors: Auditing Interpretations of Section 543," as amended, is amended as follows:

- a. The section number "AU Section 9543" is replaced with "AI 10."
- b. The title "Part of Audit Performed by Other Independent Auditors: Auditing Interpretations of Section 543" is replaced with "Part of the Audit Performed by Other Independent Auditors: Auditing Interpretations of AS 1205."
- c. In the first sentence of paragraph .01, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
- d. In the first sentence of footnote 2 to paragraph .01, the reference to "section 543" is replaced with "AS 1205, *Part of the Audit Performed by Other Independent Auditors*."
- e. In paragraph .02:



- In the first sentence, the reference to "Section 543, *Part of Audit Performed by Other Independent Auditors*, paragraph .10," is replaced with "AS 1205.10."
 - In the last sentence, the reference to "Section 543.10c(iv)" is replaced with "AS 1205.10c(iv)."
- f. In paragraph .04:
- In the first sentence, the reference to "Section 543, *Part of Audit Performed by Other Independent Auditors*," is replaced with "AS 1205."
 - In the second sentence, the reference to "Section 543.03" is replaced with "AS 1205.03."
- g. In the first sentence of paragraph .05, the reference to "Section 334" is replaced with "AS 2410."
- h. In footnote 3 to paragraph .11, the reference to "section 9543.04–.07" is replaced with "paragraphs .04–.07."
- i. In paragraph .15, the reference to "section 9543.11" is replaced with "paragraph .11."
- j. In footnote 5 to paragraph .17, the reference to "section 561" is replaced with "AS 2905."
- k. In paragraph .18:
- In the first sentence, the reference to "section 543" is replaced with "AS 1205."
 - In the last sentence, the reference to "section 543.12" is replaced with "AS 1205.12."
- l. In the last sentence of paragraph .19, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."

AU sec. 544, "Lack of Conformity With Generally Accepted Accounting Principles"

SAS No. 1, "Codification of Auditing Standards and Procedures" section 544, "Lack of Conformity With Generally Accepted Accounting Principles" (AU sec. 544,



"Lack of Conformity With Generally Accepted Accounting Principles"), as amended, is amended as follows:

- a. The section number "AU Section 544" is replaced with "AS 3310."
- b. The title "Lack of Conformity With Generally Accepted Accounting Principles" is replaced with "Special Reports on Regulated Companies."
- c. In paragraph .02:
 - In the third sentence, the phrase "first reporting standard" is replaced with "requirement in paragraph .08h of AS 3101, *Reports on Audited Financial Statements*."
 - In footnote 1, the parenthetical reference to "section 623, *Special Reports*, paragraphs .02 and .10" is replaced with "paragraphs .02 and .10 of AS 3305, *Special Reports*."
- d. In the second sentence of paragraph .04:
 - The parenthetical reference to "section 508, *Reports on Audited Financial Statements*, paragraph .08" is replaced with "AS 3101.08."
 - The parenthetical reference to "section 508.35–.60" is replaced with "AS 3101.35–.60."

AU sec. 550, "Other Information in Documents Containing Audited Financial Statements"

SAS No. 8, "Other Information in Documents Containing Audited Financial Statements" (AU sec. 550, "Other Information in Documents Containing Audited Financial Statements"), as amended, is amended as follows:

- a. The section number "AU Section 550" is replaced with "AS 2710."
- b. In paragraph .03:
 - In the second sentence:
 - The parenthetical reference to "sections 634" is replaced with "AS 6101, *Letters for Underwriters and Certain Other Requesting Parties*."



- The parenthetical reference to "711" is replaced with "AS 4101, *Responsibilities Regarding Filings Under Federal Securities Statutes.*"
- In footnote [†], each reference to "Section 634" or "section 634" is replaced with "AS 6101."
- Footnote ^{††} is deleted.
- In the last sentence:
 - The parenthetical reference to "Auditing Standard No. 17, *Auditing Supplemental Information Accompanying Audited Financial Statements,*" is replaced with "AS 2701, *Auditing Supplemental Information Accompanying Audited Financial Statements.*"
 - The reference to "623" is replaced with "AS 3305, *Special Reports.*"
- Footnote ^{**} is deleted.

AU sec. 9550, "Other Information in Documents Containing Audited Financial Statements: Auditing Interpretations of Section 550"

AU sec. 9550, "Other Information in Documents Containing Audited Financial Statements: Auditing Interpretations of Section 550," as amended, is amended as follows:

- a. The section number "AU Section 9550" is replaced with "AI 20."
- b. The title "Other Information in Documents Containing Audited Financial Statements: Auditing Interpretations of Section 550" is replaced with "Other Information in Documents Containing Audited Financial Statements: Auditing Interpretations of AS 2710."
- c. In the first sentence of paragraph .07, the reference to "section 550, *Other Information in Documents Containing Audited Financial Statements,* paragraph .02" is replaced with "paragraph .02 of AS 2710, *Other Information in Documents Containing Audited Financial Statements,.*"
- d. In paragraph .09, each reference to "section 550" is replaced with "AS 2710."



- e. In paragraph .11:
- In the second sentence, the reference to "section 550" is replaced with "AS 2710."
 - In the last sentence, the reference to "section 550.06" is replaced with "AS 2710.06."
- f. In the first sentence of paragraph .12, the reference to "section 550, *Other Information in Documents Containing Audited Financial Statements*, paragraph .02" is replaced with "AS 2710.02."
- g. In paragraph .13:
- Each reference to "section 550" is replaced with "AS 2710."
 - In the last sentence, the reference to "section 550.06" is replaced with "AS 2710.06."
- h. In paragraph .14:
- In the second sentence, the phrase "generally accepted auditing standards" is replaced with "PCAOB auditing standards."
 - In the last sentence, the reference to "section 550.06" is replaced with "AS 2710.06."
- i. In paragraph .15:
- In the first sentence, the reference to "The auditing interpretation of section 325, *Communication of Internal Control Related Matters Noted in an Audit*, titled 'Reporting on the Existence of Material Weaknesses' (section 9325.01–.07)" is replaced with "AI 12, *Communications About Control Deficiencies in an Audit of Financial Statements: Auditing Interpretations of AS 1305*, titled 'Reporting on the Existence of Material Weaknesses' (AI 12.01–.07)."
 - In the first sentence of footnote 8, the reference to "Section 325.8" is replaced with "Paragraph .08 of AS 1305, *Communications About Control Deficiencies in an Audit of Financial Statements*."
- j. In paragraph .17:



- In the first sentence, the reference to "section 550, *Other Information in Documents Containing Audited Financial Statements*" is replaced with "AS 2710."
 - In the last sentence, each reference to "section 550" is replaced with "AS 2710."
- k. In the second sentence of paragraph .18, the reference to "section 550" is replaced with "AS 2710."

AU sec. 552, "Reporting on Condensed Financial Statements and Selected Financial Data"

SAS No. 42, "Reporting on Condensed Financial Statements and Selected Financial Data" (AU sec. 552, "Reporting on Condensed Financial Statements and Selected Financial Data"), as amended, is amended as follows:

- a. The section number "AU Section 552" is replaced with "AS 3315."
- b. Footnote * to the title of the standard is deleted.
- c. In paragraph .01:
 - In footnote 1, the reference to "section 504, *Association With Financial Statements*, footnote 2" is replaced with "footnote 2 of AS 3320, *Association with Financial Statements*."
 - In the last sentence, the reference to "Auditing Standard No. 17, *Auditing Supplemental Information Accompanying Audited Financial Statements*," is replaced with "AS 2701, *Auditing Supplemental Information Accompanying Audited Financial Statements*."
- d. In paragraph .02, the reference to "section 508, *Reports on Audited Financial Statements*, paragraphs .41 through .44, section 623, *Special Reports*, or other applicable Statements on Auditing Standards" is replaced with "paragraphs .41 through .44 of AS 3101, *Reports on Audited Financial Statements*, AS 3305, *Special Reports*, or other applicable PCAOB auditing standards."
- e. In footnote 4 to paragraph .05, the parenthetical reference to "section 711, *Filings Under Federal Securities Statutes*" is replaced with "AS 4101, *Responsibilities Regarding Filings Under Federal Securities Statutes*."



- f. In the first sentence of the first paragraph in the Independent Auditor's Report following paragraph .06, the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
- g. In footnote 6 to paragraph .07:
- In the second sentence, the parenthetical reference to "section 508, *Reports on Audited Financial Statements*, paragraphs .41 through .44" is replaced with "AS 3101.41 through .44."
 - In the fourth sentence of the example Independent Auditor's Report, the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
- h. In paragraph .08:
- In item *c* of footnote 8, the parenthetical reference to "section 722, *Interim Financial Information*, paragraph .03" is replaced with "paragraph .03 of AS 4105, *Reviews of Interim Financial Information*."
 - In the example independent auditor's review report following paragraph .08:
 - In the first sentence of the second paragraph, the phrase "standards established by the American Institute of Certified Public Accountants" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
 - In the third sentence of the second paragraph, the phrase "generally accepted auditing standards" is replaced with "the standards of the Public Company Accounting Oversight Board."
 - In the first sentence of the fourth paragraph, the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board."



- i. In footnote 11 to paragraph .09, the reference to "section 623, *Special Reports*," is replaced with "AS 3305."
- j. In the Independent Auditor's Report following paragraph .10:
 - In the first sentence of the second paragraph, the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
 - In the first sentence of the fourth paragraph, the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board."

AU sec. 558, "Required Supplementary Information"

SAS No. 52, "Omnibus Statement on Auditing Standards—1987, Required Supplementary Information" (AU sec. 558, "Required Supplementary Information"), as amended, is amended as follows:

- a. The section number "AU Section 558" is replaced with "AS 2705."
- b. The title "Required Supplementary Information" is replaced with "Unaudited Supplementary Information Included in Audited Financial Statements."
- c. In the references before paragraph .01, the phrase "(Supersedes section 553)" is deleted.
- d. Footnote * is deleted."
- e. Footnote 1 to paragraph .01 is deleted.
- f. In paragraph .02:
 - In the first sentence, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
 - In the second sentence of footnote 2, the reference to "section 550" is replaced with "AS 2710."
- g. In the last sentence of paragraph .03, the reference to "section 550," is replaced with "AS 2710."



- h. In paragraph .04:
- In the first sentence, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
 - In the second sentence, the phrase "generally accepted auditing standards" is replaced with "PCAOB auditing standards."
- i. In paragraph .05:
- In the first sentence, the reference to "section 550" is replaced with "AS 2710."
 - In the second sentence, the reference to "Auditing Standard No. 17" is replaced with "AS 2701."
- j. In the third sentence of footnote 6 to paragraph .07*b*, the reference to "section 552, *Reporting on Condensed Financial Statements and Selected Financial Data*, paragraph .10" is replaced with "paragraph .10 of AS 3315, *Reporting on Condensed Financial Statements and Selected Financial Data*."
- k. In paragraph .07*c*, the parenthetical reference to "section 333" is replaced with "AS 2805."
- l. In paragraph .07*d*, the phrase ", interpretations, guides, or statements of position" is replaced with "or interpretations."
- m. In footnote 7 to paragraph .08, the reference to "Auditing Standard No. 17, *Auditing Supplemental Information Accompanying Audited Financial Statements*," is replaced with "AS 2701."
- n. In the second sentence of paragraph .09, the reference to "section 550.07" is replaced with "AS 2710.07."

AU sec. 9558, "Required Supplementary Information: Auditing Interpretations of Section 558"

AU sec. 9558, "Required Supplementary Information: Auditing Interpretations of Section 558," is amended as follows:

- a. The section number "AU Section 9558" is replaced with "AI 19."



- b. The title "Required Supplementary Information: Auditing Interpretations of Section 558" is replaced with "Unaudited Supplementary Information Included in Audited Financial Statements: Auditing Interpretations of AS 2705."
- c. In the last sentence of paragraph .01, the reference to "section 558, *Required Supplementary Information*" is replaced with "AS 2705, *Unaudited Supplementary Information Included in Audited Financial Statements*."
- d. In the second sentence of paragraph .02, the reference to "section 558" is replaced with "AS 2705."
- e. In the first sentence of paragraph .04, the reference to "section 558" is replaced with "AS 2705."
- f. In the first sentence of paragraph .06, the reference to "section 558" is replaced with "AS 2705."

AU sec. 560, "Subsequent Events"

SAS No. 1, "Codification of Auditing Standards and Procedures," section 560, "Subsequent Events" (AU sec. 560, "Subsequent Events"), as amended, is amended as follows:

- a. The section number "AU Section 560" is replaced with "AS 2801."
- b. In the note to paragraph .01, the reference to "paragraphs 93–97 of PCAOB Auditing Standard No. 5" is replaced with "paragraphs .93–.97 of AS 2201."
- c. In paragraph .09, the parenthetical reference to "section 508.19" is replaced with "paragraph .19 of AS 3101, *Reports on Audited Financial Statements*."
- d. In paragraph .12d, the parenthetical reference to "section 337" is replaced with "AS 2505, *Inquiry of a Client's Lawyer Concerning Litigations, Claims, and Assessments*."
- e. In paragraph .12e, the parenthetical reference to "section 333" is replaced with "AS 2805."

AU sec. 561, "Subsequent Discovery of Facts Existing at the Date of the Auditor's Report"



SAS No. 1, "Codification of Auditing Standards and Procedures," section 561, "Subsequent Discovery of Facts Existing at the Date of the Auditor's Report" (AU sec. 561, "Subsequent Discovery of Facts Existing at the Date of the Auditor's Report"), as amended, is amended as follows:

- a. The section number "AU Section 561" is replaced with "AS 2905."
- b. In paragraph .01:
 - In the first sentence of footnote 1, the reference to "section 560" is replaced with "AS 2801."
 - In the note, the reference to "paragraph 98 of PCAOB Auditing Standard No. 5" is replaced with "paragraph .98 of AS 2201."
- c. In the first sentence of footnote 2 to paragraph .03, the reference to "section 711.10–.13" is replaced with "paragraphs .10–.13 of AS 4101, *Responsibilities Regarding Filings Under Federal Securities Statutes*."

AU sec. 9561, "Subsequent Discovery of Facts Existing at the Date of the Auditor's Report: Auditing Interpretations of Section 561"

AU sec. 9561, "Subsequent Discovery of Facts Existing at the Date of the Auditor's Report: Auditing Interpretations of Section 561," is amended as follows:

- a. The section number "AU Section 9561" is replaced with "AI 22."
- b. The title "Subsequent Discovery of Facts Existing at the Date of the Auditor's Report: Auditing Interpretations of Section 561" is replaced with "Subsequent Discovery of Facts Existing at the Date of the Auditor's Report: Auditing Interpretations of AS 2905."
- c. In the second sentence of paragraph .02, the reference to "Section 561" is replaced with "AS 2905."

AU sec. 623, "Special Reports"

SAS No. 62, "Special Reports" (AU sec. 623, "Special Reports"), as amended, is amended as follows:

- a. The section number "AU Section 623" is replaced with "AS 3305."
- b. In the references before paragraph .01, the phrase "(Supersedes section 621)" is deleted.



- c. In the first sentence of paragraph .02, the phrase "Generally accepted auditing standards" is replaced with "The standards of the PCAOB."
- d. In paragraph .03:
- In the first sentence, the parenthetical reference to "section 411, *The Meaning of Present Fairly in Conformity With Generally Accepted Accounting Principles*" is replaced with "AS 2815, *The Meaning of 'Present Fairly in Conformity with Generally Accepted Accounting Principles.*"
 - In the second sentence, the parenthetical reference to "section 411.05" is replaced with "AS 2815.05."
 - In the bracketed sentence, the reference to "section 411" is replaced with "AS 2815."
- e. In the last sentence of footnote 1 to paragraph .05a, the reference to "section 504, *Association With Financial Statements*" is replaced with "AS 3320, *Association with Financial Statements.*"
- f. In item (1) of paragraph .05c:
- The phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
 - The parenthetical phrase "auditing standards generally accepted in the United States of America or U.S. generally accepted auditing standards" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
- g. In the first sentence of footnote 5 to paragraph .05f, the reference to "section 544, *Lack of Conformity With Generally Accepted Accounting Principles*" is replaced with "AS 3310, *Special Reports on Regulated Companies.*"
- h. Paragraph ".05h" is replaced with ".05i."
- i. Paragraph .05h is added:
- The city and state (or city and country, in the case of non-U.S. auditors) from which the auditor's report has been issued.



- j. Footnote 5a is added to the end of the added paragraph .05h:
See SEC Rule 2-02(a) of Regulation S-X, 17 C.F.R. § 210.2-02(a).
- k. In paragraph .06, the parenthetical reference to "section 508, *Reports on Audited Financial Statements*, paragraph .08" is replaced with "paragraph .08 of AS 3101, *Reports on Audited Financial Statements*."
- l. In the first sentence of the second paragraph of each example Independent Auditor's Report following paragraph .08, the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
- m. In paragraph .09:
- In the third sentence, the reference to "section 411, *The Meaning of Present Fairly in Conformity With Generally Accepted Accounting Principles*, paragraph .04" is replaced with "AS 2815.04."
 - In the bracketed sentence, the reference to "section 411" is replaced with "AS 2815."
- n. In the last sentence of paragraph .11, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
- o. In paragraph .12:
- In the second sentence:
 - The phrase "first standard of reporting" is replaced with "requirement in AS 3101.08h."
 - The phrase "ten generally accepted auditing standards" is replaced with "standards of the PCAOB."
 - In the third sentence, the phrase "The first standard of reporting" is replaced with "AS 3101.08h."
- p. In paragraph .14, the parenthetical reference to "section 508, *Reports on Audited Financial Statements*, paragraph .64" is replaced with "AS 3101.64."
- q. In item (1) of paragraph .15c:



PCAOB Release No. 2014-001

May 7, 2014

Appendix 4 – Proposed Amendments

Page A4–120

- The phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
 - The parenthetical phrase "auditing standards generally accepted in the United States of America or U.S. generally accepted auditing standards" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
- r. Paragraph ".15h" is replaced with ".15i."
- s. Paragraph .15h is added:
- The city and state (or city and country, in the case of non-U.S. auditors) from which the auditor's report has been issued.
- t. Footnote 13a is added to the end of the added paragraph .15h:
- See footnote 5a.
- u. In paragraph .17, the reference to "section 508, *Reports on Audited Financial Statements*, paragraph .11" is replaced with "AS 3101.11."
- v. Following paragraph .18:
- In the first sentence of the second paragraph in the Independent Auditor's Report titled, "Report Relating to Accounts Receivable," the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
 - In the first sentence of the second paragraph in the Independent Auditor's Report titled, "Report Relating to Amount of Sales for the Purpose of Computing Rental," the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
 - In the first sentence of the second paragraph in the Independent Auditor's Report titled, "Report Relating to Royalties," the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."



PCAOB Release No. 2014-001

May 7, 2014

Appendix 4 – Proposed Amendments

Page A4–121

- In the example Independent Auditor's Report titled, "Report on Profit Participation":
 - In the first sentence of the first paragraph, the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
 - In the first sentence of the second paragraph, the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board."
- In the example Independent Auditor's Report titled, "Report on Federal and State Income Taxes Included in Financial Statements":
 - In the first sentence of the first paragraph, the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
 - In the first sentence of the second paragraph, the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board."
- w. In footnote 18 to paragraph .19, the reference to "section 801, *Compliance Auditing Applicable to Governmental Entities and Other Specified Recipients of Governmental Financial Assistance*" is replaced with "AS 6110, *Compliance Auditing Considerations in Audits of Recipients of Governmental Financial Assistance*."
- x. In the first sentence of paragraph .20b:
 - The phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
 - The parenthetical phrase "auditing standards generally accepted in the United States of America or U.S. generally accepted auditing standards" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
- y. Paragraph ".20g" is replaced with ".20h."



z. Paragraph .20g is added:

The city and state (or city and country, in the case of non-U.S. auditors) from which the auditor's report has been issued.

aa. Footnote 20a is added to the end of the added paragraph .20g:

See footnote 5a.

bb. Following paragraph .21:

- In the first sentence of the example Independent Auditor's Report titled, "Report on Compliance With Contractual Provisions Given in a Separate Report," the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
- In the first sentence of the example Independent Auditor's Report titled, "Report on Compliance With Regulatory Requirements Given a Separate Report When the Auditor's Report on the Financial Statements Included an Explanatory Paragraph Because of an Uncertainty," the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."

cc. In the fourth sentence of paragraph .24, the parenthetical reference is deleted.

dd. In item (1) of paragraph .25c:

- The phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
- The parenthetical phrase "auditing standards generally accepted in the United States of America or U.S. generally accepted auditing standards" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."

ee. Paragraph ".25h" is replaced with ".25i."

ff. Paragraph .25h is added:



The city and state (or city and country, in the case of non-U.S. auditors) from which the auditor's report has been issued.

gg. Footnote 28a is added to the end of the added paragraph .25h:

See footnote 5a.

hh. Following paragraph .26:

- In the first sentence of the second paragraph of the example Independent Auditor's Report titled, "Report on a Schedule of Gross Income and Certain Expenses to Meet a Regulatory Requirement and to Be Included in a Document Distributed to the General Public," the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
- In the first sentence of the second paragraph of the example Independent Auditor's Report titled, "Report on a Statement of Assets Sold and Liabilities Transferred to Comply With a Contractual Agreement," the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."

ii. In item (1) of paragraph .29c:

- The phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
- The parenthetical phrase "auditing standards generally accepted in the United States of America or U.S. generally accepted auditing standards" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."

jj. Paragraph ".29f" is replaced with ".29j."

kk. Paragraph .29i is added:

The city and state (or city and country, in the case of non-U.S. auditors) from which the auditor's report has been issued.

ll. Footnote 33a is added to the end of the added paragraph .29i:



See footnote 5a.

- mm. In the first sentence of the second paragraph of the example Independent Auditor's Report following paragraph .30, the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
- nn. In the last sentence of paragraph .31a, the reference to "section 508, *Reports on Audited Financial Statements*, paragraphs .16 through .18" is replaced with "AS 3101.16 through .18."
- oo. In the first sentence of footnote 39 to paragraph .31b, the reference to "section 341, *The Auditor's Consideration of an Entity's Ability to Continue as a Going Concern*" is replaced with "AS 2415, *Consideration of an Entity's Ability to Continue as a Going Concern*."
- pp. In the last sentence of paragraph .31c, the reference to "section 508, *Reports on Audited Financial Statements*, paragraphs .12 and .13" is replaced with "AS 3101.12 and .13."
- qq. In the last sentence of paragraph .31d, the reference to "section 508, *Reports on Audited Financial Statements*, paragraphs .68 and .69" is replaced with "AS 3101.68 and .69."

AU sec. 9623, "Special Reports: Auditing Interpretations of Section 623"

AU sec. 9623, "Special Reports: Auditing Interpretations of Section 623," as amended, is amended as follows:

- a. The section number "AU Section 9623" is replaced with "AI 24."
- b. The title "Special Reports: Auditing Interpretations of Section 623" is replaced with "Special Reports: Auditing Interpretations of AS 3305."
- c. Footnote * to paragraphs [.01–.08], is deleted.
- d. In paragraphs [.09–.10], the parenthetical reference to "section 623" is replaced with "AS 3305, *Special Reports*."
- e. In paragraphs [.15–.16], the parenthetical reference is deleted.
- f. In paragraphs [.17–.25], the parenthetical reference to "section 623" is replaced with "AS 3305."



- g. In paragraphs [.26–.31], the parenthetical reference to "section 623" is replaced with "AS 3305."
- h. In paragraphs [.32–.33], the parenthetical reference is deleted.
- i. In paragraphs [.34–.39], the parenthetical reference to "section 623" is replaced with "AS 3305."
- j. In paragraph .41, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
- k. In paragraph .42:
 - In the first sentence, the reference to "Section 623.11 through .18" is replaced with "AS 3305.11 through .18."
 - In the Illustrative report:
 - The first paragraph is deleted.
 - The phrase "City and State or Country" is added below the term "Signature."
- l. Paragraphs .44 through .46 are deleted.
- m. The last sentence of paragraph .47 is deleted.
- n. In paragraph .50, the parenthetical reference to "section 623, *Special Reports*, paragraph .08" is replaced with "AS 3305.08."
- o. In paragraph .51, each reference to "Section 623" or "section 623" is replaced with "AS 3305."
- p. In the Independent Auditor's Report in paragraph .52:
 - In the first sentence of the second paragraph, the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
 - The phrase "[*City and State or Country*]" is added below the term "[*Signature*]."



- q. In the first sentence of paragraph .53, the parenthetical reference to "section 623.08" is replaced with "AS 3305.08."
- r. In the last sentence of footnote 10 to paragraph .55:
- The reference to "section 508" is replaced with "AS 3101."
 - The phrase ", and the applicable industry audit guide" is deleted.
- s. In the first sentence of paragraph .57, the reference to "section 623, *Special Reports*, paragraph .29" is replaced with "AS 3305.29."
- t. In the Independent Auditor's Report in paragraph .58:
- In the first sentence of the second paragraph, the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
 - The phrase "[*City and State or Country*]" is added below the term "[*Signature*]."
- u. In paragraph .61:
- In the first sentence, the reference to "section 623, *Special Reports*, paragraph .04" is replaced with "AS 3305.04."
 - In the second sentence, the reference to "Section 623.09" is replaced with "AS 3305.09."
 - In the fourth sentence, the reference to "section 411, *The Meaning of Present Fairly in Conformity With Generally Accepted Accounting Principles*, paragraph .04" is replaced with "paragraph .04 of AS 2815, *The Meaning of Present Fairly in Conformity with Generally Accepted Accounting Principles*."
 - In the first bracketed sentence, the reference to "section 411" is replaced with "AS 2815."
- v. In paragraph .62:
- In the first sentence:



- The reference to "Section 623.02" is replaced with "AS 3305.02."
 - The phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
 - In the second sentence:
 - The phrase "Thus, in accordance with the third standard of reporting," is deleted.
 - The quotation marks are deleted.
 - The first "i" in "informative" is capitalized.
- w. In paragraph .64:
- In the first sentence the reference to "Section 623.09 and .10" is replaced with "AS 3305.09 and .10."
 - In the last sentence, the reference to "Section 623.10" is replaced with "AS 3305.10."
- x. In the third sentence of paragraph .82, the reference to "Section 623, *Special Reports*, paragraph .22" is replaced with "AS 3305.22."
- y. In the last sentence of paragraph .83, the reference to "section 508, *Reports on Audited Financial Statements*, paragraphs .35–.44 and .58–.60" is replaced with "AS 3101.35–.44 and .58–.60."
- z. In the last sentence of paragraph .85, the reference to "section 623.22–.26" is replaced with "AS 3305.22–.26."
- aa. In the first sentence of paragraph .86, the reference to "section 508.35–.44 and .58–.60" is replaced with "AS 3101.35–.44 and .58–.60."
- bb. In paragraph .90:
- In the first sentence, the reference to "Section 623, *Special Reports*, paragraph .10" is replaced with "AS 3305.10."
 - Each reference to "section 623.10" is replaced with "AS 3305.10."

AU sec. 625, "Reports on the Application of Accounting Principles"



SAS No. 50, "Reports on the Application of Accounting Principles" (AU sec. 625, "Reports on the Application of Accounting Principles"), as amended, is amended as follows:

- a. The section number "AU Section 625" is replaced with "AS 6105."
- b. In the last sentence of footnote 1 to paragraph .01, the reference to "section 623, *Special Reports*, paragraph .04" is replaced with "paragraph .04 of AS 3305, *Special Reports*."
- c. Footnote 3 to paragraph .02 is deleted.
- d. In paragraph .08, the parenthetical reference to "section 411, *The Meaning of Present Fairly in Conformity With Generally Accepted Accounting Principles*" is replaced with "AS 2815, *The Meaning of 'Present Fairly in Conformity with Generally Accepted Accounting Principles*."
- e. In the fifth sentence of paragraph .09, the reference to "section 315, *Communications Between Predecessor and Successor Auditors*, paragraph .10" is replaced with "paragraph .10 of AS 2610, *Initial Audits—Communications Between Predecessor and Successor Auditors*."
- f. In paragraph .10a, the phrase "applicable AICPA standards" is replaced with "the standards of the PCAOB."
- g. The first sentence of footnote 7 to paragraph .10f is deleted.
- h. In the last sentence of the paragraph following the subheading "*Introduction*" following paragraph .11, the phrase "standards established by the American Institute of Certified Public Accountants" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."

AU sec. 634, "Letters for Underwriters and Certain Other Requesting Parties"

SAS No. 72, "Letters for Underwriters and Certain Other Requesting Parties" (AU sec. 634, "Letters for Underwriters and Certain Other Requesting Parties"), as amended, is amended as follows:

- a. The section number "AU Section 634" is replaced with "AS 6101."
- b. In the references before paragraph .01, the phrase "(Supersedes SAS No. 49)" is deleted.



- c. In footnote 3 to paragraph .03, the parenthetical reference to "section 9634.01–.09" is replaced with "paragraphs .01–.09 of AI 27, *Letters for Underwriters and Certain Other Requesting Parties: Auditing Interpretations of AS 6101*."
- d. In paragraph .09b:
- In the first sentence, the phrase "generally accepted auditing standards" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
 - In the last sentence, the phrase "standards established by the American Institute of Certified Public Accountants" is replaced with "the standards of the Public Company Accounting Oversight Board."
- e. In paragraph .12:
- Each phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
 - In footnote 8, the parenthetical reference to "section 9711.12–.15" is replaced with "paragraphs .12–.15 of AI 26, *Responsibilities Regarding Filings Under Federal Securities Statutes: Auditing Interpretations of AS 4101*."
 - In the first sentence of footnote 9, the reference to "section 711, *Filings Under Federal Securities Statutes*" is replaced with "AS 4101, *Responsibilities Regarding Filings Under Federal Securities Statutes*."
- f. In the first sentence of footnote 13 to paragraph .16, the reference to "SAS No. 71 [section 722]" is replaced with "AS 4105, *Reviews of Interim Financial Information*."
- g. In the first sentence of footnote 18 to paragraph .27:
- The parenthetical reference to "section 722.50" is replaced with "AS 4105.50."
 - The reference to "section 558, *Required Supplementary Information*, paragraphs .08 through .11" is replaced with



"paragraphs .08 through .11 of AS 2705, *Unaudited Supplementary Information Included in Audited Financial Statements*."

- h. In the first sentence of footnote 20 to paragraph .28, the reference to "section 530, *Dating of the Independent Auditor's Report*, paragraphs .03 through .08" is replaced with "AS 3105.03 through .08."
- i. In paragraphs .29a and b, each parenthetical reference to "section 552" is replaced with "AS 3315."
- j. In paragraph .29c, the parenthetical reference to "section 722" is replaced with "AS 4105."
- k. In the fifth sentence of paragraph .29, the reference to "section 325" is replaced with "AS 1305."
- l. In paragraph .30:
 - In the first sentence:
 - The reference to "section 722" is replaced with "AS 4105."
 - The reference to "section 558, *Required Supplementary Information*," is replaced with "AS 2705."
 - In the second sentence:
 - The reference to "Section 722" is replaced with "AS 4105."
 - The reference to "section 558" is replaced with "AS 2705."
 - In the fifth sentence, the reference to "sections 722 and 558" is replaced with "AS 4105 and AS 2705."
- m. In paragraph .31, the sixth and seventh sentences are deleted.
- n. In paragraphs .35a and b, each reference to "SAS No. 71 [section 722]" is replaced with "AS 4105."
- o. In paragraph .37:
 - Each reference to "section 722" is replaced with "AS 4105."



- In the second sentence of footnote 28, the reference to "section 722" is replaced with "AS 4105."
- p. In the first sentence of paragraph .38, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
- q. In paragraphs .39a and b, each reference to "SAS No. 71 [section 722]" is replaced with "AS 4105."
- r. In the third sentence of paragraph .42, the reference to "SAS No. 71 [section 722]" is replaced with "AS 4105."
- s. In the second bullet of paragraph .46, the reference to "SAS No. 71 [section 722]" is replaced with "AS 4105."
- t. In paragraph .59:
 - In the fourth sentence, the parenthetical reference to "(see section 435, *Segment Information*)" is deleted.
 - In the first sentence of footnote 34, the reference to "section 558" is replaced with "AS 2705."
- u. In paragraph .64:
 - Following subtitle "Example A: Typical Comfort Letter":
 - In the third sentence of the second paragraph following item 2d, the reference to "section 722" is replaced with "AS 4105, *Reviews of Interim Financial Information*."
 - In item 4a(i) of the letter in Example A:
 - The phrase "American Institute of Certified Public Accountants" is replaced with "Public Company Accounting Oversight Board (United States)."
 - The reference to "SAS No. 71, *Interim Financial Information*" is replaced with "AS 4105, *Reviews of Interim Financial Information*."
 - In the first sentence following item 4b(ii) of the letter in Example A, the phrase "generally accepted auditing



PCAOB Release No. 2014-001

May 7, 2014

Appendix 4 – Proposed Amendments

Page A4–132

- standards" is replaced with "the standards of the Public Company Accounting Oversight Board."
- In footnote 6 to item 5a(i) of the letter in Example A, the reference to "Section 722" is replaced with "AS 4105."
 - Following the subtitle "Example B: Letter When a Short-Form Registration Statement Is Filed Incorporating Previously Filed Forms 10-K and 10-Q by Reference":
 - In item 4a(i) of the letter in Example B:
 - The phrase "American Institute of Certified Public Accountants" is replaced with "Public Company Accounting Oversight Board (United States)."
 - The reference to "SAS No. 71, *Interim Financial Information*" is replaced with "AS 4105, *Reviews of Interim Financial Information*."
 - In the first sentence following item 4b(ii) of the letter in Example B, the phrase "generally accepted auditing standards" is replaced with "the standards of the Public Company Accounting Oversight Board."
 - In the third sentence of item 5, (following the subtitle "Example D: Comments on Pro Forma Financial Information"), the reference to "SAS No. 71 [section 722]" is replaced with "AS 4105."
 - In item 8 (following the subtitle "Example E: Comments on a Financial Forecast"):
 - In the first sentence, the reference to "AICPA" is replaced with "AT section 301, *Financial Forecasts and Projections*."
 - Each phrase "standards established by the American Institute of Certified Public Accountants" is replaced with "the standards of the Public Company Accounting Oversight Board."
 - In the first sentence of footnote 10 to item 7 (following the subtitle "Example F: Comments on Tables, Statistics, and Other Financial



Information—Complete Description of Procedures and Findings"), the reference to "section 552" is replaced with "AS 3315."

- Following the subtitle "Example L: Alternate Wording When Recent Earnings Data Are Presented in Capsule Form":
 - In the first sentence of item 13, the reference to "section 722" is replaced with "AS 4105."
 - In item 4a(i) of the letter in Example L:
 - The phrase "American Institute of Certified Public Accountants" is replaced with "Public Company Accounting Oversight Board (United States)."
 - The reference to "SAS No. 71, *Interim Financial Information*" is replaced with "AS 4105, *Reviews of Interim Financial Information*."
 - In item 4b(ii) of the letter in Example L:
 - The phrase "American Institute of Certified Public Accountants" is replaced with "Public Company Accounting Oversight Board."
 - The reference to "SAS No. 71, *Interim Financial Information*," is replaced with "AS 4105."
 - In the first sentence following item 4b(iii) of the letter in Example L, the phrase "generally accepted auditing standards" is replaced with "the standards of the Public Company Accounting Oversight Board."
- The subtitle "Example O: Alternate Wording When the Procedures That the Underwriter Has Requested the Accountant to Perform on Interim Financial Information Are Less Than an SAS No. 71 Review" is replaced with "Example O: Alternate Wording When the Procedures That the Underwriter Has Requested the Accountant to Perform on Interim Financial Information Are Less Than an AS 4105 Review:"
- Following the subtitle "Example O: Alternate Wording When the Procedures That the Underwriter Has Requested the Accountant to



Perform on Interim Financial Information Are Less Than an SAS No. 71 Review":

- In the third sentence of item 16, the reference to "SAS No. 71 [section 722]" is replaced with "AS 4105."
- In the first sentence following item 4c of the letter in Example O, the phrase "generally accepted auditing standards" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
- In the second paragraph to item 6 of the letter in Example O:
 - In the first sentence:
 - The phrase "standards established by the American Institute of Certified Public Accountants" is replaced with "the standards of the Public Company Accounting Oversight Board."
 - The reference to "AICPA" is replaced with "AT section 301, Financial Forecasts and Projections,."
 - In the last sentence, the phrase "standards established by the AICPA" is replaced with "the standards of the Public Company Accounting Oversight Board."
- Following the subtitle "Example P: A Typical Comfort Letter in a Non-1933 Act Offering, Including the Required Underwriter Representations":
 - In the third sentence of item 17, the reference to "SAS No. 71 [section 722]" is replaced with "AS 4105."
 - In the first sentence of item 6, the phrase "generally accepted auditing standards" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
- In item 6 of the letter in Example Q:



- In the first sentence, the phrase "generally accepted auditing standards" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
- In the last sentence, the phrase "standards established by the American Institute of Certified Public Accountants" is replaced with "the standards of the Public Company Accounting Oversight Board."
- Following the subtitle "Example R: Comfort Letter That Includes Reference to Examination of Annual MD&A and Review of Interim MD&A":
 - In the fifth sentence of item 19, the reference to "section 722" is replaced with "AS 4105."
 - In the first sentence following item 5b(ii) of the letter in Example R, the phrase "generally accepted auditing standards" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."

AU sec. 9634, "Letters for Underwriters and Certain Other Requesting Parties: Auditing Interpretations of Section 634"

AU sec. 9634, "Letters for Underwriters and Certain Other Requesting Parties: Auditing Interpretations of Section 634," as amended, is amended as follows:

- a. The section number "AU Section 9634" is replaced with "AI 27."
- b. The title "Letters for Underwriters and Certain Other Requesting Parties: Auditing Interpretations of Section 634" is replaced with "Letters for Underwriters and Certain Other Requesting Parties: Auditing Interpretations of AS 6101."
- c. In paragraph .03, the parenthetical reference to "section 634.33" is replaced with "paragraph .33 of AS 6101, *Letters for Underwriters and Certain Other Requesting Parties*."
- d. In the first sentence of paragraph .04:
 - The phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."



- The parenthetical reference to "section 550" is replaced with "AS 2710, *Other Information in Documents Containing Audited Financial Statements.*"
- e. In paragraph .05:
- In the third sentence:
 - The reference to "section 634" is replaced with "AS 6101."
 - The reference to "section 634.54–.60" is replaced with "AS 6101.54–.60."
 - In the first sentence of footnote 3, the reference to "Section 634.12" is replaced with "AS 6101.12."
 - In the fourth sentence, the reference to "section 634.55" is replaced with "AS 6101.55."
 - In the fifth sentence, the reference to "section 634.55 and .57" is replaced with "AS 6101.55 and .57."
- f. In paragraph .06, each reference to "section 634.57" or "Section 634.57" is replaced with "AS 6101.57."
- g. In the last sentence of paragraph .07, the reference to "section 634.55" is replaced with "AS 6101.55."
- h. In the last sentence of paragraph .09, the reference to "section 634.31" is replaced with "AS 6101.31."
- i. In the first sentence of paragraph .16, the reference to "Section 634, *Letters for Underwriters and Certain Other Requesting Parties*, paragraph .57," is replaced with "AS 6101.57."
- j. In the first sentence of paragraph .18, the reference to "Section 634.55" is replaced with "AS 6101.55."
- k. In the third sentence of paragraph .19, the reference to "section 634.55" is replaced with "6101.55."
- l. In paragraph .29:



- In the first sentence, the reference to "section 634.64" is replaced with "6101.64."
- In the last sentence of footnote 4 to the table following paragraph .29, the reference to "section 634.55" is replaced with "AS 6101.55."

AU sec. 711, "Filings Under Federal Securities Statutes"

SAS No. 37, "Filings Under Federal Securities Statutes" (AU sec. 711, "Filings Under Federal Securities Statutes"), as amended, is amended as follows:

- a. The section number "AU Section 711" is replaced with "AS 4101."
- b. The title "Filings Under Federal Securities Statutes" is replaced with "Responsibilities Regarding Filings Under Federal Securities Statutes."
- c. Footnote * to the title of the standard is deleted.
- d. In the note to paragraph .02, the reference to "paragraphs C16–C17 of Appendix C, *Special Reporting Situations*, of PCAOB Auditing Standard No. 5" is replaced with "paragraphs .C16–.C17 of Appendix C, *Special Reporting Situations*, of AS 2201."
- e. In the fourth sentence of paragraph .10, the reference to "section 560.12" is replaced with "paragraph .12 of AS 2801, *Subsequent Events*."
- f. In the last sentence of paragraph .11, the parenthetical reference to "section 508" is replaced with "AS 3101, *Reports on Audited Financial Statements*."
- g. In paragraph .12:
 - In the first sentence, the references to "sections 560 and 561" are replaced with "AS 2801 and AS 2905, *Subsequent Discovery of Facts Existing at the Date of the Auditor's Report*."
 - In the second sentence, the reference to "sections 530.05 and 530.07 and .08" is replaced with "paragraph .05 of AS 3105, *Dating of the Independent Auditor's Report*, and AS 3105.07 and .08."
 - In the third sentence, the reference to "section 561.08 and .09" is replaced with "AS 2905.08 and .09."



- h. In paragraph .13a:
- The reference to "section 561" is replaced with "AS 2905."
 - The parenthetical reference to "section 722.46" is replaced with paragraph .46 of AS 4105, *Reviews of Interim Financial Information*."

AU sec. 9711, "Filings Under Federal Securities Statutes: Auditing Interpretations of Section 711"

AU sec. 9711, "Filings Under Federal Securities Statutes: Auditing Interpretations of Section 711," as amended, is amended as follows:

- a. The section number "AU Section 9711" is replaced with "AI 26."
- b. The title "Filings Under Federal Securities Statutes: Auditing Interpretations of Section 711" is replaced with "Responsibilities Regarding Filings Under Federal Securities Statutes: Auditing Interpretations of AS 4101."
- c. In paragraph .03:
- In the first sentence, the reference to "Section 711, *Filings Under Federal Securities Statutes*, paragraph .05" is replaced with "Paragraph .05 of AS 4101, *Responsibilities Regarding Filings Under Federal Securities Statutes*."
 - In the last sentence, the reference to "section 711.10 and .11" is replaced with "AS 4101.10 and .11."
- d. In paragraph .05, the reference to "section 711.10 and .11" is replaced with "AS 4101.10 and .11."
- e. In paragraph .09:
- In the second sentence, the parenthetical reference to "section 552, *Reporting on Condensed Financial Statements and Selected Financial Data*, paragraph .08" is replaced with "paragraph .08 of AS 3315, *Reporting on Condensed Financial Statements and Selected Financial Data*."



- In the last sentence, the parenthetical reference to "section 711.10 and .11" is replaced with "AS 4101.10 and .11."
- f. In paragraph .10:
- In the first sentence, the reference to "section 711" is replaced with "AS 4101."
 - In the last sentence, the reference to "section 711.10 and .11" is replaced with "AS 4101.10 and .11."
- g. In the last sentence of paragraph .11, the reference to "Section 711.12 and .13" is replaced with "AS 4101.12 and .13."

AU sec. 722, "Interim Financial Information"

SAS No. 100, "Interim Financial Information" (AU sec. 722, "Interim Financial Information"), as amended, is amended as follows:

- a. The section number "AU Section 722" is replaced with "AS 4105."
- b. The title "Interim Financial Information" is replaced with "Reviews of Interim Financial Information."
- c. In the references before paragraph .01, the phrase "(Supersedes SAS No. 71)" is deleted.
- d. In the second sentence of paragraph .01:
- The word "three" is deleted.
 - The phrase "discussed in section 150, *Generally Accepted Auditing Standards*, paragraph .02)," is deleted.
 - Footnote 1a is added following the term "standards":

See AS 1005, *Independence*, AS 1010, *Training and Proficiency of the Independent Auditor*, and AS 1015, *Due Professional Care in the Performance of Work*.
- e. In the first sentence of paragraph .04, the reference to "Section 315, *Communications Between Predecessor and Successor Auditors*" is replaced with "AS 2610, *Initial Audits—Communications Between Predecessor and Successor Auditors*."



- f. In footnote 5 to paragraph .05, the last sentence is deleted.
- g. In the second sentence of paragraph .07, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
- h. In the eighth bullet of paragraph .09:
 - In the first sentence, the phrase "standards established by the AICPA" is replaced with "the standards of the PCAOB."
 - In the third sentence, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
- i. In the first sentence of footnote 7 to paragraph .11, the reference to "Paragraphs 10 through 23 of Auditing Standard No. 14" is replaced with "Paragraphs .10 through .23 of AS 2810."
- j. In the third sentence of paragraph .13, the reference to "Auditing Standard No. 12" is replaced with "AS 2110."
- k. In the last sentence of paragraph .16, the reference to "section 329" is replaced with "AS 2305."
- l. In footnote 11 to paragraph .18*b*, the parenthetical reference to "section 543, *Part of Audit Performed by Other Independent Auditors*" is replaced with "AS 1205, *Part of the Audit Performed by Other Independent Auditors*."
- m. In the last sentence of paragraph .18*f*, the reference to "section 550, *Other Information in Documents Containing Audited Financial Statements*, paragraphs .04 through .06)" is replaced with "paragraphs .04 through .06 of AS 2710, *Other Information in Documents Containing Audited Financial Statements*."
- n. In the first sentence of footnote 15 to paragraph .21, the reference to "section 341, *The Auditor's Consideration of an Entity's Ability to Continue as a Going Concern*, paragraph .10" is replaced with "paragraph .10 of AS 2415, *Consideration of an Entity's Ability to Continue as a Going Concern*."
- o. In footnote 16 to paragraph .24, the reference to "section 333, *Management Representations*, paragraphs .08 through .12" is replaced



with "paragraphs .08 through .12 of AS 2805, *Management Representations*."

- p. In the last sentence of paragraph .30, the reference "paragraph 25 of Auditing Standard No. 16" is replaced with "paragraph .25 of AS 1301."
- q. In paragraph .32:
- The reference to "AU sec. 316" is replaced with "AS 2401."
 - The reference to "AU sec. 317" is replaced with "AS 2405."
- r. In paragraph .34:
- In the first sentence, the reference to "Auditing Standard No. 16, *Communications with Audit Committees*" is replaced with "AS 1301."
 - In the fourth sentence, the reference to "paragraph 12 of Auditing Standard No. 16, *Communications with Audit Committees*" is replaced with "AS 1301.12."
- s. In the last sentence of paragraph .36, the reference to "paragraph 25 of Auditing Standard No. 16, *Communications with Audit Committees*" is replaced with "AS 1301.25."
- t. In paragraph .37*d*, the phrase "standards established by the AICPA" is replaced with "the standards of the PCAOB."
- u. In paragraph .37*f*, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
- v. Paragraph ".37*i*" is replaced with ".37*j*."
- w. Paragraph .37*i* is added:
- The city and state (or city and country, in the case of non-U.S. auditors) from which the auditor's report has been issued.
- x. Footnote 24a is added to the end of the added paragraph .37*i*:
- See SEC Rule 2-02(a) of Regulation S-X, 17 C.F.R. § 210.2-02(a).
- y. In footnote 25 to paragraph .37*i*:



- The reference to "sections 530" is replaced with "AS 3105."
 - The reference to "560" is replaced with "AS 2801."
- z. In the Independent Accountant's Report following paragraph .38:
- In the first sentence of the second paragraph, the phrase "standards established by the American Institute of Certified Public Accountants" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
 - In the third sentence of the second paragraph, the phrase "generally accepted auditing standards" is replaced with "the standards of the Public Company Accounting Oversight Board."
 - The phrase "[*City and State or Country*]" is added following the term "[*Signature*]."
- aa. In the Independent Accountant's Report following paragraph .39:
- In the first sentence of the second paragraph, the phrase "standards established by the American Institute of Certified Public Accountants" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
 - In the third sentence of the second paragraph, the phrase "generally accepted auditing standards" is replaced with "the standards of the Public Company Accounting Oversight Board."
 - The phrase "[*City and State or Country*]" is added following the term "[*Signature*]."
- bb. In footnote 29 to paragraph .40, the reference to "section 543, *Part of Audit Performed by Other Independent Auditors*" is replaced with "AS 1205."
- cc. In the Independent Accountant's Report following paragraph .40:
- In the first sentence of the third paragraph, the phrase "standards established by the American Institute of Certified Public Accountants" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."



- In the third sentence of the third paragraph, the phrase "generally accepted auditing standards" is replaced with "the standards of the Public Company Accounting Oversight Board."
 - The phrase "[*City and State or Country*]" is added following the term "[*Signature*]."
- dd. In footnote 30 to paragraph .41, the reference to "section 508, *Reports on Audited Financial Statements*, paragraph .15" is replaced with "paragraph .15 of AS 3101, *Reports on Audited Financial Statements*."
- ee. In the first sentence of footnote 32 to paragraph .43, the reference to "section 341, *The Auditor's Consideration of an Entity's Ability to Continue as a Going Concern*, paragraph .10" is replaced with "AS 2415.10."
- ff. In the last sentence of paragraph .46, the reference to "section 561" is replaced with "AS 2905."
- gg. In the last sentence of paragraph .50d, the phrase "standards established by the American Institute of Certified Public Accountants" is replaced with "the standards of the Public Company Accounting Oversight Board."
- hh. In Appendix B, footnote 36 to bullet 15 of item B1 in paragraph .55, the reference to "section 342, *Auditing Accounting Estimates*, paragraphs .05 and .06" is replaced with "paragraphs .05 and .06 of AS 2501, *Auditing Accounting Estimates*."
- ii. In Appendix C of paragraph .56:
- In item C2:
 - In the third sentence, the reference to "section 333" is replaced with "AS 2805."
 - The last sentence is deleted.
 - In the second sentence of item C5:
 - A left parenthesis is added before the term "Examples."
 - The reference to "section 316" is replaced with "AS 2401."
 - The reference to "section 334" is replaced with "AS 2410."



- In the last sentence of item C6, the reference "section 333.08" is replaced with "AS 2805.08."
- In the second bracketed sentence of paragraph 15 of the second management representation letter titled "Illustrative Representation Letter for a Review of Interim Financial Information (Statements)," the reference to "*section 333, Management Representations, paragraph .17*)" is replaced with "*paragraph .17 of AS 2805, Management Representations.*"

AU sec. 801, "Compliance Auditing Considerations in Audits of Governmental Entities and Recipients of Governmental Financial Assistance"

SAS No. 74, "Compliance Auditing Considerations in Audits of Governmental Entities and Recipients of Governmental Financial Assistance" (AU sec. 801, "Compliance Auditing Considerations in Audits of Governmental Entities and Recipients of Governmental Financial Assistance"), as amended, is amended as follows:

- a. The section number "AU Section 801" is replaced with "AS 6110."
- b. The title "Compliance Auditing Considerations in Audits of Governmental Entities and Recipients of Governmental Financial Assistance" is replaced with "Compliance Auditing Considerations in Audits of Recipients of Governmental Financial Assistance."
- c. In the references before paragraph .01, the phrase "(Supersedes SAS No. 68)" is deleted.
- d. In paragraph .01, in the first sentence, the phrase "generally accepted auditing standards (GAAS)" is replaced with "the standards of the PCAOB."
- e. Footnote 5 to paragraph .02 is deleted.
- f. In paragraph .02a, the reference to "section 317" is replaced with "AS 2405."
- g. In the first sentence of paragraph .06:
 - The reference to "Section 317" is replaced with "AS 2405."
 - The term "GAAS" is replaced with "the standards of the PCAOB."



- h. In the first sentence of paragraph .09, the term "GAAS" is replaced with "the standards of the PCAOB."
- i. In paragraph .10a, the term "GAAS" is replaced with "the standards of the PCAOB."
- j. In the last sentence of paragraph .11, the term "GAAS" is replaced with "the standards of the PCAOB."
- k. Footnote 12 to paragraph .12 is deleted.
- l. Footnote 14 to paragraph .16 is deleted.
- m. In the first sentence of footnote 15 to paragraph .17c, the term "GAAS" is replaced with "the standards of the PCAOB."
- n. In the last sentence of paragraph .18, the reference to "section 350" is replaced with "AS 2315."
- o. In paragraph .22:
 - In the first sentence, the term "GAAS" is replaced with "The standards of the PCAOB."
 - In the second sentence:
 - The phrase "a GAAS" is replaced with "an."
 - The phrase "in accordance with the standards of the PCAOB" is added following the term "statements."
 - The second term "GAAS" is replaced with "the standards of the PCAOB."
 - In the last sentence, the term "GAAS" is replaced with "the standards of the PCAOB."
- p. In the last sentence of paragraph .23, the reference to "section 317" is replaced with "AS 2405."

AU sec. 901, "Public Warehouses—Controls and Auditing Procedures for Goods Held"



SAS No. 1, "Codification of Auditing Standards and Procedures" (AU sec. 901, "Public Warehouses—Controls and Auditing Procedures for Goods Held"), as amended, is rescinded.

Attestation Standards

Attestation Standard No. 1, "Examination Engagements Regarding Compliance Reports of Brokers and Dealers"

Attestation Standard No. 1, "Examination Engagements Regarding Compliance Reports of Brokers and Dealers," is amended as follows:

- a. In footnote 8 to paragraph 4, the reference to "Auditing Standard No. 15" is replaced with "AS 1105."
- b. In the second note to paragraph 6, the reference to "Auditing Standard No. 3" is replaced with "AS 1215."
- c. In the first sentence of footnote 12 to paragraph 8, the reference to "Auditing Standard No. 17" is replaced with "AS 2701."
- d. In footnote 18 to paragraph 35, the reference to "Auditing Standard No. 16" is replaced with "AS 1301."
- e. In footnote 3 to paragraph C10, the reference to "AU sec. 317" is replaced with "AS 2405."

Attestation Standard No. 2, "Review Engagements Regarding Exemption Reports of Brokers and Dealers"

Attestation No. 2, "Review Engagements Regarding Exemption Reports of Brokers and Dealers," is amended as follows:

- a. In the second note to paragraph 5, the reference to "Auditing Standard No. 3" is replaced with "AS 1215."
- b. In the first sentence of footnote 9 to paragraph 7, the reference to "Auditing Standard No. 17" is replaced with "AS 2701."
- c. In footnote 12 to paragraph 15, the reference to "Auditing Standard No. 16" is replaced with "AS 1301."

AT sec. 101, "Attestation Engagements"



AT sec. 101, "Attestation Engagements," as amended, is amended as follows:

- a. The following note is added at the end of paragraph .01:

Note: In connection with an engagement performed in accordance with this attestation standard, whenever the practitioner is required to make reference in a report to attestation standards established by the American Institute of Certified Public Accountants, the practitioner must instead refer to "the standards of the Public Company Accounting Oversight Board (United States)." A practitioner must also include the city and state (or city and country, in the case of non-U.S. practitioners) from which the practitioner's report has been issued.

- b. In the last sentence of paragraph .04f, the reference to "PCAOB Auditing Standard No. 4" is replaced with "AS 6115."
- c. In paragraph .91:
- The parenthetical reference to "AU section 634" is replaced with "AS 6101."
 - The parenthetical reference to "AU section 711, *Filings Under Federal Securities Statutes*" is replaced with "AS 4101, *Responsibilities Regarding Filings Under Federal Securities Statutes*."
- d. In the last sentence of paragraph .99, the reference to "AU section 561" is replaced with "AS 2905."

AT sec. 9101, "Attest Engagements: Attest Engagements Interpretations of Section 101"

AT sec. 9101, "Attest Engagements: Attest Engagements Interpretations of Section 101," is amended as follows:

- a. In the last sentence of paragraph .12, the reference to "AU section 322, *The Auditor's Consideration of the Internal Audit Function in an Audit of Financial Statements*" is replaced with "AS 2605, *Consideration of the Internal Audit Function*."
- b. In the second bullet of paragraph .28, the reference to "AU section 722, *Interim Financial Information*" is replaced with "AS 4105, *Reviews of Interim Financial Information*."



- c. Paragraphs .43 and 44 are deleted.
- d. In footnote 7 to paragraph .45, the parenthetical reference to "AU section 9339.11–.15" is deleted.
- e. In footnote 12 to paragraph .46, the parenthetical reference to "AU section 9339.11–.15" is deleted.

AT sec. 201, "Agreed-Upon Procedures Engagements"

AT sec. 201, "Agreed-Upon Procedures Engagements," is amended as follows:

- a. The following note is added at the end of paragraph .01:

Note: In connection with an engagement performed in accordance with this attestation standard, whenever the practitioner is required to make reference in a report to attestation standards established by the American Institute of Certified Public Accountants, the practitioner must instead refer to "the standards of the Public Company Accounting Oversight Board (United States)." A practitioner must also include the city and state (or city and country, in the case of non-U.S. practitioners) from which the practitioner's report has been issued.

- b. In paragraph .02*b*, the reference to "AU section 623" is replaced with "AS 3305."
- c. In paragraph .02*c*, the reference to "AU section 801, *Compliance Auditing Considerations in Audits of Governmental Entities and Recipients of Governmental Financial Assistance*" is replaced with "AS 6110, *Compliance Auditing Considerations in Audits of Recipients of Governmental Financial Assistance*."
- d. In paragraph .02*d*, the reference to "AU section 324, *Service Organizations*, paragraph .58" is replaced with "paragraph .58 of AS 2601, *Consideration of an Entity's Use of a Service Organization*."
- e. In paragraph .02*e*, the reference to "AU section 634" is replaced with "AS 6101."
- f. In footnote 3 to paragraph .03, the reference to "AU section 623.11–.18" is replaced with "AS 3305.11–.18."
- g. In footnote 7 to paragraph .22, the reference to "AU section 322, *The Auditor's Consideration of the Internal Audit Function in an Audit of*



Financial Statements" is replaced with "AS 2605, *Consideration of the Internal Audit Function*."

- h. In footnote 13 to paragraph .31k:
- In the first sentence, the reference to "AU section 504, *Association With Financial Statements*" is replaced with "AS 3320, *Association with Financial Statements*."
 - In the second sentence:
 - The reference to "AU section 504.04" is replaced with "AS 3320.04."
 - The reference to "AU section 722, *Interim Financial Information*" is replaced with "AS 4105, *Reviews of Interim Financial Information*.)"
 - The reference to "AU section 504.05" is replaced with "AS 3320.05."
- i. In footnote 16 to paragraph .36, the reference to "AU section 530, *Dating of the Independent Auditor's Report*, paragraphs .06 and .07" is replaced with "paragraphs .06 and .07 of AS 3105, *Dating of the Independent Auditor's Report*."
- j. In footnote 18 to paragraph .40, the bracketed reference to "AU section 508" is replaced with "AS 3101."

AT sec. 301, "Financial Forecasts and Projections"

AT sec. 301, "Financial Forecasts and Projections," is amended as follows:

- a. The following note is added at the end of paragraph .01:

Note: In connection with an engagement performed in accordance with this attestation standard, whenever the practitioner is required to make reference in a report to attestation standards established by the American Institute of Certified Public Accountants, the practitioner must instead refer to "the standards of the Public Company Accounting Oversight Board (United States)." A practitioner must also include the city and state (or city and country, in the case of non-U.S. practitioners) from which the practitioner's report has been issued.



- b. In footnote 4 to paragraph .08e, the reference to "AU section 623" is replaced with "AS 3305."
- c. In footnote 12 to paragraph .23, the parenthetical reference to "AU section 9504.19–.22" is replaced with "paragraphs .19–.22 of AI 25, *Association with Financial Statements: Auditing Interpretations of AS 3320*."
- d. In paragraph .24:
 - In footnote 13, the reference to "AU section 504, *Association With Financial Statements*" is replaced with "AS 3320, *Association with Financial Statements*."
 - In footnote 14, the reference to "AU section 552" is replaced with "AS 3315."
- e. In paragraph .48:
 - In footnote 23, the reference to "AU section 504" is replaced with "AS 3320."
 - In footnote 24, the reference to "AU section 552" is replaced with "AS 3315."
- f. In footnote 26 to paragraph .52, the reference to "AU section 634" is replaced with "AS 6101."
- g. In paragraph .60:
 - In footnote 29:
 - In the first sentence, the reference to "AU section 550" is replaced with "AS 2710."
 - In the second sentence:
 - The reference to "AU section 550" is replaced with "AS 2710."
 - The bracketed reference to "AU section 711, *Filings Under Federal Securities Statutes*" is replaced with "AS 4101, *Responsibilities Regarding Filings Under Federal Securities Statutes*."



- In the last sentence, the reference to "AU section 550" is replaced with "AS 2710."
- h. In the first sentence of footnote 5 to item 11*d* of paragraph .70, Appendix C, the reference to "AU section 722, *Interim Financial Information*, paragraphs .13 through .19" is replaced with "paragraphs .13 through .19 of AS 4105, *Reviews of Interim Financial Information*."

AT sec. 401, "Reporting on Pro Forma Financial Information"

AT sec. 401, "Reporting on Pro Forma Financial Information," is amended as follows:

- a. The following note is added at the end of paragraph .01:

Note: In connection with an engagement performed in accordance with this attestation standard, whenever the practitioner is required to make reference in a report to attestation standards established by the American Institute of Certified Public Accountants, the practitioner must instead refer to "the standards of the Public Company Accounting Oversight Board (United States)." A practitioner must also include the city and state (or city and country, in the case of non-U.S. practitioners) from which the practitioner's report has been issued.

- b. In footnote 1 to paragraph .01:
 - In the first sentence, the reference to "AU section 634, *Letters for Underwriters and Certain Other Requesting Parties*, paragraphs .03 through .05" is replaced with "Paragraphs .03 through .05 of AS 6101, *Letters for Underwriters and Certain Other Requesting Parties*."
 - In the last sentence, the reference to "AU section 634.03" is replaced with "AS 6101.03."
- c. In paragraph .02, the reference to "AU section 550, *Other Information in Documents Containing Audited Financial Statements*, and AU section 711, *Filings Under Federal Securities Statutes*" is replaced with "AS 2710, *Other Information in Documents Containing Audited Financial Statements*, and AS 4101, *Responsibilities Regarding Filings Under Federal Securities Statutes*."
- d. In footnote 2 to paragraph .03:



- In the second sentence, the reference to "AU section 560, *Subsequent Events*, paragraph .05" is replaced with "paragraph .05 of AS 2801, *Subsequent Events*."
 - In the last sentence, the reference to "AU section 508, *Reports on Audited Financial Statements*, paragraph .28" is replaced with "paragraph .28 of AS 3101, *Reports on Audited Financial Statements*."
- e. In the second sentence of footnote 5 to paragraph .07*b*, the reference to "AU section 722, *Interim Financial Information*" is replaced with "AS 4105, *Reviews of Interim Financial Information*."

AT sec. 601, "Compliance Attestation"

AT sec. 601, "Compliance Attestation," as amended, is amended as follows:

- a. The following note is added at the end of paragraph .01:

Note: In connection with an engagement performed in accordance with this attestation standard, whenever the practitioner is required to make reference in a report to attestation standards established by the American Institute of Certified Public Accountants, the practitioner must instead refer to "the standards of the Public Company Accounting Oversight Board (United States)." A practitioner must also include the city and state (or city and country, in the case of non-U.S. practitioners) from which the practitioner's report has been issued.

- b. In paragraph .02:

- In item *b*, the reference to "AU section 623, *Special Reports*, paragraphs .19 through .21" is replaced with "paragraphs .19 through .21 of AS 3305, *Special Reports*."
- In item *c*, the reference to "AU section 801, *Compliance Auditing Considerations in Audits of Governmental Entities and Recipients of Governmental Financial Assistance*" is replaced with "AS 6110, *Compliance Auditing Considerations in Audits of Recipients of Governmental Financial Assistance*."
- In item *d*, the reference to "AU section 634" is replaced with "AS 6101."



- c. In footnote 5 to paragraph .19, the reference to "AU section 322, *The Auditor's Consideration of the Internal Audit Function in an Audit of Financial Statements*" is replaced with "AS 2605, *Consideration of the Internal Audit Function*."
- d. In the second sentence of paragraph .33, the reference to "AU section 316A, *Consideration of Fraud in a Financial Statement Audit*, paragraphs .16 through .19" is replaced with "AS 2401, *Consideration of Fraud in a Financial Statement Audit*."
- e. In the last sentence of paragraph .43, the reference to "AU section 336" is replaced with "AS 1210."
- f. In the last sentence of paragraph .44, the reference to "AU section 322, *The Auditor's Consideration of the Internal Audit Function in an Audit of Financial Statements*," is replaced with "AS 2605, *Consideration of the Internal Audit Function*."
- g. In the second sentence of paragraph .47, the reference to "AU section 325, *Communication of Internal Control Related Matters Noted in an Audit*" is replaced with "AS 1305, *Communications About Control Deficiencies in an Audit of Financial Statements*."
- h. In the last sentence of paragraph .48, the reference to "AU section 350" is replaced with "AS 2315."
- i. In the first sentence of paragraph .50, the reference to "AU section 560" is replaced with "AS 2801."
- j. In footnote 22 to paragraph .68, the reference to "AU section 333, *Management Representations*, paragraph .09" is replaced with "Paragraph .09 of AS 2805, *Management Representations*."

AT sec. 701, "Management's Discussion and Analysis"

AT sec. 701, "Management's Discussion and Analysis," is amended as follows:

- a. The following note is added at the end of paragraph .01:

Note: In connection with an engagement performed in accordance with this attestation standard, whenever the practitioner is required to make reference in a report to attestation standards established by the American Institute of Certified Public Accountants or auditing standards generally accepted in the United States of America, the practitioner must instead



refer to "the standards of the Public Company Accounting Oversight Board (United States)." A practitioner must also include the city and state (or city and country, in the case of non-U.S. practitioners) from which the practitioner's report has been issued.

- b. In the last sentence of footnote 6 to paragraph .02, the parenthetical reference to "AU section 722, *Interim Financial Information*" is replaced with "AS 4105, *Reviews of Interim Financial Information*."
- c. In footnote 7 to paragraph .02, the reference to "AU section 634" is replaced with "AS 6101."
- d. In paragraph .11a, the reference to "AU section 722, *Interim Financial Information*," is replaced with "AS 4105."
- e. In item (2) of paragraph .14a, the reference to "AU section 722" is replaced with "AS 4105."
- f. In footnote 16 to paragraph .20:
 - In the first sentence, the reference to "AU section 329, *Analytical Procedures*" is replaced with "AS 2305, *Substantive Analytical Procedures*."
 - In the last sentence, the reference to "AU section 329" is replaced with "AS 2305."
- g. The first sentence of paragraph .39 is deleted.
- h. Footnote 18 to paragraph .44 is deleted.
- i. In paragraph .47:
 - In the third sentence, the reference to "AU section 336" is replaced with "AS 1210."
 - In the last sentence, the reference to "AU section 311, *Planning and Supervision*" is replaced with "AS 1201, *Supervision of the Engagement*."
- j. In the last sentence of paragraph .48, the reference to "AU section 322, *The Auditor's Consideration of the Internal Audit Function in an Audit of Financial Statements*" is replaced with "AS 2605, *Consideration of the Internal Audit Function*."



- k. In the last sentence of paragraph .58:
- The reference to "AU section 325, *Communication of Internal Control Related Matters Noted in an Audit*" is replaced with "AS 1305, *Communications About Control Deficiencies in an Audit of Financial Statements*."
 - The reference to "AU section 380, *Communication With Audit Committees*" is replaced with "AS 1301, *Communications with Audit Committees*."
- l. In footnote 24 to paragraph .66:
- In the second sentence, the reference to "AU section 561" is replaced with "AS 2905."
 - In the last sentence, the reference to "AU section 711, *Filings Under Federal Securities Statutes*" is replaced with "AS 4101, *Responsibilities Regarding Filings Under Federal Securities Statutes*."
- m. In footnote 25 to paragraph .66c, the reference to "AU section 337" is replaced with "AS 2505."
- n. In the first sentence of paragraph .102, the reference to "AU section 315, *Communications Between Predecessor and Successor Audits*" is replaced with "AS 2610, *Initial Audits—Communications Between Predecessor and Successor Audits*."
- o. In the last sentence of paragraph .106, the reference to "AU section 711, *Filings Under Federal Securities Statutes*," is replaced with "AS 4101."
- p. In footnote 30 to paragraph .107, the reference to "AU section 550, *Information in Documents Containing Audited Financial Statements*" is replaced with "AS 2710, *Other Information in Documents Containing Audited Financial Statements*."
- q. In the last sentence of paragraph .108, the reference to "AU section 317, *Illegal Acts*, paragraphs .17, .22, and .23)" is replaced with "paragraphs .17, .22, and .23 of AS 2405, *Illegal Acts*."
- r. In the last sentence of paragraph .109, the reference to "AU section 316" is replaced with "AS 2401."



- s. In footnote 31 to paragraph .110:
- In the first sentence, the reference to "AU section 333, *Management Representations*, paragraph .09" is replaced with "Paragraph .09 of AS 2805, *Management Representations*."
 - In the second sentence, the reference to "AU section 711.10" is replaced with "AS 4101.10."
- t. In the title of Appendix D, the bracketed reference to "AU section 550" is replaced with "AS 2710."

Quality Control Standards

QC sec. 20, "System of Quality Control for a CPA Firm's Accounting and Auditing Practice"

QC section ("sec.") 20, "System of Quality Control for a CPA Firm's Accounting and Auditing Practice," is amended as follows:

- a. In the first sentence of paragraph .10, the reference to "AU section 220" is replaced with "AS 1005."
- b. In footnote 7 to paragraph .10, the reference to "AU section 220.02" is replaced with "AS 1005.02."
- c. In the last sentence of paragraph .18, the reference to "PCAOB Auditing Standard No. 7, *Engagement Quality Review*" is replaced with "AS 1220, *Engagement Quality Review*."

Ethics and Independence Standards

ET sec. 101, "Independence"

ET sec. 101, "Independence," is amended as follows:

- a. The note in paragraph .05 is deleted.

ET sec. 102, "Integrity and Objectivity"

ET sec. 102, "Integrity and Objectivity," is amended as follows:

- a. In footnote 1 to paragraph .05, the reference to "paragraph 5.b. of Auditing Standard No. 10, *Supervision of the Audit Engagement*, and paragraph



PCAOB Release No. 2014-001
May 7, 2014
Appendix 4 – Proposed Amendments
Page A4–157

12.d. of Auditing Standard No. 3, *Audit Documentation*" is replaced with "paragraph .05b of AS 1201, *Supervision of the Audit Engagement*, and paragraph .12d of AS 1215, *Audit Documentation*."

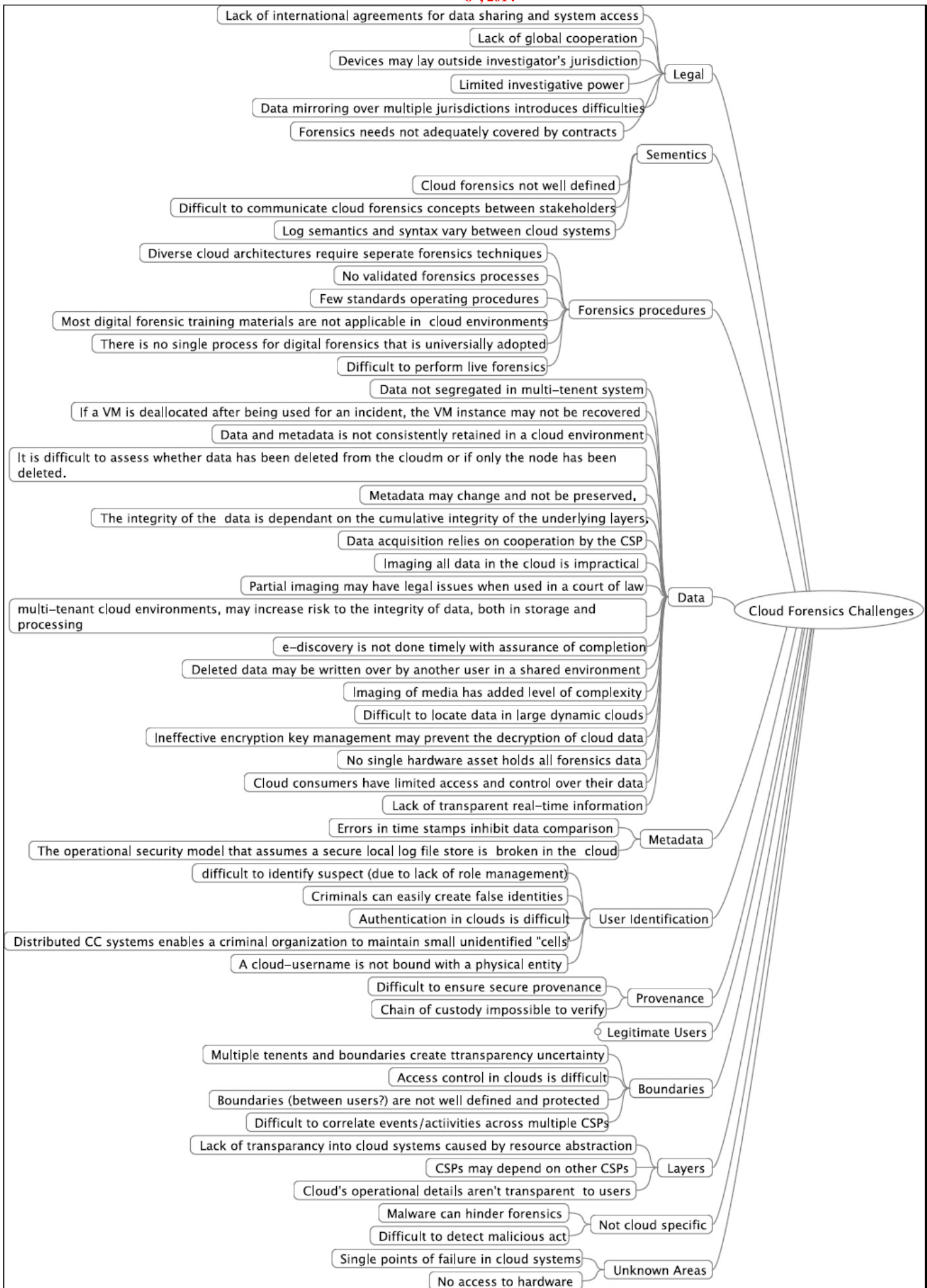


- h. In the second sentence of paragraph .08:
- The reference to "Section 544, *Lack of Conformity With Generally Accepted Accounting Principles*, paragraph .04" is replaced with "Paragraph .04 of AS 3310, *Special Reports on Regulated Companies*."
 - The reference to "section 623, *Special Reports*" is replaced with "AS 3305, *Special Reports*."

AU sec. 504, "Association With Financial Statements"

SAS No. 26, "Association With Financial Statements" (AU sec. 504, "Association With Financial Statements"), as amended, is amended as follows:

- a. The section number "AU Section 504" is replaced with "AS 3320."
- b. In the title, the "W" in the word "With" is changed to lower case.
- c. In the references before paragraph .01, the phrase "(Supersedes Statement on Auditing Standards No. 1, Sections 516, 517, and 518 and Statement on Auditing Standards No. 15, paragraph 13–15)" is deleted.
- d. In paragraph .01:
- The introductory phrase "The fourth standard of reporting is:" is deleted.
 - In the last sentence, the phrase "fourth reporting standard" is replaced with "preceding paragraph."
- e. In paragraph .02:
- In the first sentence, the phrase "the fourth reporting standard" is replaced with "paragraph .01."
 - In the last sentence, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
- f. In paragraph .04:
- In the second sentence, the reference to "section 508" is replaced with "AS 3101."





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July 3, 2014

Office of the Secretary
Public Company Accounting Oversight Board
1666 K Street, N.W.
Washington, D.C. 20006-2803

Re: *Supplemental Request for Comment: Proposed Framework for Reorganization of PCAOB Auditing Standards and Related Amendments to PCAOB Auditing Standards and Rules*

PCAOB Rulemaking Docket Matter No. 040

Deloitte & Touche LLP (“D&T”) is pleased to respond to the Public Company Accounting Oversight Board (the “PCAOB” or the “Board”) on its *Supplemental Request for Comment: Proposed Framework for Reorganization of PCAOB Auditing Standards and Related Amendments to PCAOB Auditing Standards and Rules*, PCAOB Release No. 2014-001; PCAOB Rulemaking Docket Matter No. 040 (May 7, 2014).

OVERALL COMMENTS

We strongly support the Board’s efforts to reorganize its auditing standards into a single topical structure with a uniform numbering system. Adopting such a structure and system will considerably enhance the usability of the PCAOB’s auditing standards by stakeholders, including auditors.

DETAILED OBSERVATIONS

Proposed Rescission of AU 532, Restricting the Use of an Auditor’s Report

We believe that AU 532, *Restricting the Use of an Auditor’s Report*, should be retained. AU 532 provides useful guidance about the nature of by-product reports and the rationale for circumstances in which it is appropriate to restrict the use of auditor’s reports and written communications (e.g., by-product reports) (collectively “reports”). It also provides a foundation for the individual standards that would continue to include requirements for restricting the use of reports. Eliminating the standard may therefore cause a substantive change in practice, as well as confusion if the elimination is construed as precluding the ability of an auditor to restrict the use of the auditor’s reports. This situation may thereby result in reports that are prepared for specified parties being made available to, and being used by, parties for whom such reports are not intended and who will likely not have the appropriate context for understanding the information contained within the reports or the subject matter to which the reports pertain. The examples in Appendix 1 to this letter illustrate situations in which the rescission of AU 532 could result in an inappropriate outcome.

If the Board determines that it is appropriate to proceed with the rescission of AU 532, we believe that

it would be important for the Board to state explicitly within the auditing standards that auditors are not prohibited from restricting auditor's reports when they feel it is appropriate, and we encourage the Board to retain in the auditing standards the examples included in AU 532 of the types of reports that are appropriate to be restricted as to use.

Proposal to Supersede PCAOB Auditing Standard No. 1, References in Auditors' Reports to the Standards of the Public Company Accounting Oversight Board

We support the Board's proposal to supersede PCAOB Auditing Standard No. 1, *References in Auditors' Reports to the Standards of the Public Company Accounting Oversight Board (AS 1)*. However, the titles of the illustrative auditor's reports included in the PCAOB's standards were not revised to reflect the title "Report of Independent Registered Public Accounting Firm." We suggest that the Board revise the titles of the illustrative auditor's reports in the PCAOB's standards, where appropriate, to reflect the title used in AS 1.

AU 534, Reporting on Financial Statements Prepared for Use in Other Countries

AU 534, *Reporting on Financial Statements Prepared for Use in Other Countries*, was not listed as "rescinded" in Appendix 4, *Proposed Amendments to PCAOB Rules and Standards*, as the Board indicated in the original proposal¹ that AU 534 was not among the interim standards the Board adopted in Rule 3200T, *Interim Auditing Standards*. However, AU 534 does appear on the PCAOB's website as part of the interim standards. Therefore, we believe the Board should specifically rescind AU 534 to avoid confusion as to whether or not it is part of the PCAOB's standards.

* * *

D&T appreciates the opportunity to provide our perspective on these important topics. Our comments are intended to assist the PCAOB in analyzing the relevant issues and potential effects of the proposal. We encourage the PCAOB to engage in active and transparent dialogue with commenters as the proposed standard is evaluated and changes are considered. If you have any questions or would like to discuss these issues further, please contact Thomas Omberg at 212-436-4126 or Megan Zietsman at 203-761-3142.

Very truly yours,

/s/ Deloitte & Touche LLP

cc: James R. Doty, PCAOB Chairman
 Lewis H. Ferguson, PCAOB Member
 Jeanette M. Franzel, PCAOB Member
 Jay D. Hanson, PCAOB Member
 Steven B. Harris, PCAOB Member
 Martin F. Baumann, PCAOB Chief Auditor
 and Director of Professional Standards

Mary Jo White, SEC Chairman
 Luis A. Aguilar, SEC Commissioner
 Daniel M. Gallagher, SEC Commissioner
 Kara M. Stein, SEC Commissioner
 Michael S. Piwowar, SEC Commissioner
 Paul A. Beswick, SEC Chief Accountant
 Brian T. Croteau, SEC Deputy Chief Accountant

¹ *Proposed Framework for Reorganization of PCAOB Auditing Standards and Related Amendments to PCAOB Auditing Standards and Rules (PCAOB Release 2013-002)*.

APPENDIX 1 — AU 532 EXAMPLES

The following examples illustrate situations in which the rescission of AU 532 could result in an inappropriate outcome. In these examples, an explicit requirement to restrict the use of an applicable report would not exist if AU 532 were rescinded. There is a risk that companies could choose to make public only certain reports or portions of reports that may be considered favorable and not make public less favorable information contained within such reports.

Communications with Audit Committees Regarding the Conduct of the Audit. PCAOB Auditing Standard No. 16, *Communications with Audit Committees* (AS 16), requires the auditor to communicate with the company's audit committee regarding certain matters related to the conduct of an audit.² AS 16 is intended to improve the effectiveness of the audit by fostering constructive, candid dialogue between the auditor and the audit committee about significant audit and financial statement matters.

Unless otherwise specified by the standard, AS 16 communications may be made orally or in writing. Given this flexibility, in some audits the extent of written communication may be much greater than in other audits where the auditor opted for a greater level of oral communication. Overall, written communications to the audit committee represent only a portion of the total dialogue between auditors and the audit committee. Without the benefit of the contemporaneous discussion or other oral dialogue between the auditor and the audit committee, a written communication to the audit committee that is subsequently made widely available to other parties (i.e., issued without a restriction on use) would, in most cases, not completely reflect the full spectrum of communication that took place between the auditor and the audit committee. Accordingly, such communication may be misunderstood when taken out of the context in which it was intended to be used, particularly when used by parties not contemplated by AS 16.

Communications with Audit Committees Regarding Control-Related Matters. PCAOB Auditing Standard No. 5, *An Audit of Internal Control over Financial Reporting That Is Integrated with an Audit of Financial Statements* (AS 5), requires the auditor to communicate with the company's audit committee and management regarding certain matters related to internal control over financial reporting, including deficiencies that are less severe than material weaknesses. AU 325, *Communications about Control Deficiencies in an Audit of Financial Statements*, addresses communication of control-related matters in a nonintegrated audit. While there is no requirement in AS 5 to restrict the use of such reports, AU 325 contains a specific requirement to issue such reports as restricted-use reports. Based on the guidance in AU 325, in practice today, reports of control-related matters (whether issued with respect to AS 5 or AU 325) are considered by-product reports and are issued as restricted-use reports pursuant to AU 532. If AU 532 is rescinded, it would be less apparent that the communication required by AS 5 is a by-product report. We believe that the communication of control-related matters required by AS 5 should continue to be restricted. Although material weaknesses would also be required to be reported by issuers in periodic filings with the Securities and Exchange Commission, less severe control deficiencies (including significant deficiencies) communicated in writing to management and the audit committee are not required to be communicated publicly by management, and accordingly, we do not believe it would be appropriate for the auditor's communication of such matters to be made broadly available.

² Written AS 16 communications are currently identified as by-product reports in AU 532, and are required to be restricted in accordance AU 532, paragraph 09.

Communications with Audit Committees Regarding Independence Matters. PCAOB Ethics and Independence Rule 3524, *Audit Committee Pre-approval of Certain Tax Services Concerning Independence*; Rule 3525, *Audit Committee Pre-approval of Non-Audit Services Related to Internal Control over Financial Reporting*; and Rule 3526, *Communication with Audit Committees Concerning Independence*, require written and oral communications with the audit committee regarding independence matters. Written communications required by these rules may contain sensitive and confidential information about the company and the auditor. Although not a by-product of the audit, such reports are prepared with the intention of being used by specified parties with specific knowledge about the company that might not be available to other users and are accompanied by a required discussion with the audit committee. Therefore, if such reports were to be issued without a restriction, there is a risk that the information in a written communication could be misunderstood or taken out of context by users who would not have the benefit of specific knowledge of the company and the discussion that accompanies the written communication.



July 8, 2014

Office of the Secretary
Public Company Accounting Oversight Board
1666 K Street, NW
Washington, DC 20006-2803

Via Email to comments@pcaob.org

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Re: PCAOB Rulemaking Docket Matter No. 40 – Supplemental Request for Comment: Proposed Framework for Reorganization of PCAOB Auditing Standards and Related Amendments to PCAOB Auditing Standards and Rules

Dear Board Members and Staff:

Grant Thornton LLP appreciates the opportunity to comment on the Public Company Accounting Oversight Board's ("PCAOB" or "Board") *Supplemental Request for Comment: Proposed Framework for Reorganization of PCAOB Auditing Standards and Related Amendments to PCAOB Auditing Standards and Rules*. Overall, we continue to support the Board's initiative. In particular, we find the online tool as most helpful. In reviewing the tool and related proposed clarifying changes to the standards, we noted the following comments and recommendations.

Proposed reorganization – demonstration version

We appreciate the Board providing the demonstration version of the new standards organization. We believe it is easily navigable, and the "Reference Tools" are particularly valuable to practitioners in evaluating differences among standards promulgated by the various authoritative bodies and in cross-referencing the old auditing standards to the new. We strongly encourage the Board to retain these tools in the final version of the tool and update on a regularly basis.

We recommend that the Board reconsider the presentation of the auditing interpretations and other guidance as we do not believe those should be separate from the auditing standards themselves. While we are not opposed to the hyperlinks to the interpretations, etc. it would be easiest to have all related literature in one spot. We believe that this would mitigate the risk of practitioners missing an important piece of guidance and allow for more efficient researching the auditing standards and related literature. Therefore, we recommend the Board incorporate the auditing interpretations directly into the standards, similar to what the Auditing Standards Board ("ASB") of the AICPA did during the clarity project.

Performing such incorporation will also provide the Board an opportunity to review the interpretations for relevancy since these interpretations were in effect more than 10 years ago. Significant changes have occurred both in accounting and in the PCAOB auditing standards (e.g. overhaul of the risk assessment standards) since 2003, and there may be unintended

consequences to holding practitioners responsible for utilizing auditing interpretations that may be outdated. For example, the first sentence of Auditing Interpretation (“AI”) 16, *Auditing Accounting Estimates: Auditing Interpretation of AS 2501* refers to December 1991 and FAS 107. Given the substantial changes that have occurred in the area of fair value since 1991, one can’t help but question whether this guidance continues to be entirely relevant to audits currently being performed.

We also believe the “Guidance Tools” could be misleading since the expectations for use are different considering the seemingly required nature of the auditing interpretations with general guidance in the Staff Audit Practice Alerts and Questions and Answers. We note the narrative at the top of each section that explains the nature of each group, but this could easily be missed. Incorporating these materials directly into the standards, as suggested above, would help with any potential confusion that the current layout may create.

Rescissions and amendments

We note that AU sec. 532 remains rescinded, and the PCAOB requests “specific examples of situations other than those covered by other PCAOB standards, for which rescinding AU sec. 532 would result in an inappropriate outcome.” We also note footnote 6, which includes, “Commenters also cited Auditing Standard No. 16, *Communications with Audit Committees* (“AS 16”), but that standard, by its terms, does not require the auditor to restrict the use of audit committee communications.” We call the Board’s attention to the fact that the issuance of AS 16 specifically amended AU sec. 532 giving the auditor the ability to restrict the communications with audit committees. By rescinding AU sec. 532, the auditor is no longer afforded the ability to restrict such communications since, as the Board noted, AS 16 itself does not provide for such restriction.

We also note the Board’s amendments to AT sec. 9101, *Attest Engagements: Attest Engagements Interpretations of Section 101*, specifically the deletion of paragraphs .43 and .44. While we recognize that AS No. 3, *Audit Documentation* superseded AU sec. 339, *Audit Documentation*, we believe it would be unclear guidance to leave the illustrative letter to regulator shown in paragraph .45 without any context. Therefore, we recommend the Board revise paragraphs .43 and .44 to refer to the applicable PCAOB standards in order to provide context for the illustrative letter.

We would be pleased to discuss our comments with you. If you have any questions, please contact Trent Gazzaway, National Managing Partner of Professional Standards, at (312) 602-8034 or Trent.Gazzaway@us.gt.com.

Sincerely,



July 8, 2014

Office of the Secretary
Public Company Accounting Oversight Board
1666 K Street N.W.
Washington, D.C. 20006-2803

RE: PCAOB Rulemaking Docket Matter No. 040

Dear Office of the Secretary:

McGladrey LLP appreciates the opportunity to comment on the *Supplemental Request for Comment for Reorganization of PCAOB Auditing Standards and Related Amendments to PCAOB Auditing Standards and Rules* dated May 7, 2014 (Supplemental Request).

We are encouraged by the refinements to the framework that are reflected in the Supplemental Request. We understand that the Board is continuing to evaluate the original 19 comment letters on the *Proposed Framework for Reorganization of PCAOB Auditing Standards and Related Amendments to PCAOB Auditing Standards and Rules* and support the Board's efforts to make further improvements to the framework and its implementation.

Proposed Approach

We found the on-line demonstration materials provided in conjunction with the Supplemental Request to be useful in reviewing the proposed framework. We identified possible ways to improve the structure and usefulness of the framework as described below.

Aligning the Numbering Convention for Interpretations with the Related Standards

In the demonstration version, Auditing Interpretations are numbered sequentially from 10 through 28 and the titles of the Auditing Interpretation describe the specific auditing standard the interpretation relates to. Both the standards of the International Auditing and Assurance Standards Board ("IAASB") and the Auditing Standards Board of the American Institute of Certified Public Accountants ("ASB") use a numbering convention that links the interpretation number to the actual standard. For example, in the ASB's methodology Auditing Interpretation 9500 relates to AU-C 500, *Audit Evidence*. We believe that aligning both the numbers and the titles of the auditing interpretations with their underlying standard will facilitate appropriate linkages by users among the different sections of the standards and facilitate compliance with the standards as a whole. As such, we recommend that the Auditing Interpretations be renumbered from what is included in the Supplemental Request. The renumbering could adopt the same convention as the IAASB and ASB through use a "9" prefix and the related standard number to refer to the interpretation. For example, interpretation 9-1205 or simply 91205 could be used to refer to the interpretation to AS 1205, *Part of the Audit Performed by Other Independent Auditors*.

Cross Reference Table Showing PCAOB Standards to ASB and IAASB Standards

The on-line cross-reference tool was useful for the purposes of looking up a specific standard, but a complete table that lists the PCAOB standards in numeric order with the aligned ASB and IAASB standards, in addition to the on-line lookup, would also be a valuable reference tool. Ideally, this tool would be provided also with ASB and IAASB standards in numeric order aligned to the PCAOB standards. This presentation will be particularly useful when access to the on-line tool is not possible.

Office of the Secretary
 Public Company Accounting Oversight Board
 July 8, 2014
 Page 2

AU Sec. 532, Restricting the Use of an Auditor's Report

In the Supplemental Request, the Board requested specific examples of situations, other than those covered by other PCAOB standards, for which rescinding AU sec. 532 would result in an inappropriate outcome. Our concern with rescinding AU sec. 532 is that this standard is foundational in nature and establishes the basic concepts for restricting the use of the auditor's reports that are referred to in other PCAOB auditing standards. Among other things, AU sec. 532

- provides the basic premise of restricted use reports (paragraph .03);
- describes situations involving both restricted and non-restricted information (paragraphs .12 and .13);
- discusses adding other specified parties (paragraphs .14-.16); and
- provides the basic report language (paragraph .19)

Therefore, rescinding AU sec. 532 would require further revisions to other auditing standards to replace these foundational requirements and guidance.

Comments regarding next steps

The Supplemental Request indicated that "various commenters suggested a variety of individual changes to the titles, order, groupings, or numbering sequence of the reorganization framework. ... However, there was little commonality among the suggested changes." We are concerned that this statement implies that comments that individually have merit are not being considered because there was not unanimity among the comments received. We encourage the Board to conduct further dialogue or outreach as necessary to aid in the Board's consideration of the comments received. Thoughtful evaluation of the merits of all comments received will enhance the usability and implementation of the Proposed Framework. We would be happy to participate in any discussions with the Board and other stakeholders to increase the level of consensus around specific comments related to the Proposed Framework.

The Supplemental Request provided additional insight into the Board's thoughts on future phases of the reorganization project that build on the improvements from the initial phase. Although intended to be informational rather than descriptive of specific action plans, we encourage the Board to also consider the following matters as it determines which aspects of the project that should be addressed in the initial phase and which should be addressed at a future date:

- The Supplemental Request describes a future phase that "might address potential reorganization of content in existing standards. For example, standards that cover multiple aspects of the audit could be disaggregated and topics moved to other sections to further align with the flow of the audit process." A specific example of this opportunity is Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements* (AS 5). Because AS 5 contains requirements that permeate all aspects of an integrated audit, we recommend this standard be incorporated into other standards as part of the initial phase of the reorganization of the Proposed Framework rather than as a supplementary project. To illustrate, this would be accomplished by separating AS 5 into the applicable sections of the proposed framework, such as moving AS 5 paragraph 9 into 2101, *Auditing Planning*, moving AS 5 paragraphs 10-12 into proposed 2110, *Identifying and Assessing Risk of Material Misstatement*, and moving AS 5 paragraph 20 into 2105, *Consideration of Materiality in Planning and Performing an Audit*.

Clearly this would require additional effort on the part of the PCOAB staff and the Board. However, we believe the benefits of having the Proposed Framework codified completely in alignment with the execution of an audit would be worth any necessary related delay in releasing the framework. The Board noted certain one-time costs to registered firms for updating references within firm methodologies, related reference materials, and practice aids to reflect the

Office of the Secretary
Public Company Accounting Oversight Board
July 8, 2014
Page 3

new citations to PCAOB auditing standards. Moving content, such as that in AS 5, to other standards after the initial release of the framework will require a duplication of these efforts and therefore result in additional costs that would otherwise be avoidable.

- As mentioned in our letter dated May 28, 2013, we believe the it would be very helpful for the Board to provide an analysis of the incremental PCAOB requirements that are applicable when auditors are asked to audit financial statements in accordance with the standards of the PCAOB, which previously were audited in accordance with standards of the IAASB or the ASB. Converting from one set of auditing standards to another can occur in several situations, including when a client that had terminated its SEC registration decides to become registered again, when an existing private client decides to file with the SEC and all periods presented are required to be audited in accordance with PCAOB standards or when a privately held client is acquired by an SEC registrant and is required to guarantee the debt of the registrant. Providing this type of guidance would assist auditors in focusing on matters that the PCAOB views as incremental to other standards.

We appreciate this opportunity to provide feedback on the Supplemental Request and would be pleased to respond to any questions the Board or its staff may have concerning our comments. Please direct any questions to Mike Campana, Partner - National Professional Standards Group, at 612.455.9414.

Sincerely,

A handwritten signature in cursive script that reads "McGladrey LLP".

McGladrey LLP



Office of the Secretary
 Public Company Accounting Oversight Board
 1666 K Street, N.W.
 Washington, DC 20006-2803

July 8, 2014

RE: PCAOB Rulemaking Docket Matter No. 40, *Supplemental Request for Comment: Proposed Framework for Reorganization of PCAOB Auditing Standards and Related Amendments to PCAOB Auditing Standards and Rules*

Dear Madam Secretary:

We appreciate the opportunity to respond to the Public Company Accounting Oversight Board's ("PCAOB" or "Board") *Supplemental Request for Comment: Proposed Framework for Reorganization of PCAOB Auditing Standards and Related Amendments to PCAOB Auditing Standards and Rules* (the "supplemental request for comment"). Overall, we continue to support the Board's proposal to reorganize its existing interim and PCAOB-issued auditing standards into a framework that presents the standards in a logical order that generally follows the flow of the audit process. We believe the proposed reorganization will help users navigate the Board's standards more easily.

We understand and appreciate that the Board continues to evaluate the comments received to date on the initial release of the proposal from March 2013 (the "initial release"), and that the issuance of this supplemental request for comment should not be construed as reflecting the Board's complete and final consideration of any particular comment. In that regard, we reaffirm the comments in our letter dated May 28, 2013, including those in the appendix suggesting the alternative placement of certain topics. Some of the topics in our previous letter are further discussed below principally in response to the discussion included in the supplemental request for comment.

In the remainder of our letter, we have organized our suggestions on the supplemental request for comment into the following topical areas:

- Proposal to rescind AU 532, *Restricting the Use of an Auditor's Report*
- Clarifying what is meant by "auditing interpretations"
- Proposed revision of Interpretation 4 of AT 101
- Online demonstration version of the proposed reorganized auditing standards
- Next steps

Proposal to rescind AU 532, *Restricting the Use of an Auditor's Report*

The initial release included amendments to rescind certain interim auditing standards that the Board believes are no longer necessary, including AU 532, *Restricting the Use of an Auditor's Report* (AU 532), for the reason that it "appears to be unnecessary because the requirements for restricting the use of specific reports are already covered in the individual standards for the respective reports, such as the internal control communications covered in AU sec. 325, *Communications About Control Deficiencies in an Audit of Financial Statements.*" In the supplemental request for comment, the Board acknowledges



that some commenters suggested that auditors sometimes need to restrict the use of their reports and that AU 532 be retained for that purpose.

We continue to believe that retaining AU 532 is important because it discusses overall considerations that are relevant to the auditor's determination of when a report under PCAOB standards should be voluntarily restricted that go beyond the specific circumstances of an individual standard. The requirements to restrict reports that are in individual PCAOB standards do not adequately address these broader considerations related to when an auditor might voluntarily restrict the use of a report. These broader considerations include situations in which the report has a limited purpose (e.g., by-product reports of an audit of financial statements) and there is a potential for the report to be misinterpreted or misunderstood when taken out of the context in which it was intended to be used.

We also believe it is important to retain footnote 41 to paragraph 25 in Auditing Standard No. 16, *Communications with Audit Committees* (AS 16). The Board notes in footnote 6 on page 4 of the supplemental request for comment that AS 16, "by its terms, does not require the auditor to restrict the use of audit committee communications." While that is true, footnote 41 of AS 16 refers to paragraphs .07-.11 of AU 532, which discuss by-product reports, including reports issued pursuant to AS 16, and further require that the use of such by-product reports should be restricted. We believe that the kind of robust, substantive communications with the audit committee that the Board intends are facilitated by restricting the use of the auditor's written communication because doing so reduces the risk that such communications will be inappropriately used and relied upon by parties who may not have the appropriate context to understand them – concepts that are touched on in AU 532.07-.11.

Clarifying what is meant by "auditing interpretations"

Proposed new paragraph 11 in AS 1001, *Responsibilities and Functions of the Independent Auditor*, (formerly, AU sec. 110), discusses auditing interpretations applicable to the audit. We believe the description of the auditing interpretations needs to be revised to more clearly distinguish them from other AICPA auditing guidance, including auditing guidance in AICPA Audit and Accounting Guides and auditing Statements of Position, which the Board does not intend to include in the PCAOB reorganization. We suggest the following edit to proposed new paragraph 11 in AS 1001:

The auditor should be aware of and consider auditing interpretations applicable to his or her audit. If the auditor does not apply the auditing guidance included in an applicable auditing interpretation, the auditor should be prepared to explain how he or she complied with the provisions of the auditing standard addressed by such auditing guidance.

Note: The term "auditing interpretations," as used in this paragraph, refers to the publications entitled "Auditing Interpretation" issued by the American Institute of Certified Public Accountants' Auditing Standards Board ***in relation to specific Statements on Auditing Standards*** as in existence on April 16, 2003, and in effect.

Proposed revision of Interpretation 4 of AT 101

Paragraphs 43 and 44 of Interpretation 4, "Providing Access to or Copies of Attest Documentation to a Regulator" of AT 101, *Attest Engagements*, are proposed to be deleted on page A4-148. However, these two paragraphs are integral to the meaning of the interpretation and without them the two illustrative letters that constitute the remainder of the interpretation have no context. We recommend that the



PCAOB draft alternative language to replace that which is proposed to be deleted so that the remainder of the interpretation can be put into proper perspective.

Online demonstration version of the proposed reorganized auditing standards

Overall we found the online demonstration version of the proposed reorganized auditing standards easy to navigate. We believe it would be helpful if a link could be established to provide direct access from an auditing interpretation page to the auditing standard to which the interpretations relate. As currently configured, if, for example, you are on the page that displays AI 16: *Auditing Accounting Estimates: Auditing Interpretations of AS 2501* (AI 16), in order to access AS 2501, *Auditing Accounting Estimates*, you need to activate the drop down menu for “Audit Procedures” which is on the left side of the screen, and then the drop-down menu for “2500 Audit Procedures for Certain Accounts or Disclosures,” to obtain the link to AS 2501. It would be helpful to just click on “AS 2501” on the AI 16 page and be taken directly to the standard. Direct links have been created in the other direction, that is, if you are on the AS 2501 page, you can directly access not only the related interpretation in AI 16, but also the Staff Audit Practice Alerts and Staff Questions and Answers which are relevant to the standard, which is very helpful.

The list of auditing interpretations that are still in effect on the guidance page is preceded by language describing what auditing interpretations are. Consistent with the comment above, we recommend that this description be edited as shown below:

Auditing Interpretations are publications issued by the American Institute of Certified Public Accountant’s Auditing Standards Board ***in relation to specific Statements on Auditing Standards*** as in existence on April 16, 2003, to the extent not superseded or amended by the Board. The auditor should be aware of and consider auditing interpretations applicable to his or her audit. If the auditor does not apply the auditing guidance included in an applicable auditing interpretation, the auditor should be prepared to explain how he or she complied with the provisions of the auditing standard addressed by such auditing guidance.

In exploring the auditing interpretations, we observed that the links to AI 24, *Special Reports: Auditing Interpretations of AS 3305*, and AI 25, *Association with Financial Statements: Auditing Interpretations of AS 3320* are incorrect and should be switched. We also observed that AI 28, *Evidential Matter Relating to Income Tax Accruals: Auditing Interpretations* is not currently linked to an auditing subsection. We believe the interpretation should be linked to AS 1105, *Audit Evidence* and also should be renamed *Audit Evidence Relating to Income Tax Accruals*.

Next steps

The supplemental request for comment states in the “Next Step” section that future phases of the reorganization project may be undertaken, for example, to address outdated references to generally accepted accounting principles or to reorganize other PCAOB standards, and we would support those initiatives. However, we would be concerned about the potential reorganization of content in existing standards by disaggregating standards that cover multiple aspects of the audit and rearranging the topics to further align with the flow of the audit process as discussed on page 8 of the supplemental request for comment. We believe the reorganization as it is currently proposed, which involves reordering and renumbering existing standards in their entirety, thus preserving each standard as a discrete topic, preserves the context that is necessary to understand the entirety of an individual auditing standard yet still achieves the objective of enhancing the usability of the Board’s auditing standards. We believe this



approach should be retained going forward as new standards are developed and existing standards are modified.

* * * * *

We appreciate the opportunity to express our views and would be pleased to discuss our comments or answer any questions that the PCAOB staff or the Board may have. Please contact Marc Panucci (973-236-4885) regarding our submission.

Sincerely,

PricewaterhouseCoopers LLP



Office of the Secretary
Public Company Accounting Oversight Board
1666 K Street, N.W.
Washington, D.C. 20006-2803

July 8, 2014

PCAOB Rulemaking Docket Matter No. 40

Supplemental Request for Comment: Proposed Framework for Reorganization of PCAOB Auditing Standards and Related Amendments to PCAOB Auditing Standards and Rules

Dear Board Members and Staff:

WeiserMazars LLP (“WeiserMazars” or the “Firm”) is pleased to submit comments on the Public Company Accounting Oversight Board’s (PCAOB or the Board) supplemental request for comment on the Proposed Framework for Reorganization of PCAOB Auditing Standards and Related Amendments to PCAOB Auditing Standards and Rules. WeiserMazars is an independent member firm of the Mazars Group and a member of Praxity, a global alliance of independent firms.

Our comments are included below:

General Observations

As communicated previously in our letter dated June 26, 2013, we continue to believe that applying and maintaining two separate and distinct sets of auditing standards (one for issuers and one for non-issuers), along with the Firm’s applicable interpretative materials, is costly and creates a significant unnecessary burden.

WEISERMAZARS LLP
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WEISERMAZARS LLP IS AN INDEPENDENT MEMBER FIRM OF MAZARS GROUP.





WeiserMazars

However, we do believe that the Board has successfully implemented clear title descriptions for the proposed framework, which will help users navigate to the literature in a more efficient manner, (in both an electronic and a hard copy version).

Specific Comments on the Proposed Structure

1. The demonstration version of the PCAOB's reorganized auditing standards on the PCAOB's website also has user-friendly cross references to the standards of the International Auditing and Assurance Standards Board ("IAASB") and the Auditing Standards Board of the American Institute of Certified Public Accountants ("ASB"), which will allow users to quickly find the appropriate standards they are researching and/or will apply in practice. We believe adding the specific names of the standards in the drop-down menus will enhance this feature even more. Currently, the IAASB standards are presented as "ISA #" and the ASB standards are presented as the "AU-C #" only.

Note - While we believe that the Board has done a good job cross-referencing to the IAASB and the ASB standards, we recommend that a thorough assessment of potential future costs that could be involved for maintaining and updating these "bridges" for accurate mapping of future standards, once they are effective, be conducted, if not already done so.

For example, on May 14, 2014, the IAASB issued, *Proposed Changes to the International Standards on Auditing (ISAs)—Addressing Disclosures in the Audit of Financial Statements*. This document, which is open for comment until September 11, 2014, is proposing changes to the following ISAs:

- **ISA 200** *Overall Objectives of the Independent Auditor, and the Conduct of an Audit in Accordance with International Standards on Auditing*
- **ISA 210** *Agreeing the Terms of Audit Engagements*
- **ISA 240** *The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements*



- **ISA 260** *Communication with Those Charged with Governance*
- **ISA 300** *Planning an Audit of Financial Statements*
- **ISA 315 (Revised)** *Identifying and Assessing the Risks of Material Misstatement through Understanding the Entity and Its Environment*
- **ISA 320** *Materiality in Planning and Performing an Audit*
- **ISA 330** *The Auditor's Responses to Assessed Risks*
- **ISA 450** *Evaluation of Misstatements Identified during the Audit and*
- **ISA 700** *Forming an Opinion and Reporting on Financial Statements*

It is important to note that this Exposure draft is just one example of one document, where one of the standard setting bodies, in this case the IAASB, is proposing changes that may affect various paragraphs to numerous ISAs. Therefore, once final, effectively updating the mapping of the ISAs with the current PCAOB standards, as well as the AICPA's ASBs (AU-Cs,) could be a challenging endeavor to manage and properly reflect the changes because the changes to the other standards are embedded within the proposed ISA. Further, on an ongoing basis, a significant amount of manpower, extensive resources and constant monitoring would likely be needed. The risk of a link not being properly put in the appropriate place, to not being there at all, to the possibility of being completely incorrect, are just a few examples.

We believe electronic reference tools of this nature, could be extremely useful, however, they could also lead to potential user risk i.e., relying on data that could potentially be out-of-date, not properly reflecting recently issued standards, and incorrectly linking data, thus leading to audit inefficiencies. There is an abundance of complex issues involved with the development of any research tool to truly be value added.

2. Another suggestion relating to the electronic version of the reorganized standards would be to add hyperlinks where other PCAOB standards are referenced. For example, in Appendix B of AS 1301: "*Communications with Audit Committees*," fourteen separate PCAOB rules and standards are identified that specifically relate to matters that the auditor is required to communicate with the audit committee. If each of these fourteen



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rules and standards had hyperlinks in place, navigating to the framework would be more efficient, ultimately resulting in more effective audits.

Note - *This comment is applicable for all appendices in each section of the various reorganized standards.*

3. Throughout the various reorganized standards, there are references to "See Staff Audit Practice Alerts." For example, at AS 2401: "*Consideration of Fraud in a Financial Statement Audit*," the following alerts are presented: "*No. 1, No. 2, No. 5, No. 8, No. 9, and No. 10 for guidance on AS 2401*". It would be helpful for the user, if the full name of the numbered alerts were presented without having to open up each PDF link; i.e., clearly stating: "*Staff Audit Practice Alert No. 1- Matters Related to Timing and Accounting for Option Grants*."
4. Within AS 1005: "*Independence*"- (*05. The Securities and Exchange Commission (SEC) has also adopted requirements for independence of auditors who report on financial statements filed with it*), the Board should consider including a link to the respective SEC independence guidance, instead of the user having to further search outside of the website.

We appreciate the opportunity to express our views on these important topics. We would be pleased to discuss our comments or answer any questions that the PCAOB staff or the Board may have. To do so, please contact Denise Moritz (646-225-5913), or Brian Jones (646-435-1583) at your convenience and we will be happy to assist you.

Sincerely,

A handwritten signature in cursive script that reads 'WeiserMazars LLP'.

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REORGANIZATION OF PCAOB AUDITING STANDARDS AND RELATED AMENDMENTS TO PCAOB STANDARDS AND RULES)))))))))))	PCAOB Release No. 2015-002 March 31, 2015 PCAOB Rulemaking Docket Matter No. 40
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Summary: After public comment, the Public Company Accounting Oversight Board ("PCAOB" or "Board") is adopting amendments that reorganize its auditing standards using a topical structure and a single, integrated numbering system. The reorganization applies a standardized organizational structure to the Board's auditing standards that should help users navigate the standards more easily.

Board
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* * * * *

I. Introduction

The Board is reorganizing its auditing standards using a topical structure and a single, integrated numbering system. To implement this reorganization, the Board is adopting amendments to its auditing standards and rules and is also rescinding certain auditing standards that are no longer necessary under the reorganization. These amendments do not impose new requirements on auditors or change the substance of the requirements for performing and reporting on audits under PCAOB standards. Specifically, the amendments to implement the reorganization include updates to the section numbers, cross references, and titles of certain standards. Other related amendments include, among others, removing standards that are no longer necessary, replacing references to generally accepted auditing standards, and updating certain PCAOB rules to reflect the reorganized auditing standards.

The new organizational structure is intended to improve the usability of the Board's standards, including helping users navigate the standards more easily. To



facilitate navigation, the standards are organized into a logical structure by topic areas that generally follow the flow of the audit process. For example, auditing standards that apply to procedures performed near the completion of the audit are arranged in the same area. The reorganization also uses a numbering convention that is different from conventions used by other standard setters, which should help to avoid the potential for confusion between the standards of the Board and those of other standard setters.

II. Background and The Need for Improvement

PCAOB auditing standards currently consist of two types of equally authoritative auditing standards: (i) standards originally issued by the Auditing Standards Board ("ASB") of the American Institute of Certified Public Accountants ("AICPA") and adopted by the Board on an interim, transitional basis in April 2003 and (ii) standards issued by the Board.

In April 2003, the Board adopted, on an interim, transitional basis, generally accepted auditing standards that were in existence on April 16, 2003.¹ When the Board adopted those auditing standards, it continued to use the topical organization and reference numbers ("AU sections") in the ASB's then-existing codification of its standards.² Auditing standards issued by the Board ("AS standards") have not been codified or otherwise organized by topic, and are numbered in sequential order based upon when they were issued. Thus far, the Board has issued 18 auditing standards (AS Nos. 1–18), which have superseded 12 interim auditing standards and amended the majority of the remaining interim auditing standards to varying degrees. As a result, the Board's auditing standards are organized using two separate numbering systems: (i) the numbering system used by the ASB when the Board adopted the interim standards and (ii) the numbering system used by the Board for the standards it has issued.

The Board undertook a project to consider enhancing the usability of the PCAOB auditing standards by reorganizing the standards using a single, integrated numbering system and a topical structure that generally follows the flow of the audit process.

In March 2013, the Board proposed an approach for reorganizing its auditing standards into a new organizational structure together with related amendments to its

¹ See *Establishment of Interim Professional Auditing Standards*, PCAOB Release No. 2003-006 (Apr. 18, 2003) (adopting Rule 3200T, *Interim Auditing Standards*).

² Since 2003, the ASB has modified the organizational structure of its standards as part of its Clarity Project.



auditing standards and rules ("original proposal").³ That proposal set forth a framework for reordering and renumbering the existing auditing standards in their entirety, without redrafting the standards, imposing new requirements on auditors, or making substantive changes to the requirements. The original proposal also included amendments to rescind certain interim auditing standards that the Board believes are no longer necessary.

In May 2014, the Board issued a supplemental request for comment ("supplemental request") on the original proposal.⁴ The supplemental request included proposed line-by-line amendments to PCAOB auditing standards and rules necessary to implement the proposed reorganization along with certain changes to the reorganization presented in the original proposal.⁵ The supplemental request also reopened the comment period on the original proposal to seek further comment on matters discussed in the original proposal, as well as on the implementing amendments in the supplemental request.

The Board received 19 comment letters on the original proposal and seven comment letters on the supplemental request.⁶ Commenters generally supported the proposed reorganization of PCAOB auditing standards. Some commenters suggested modifications to the Board's proposal, including changes to the proposed reorganization, which are described below.

Sections III and IV of this release describe the reorganization and related amendments to PCAOB standards and rules and discuss comments received on the original proposal and supplemental request in greater detail.

³ See *Proposed Framework for Reorganization of PCAOB Auditing Standards and Related Amendments to PCAOB Auditing Standards and Rules*, PCAOB Release 2013-002 (March 26, 2013).

⁴ See *Supplemental Request for Comment: Proposed Framework for Reorganization of PCAOB Auditing Standards and Related Amendments to PCAOB Auditing Standards and Rules*, PCAOB Release 2014-001 (May 7, 2014).

⁵ At the same time, the Board released on its website an online demonstration version that presented the existing auditing standards as they would look if reorganized according to the proposed reorganization. The demonstration version of the reorganized auditing standards can be accessed at <http://pcaobus.org/Rules/Rulemaking/Pages/Docket040.aspx>.

⁶ Comment letters are available on the Board's website at Docket 040.



III. The Reorganization

After considering the suggestions from commenters on the original proposal and supplemental request, the Board is adopting amendments to reorganize the standards substantially as proposed, with some refinements as described below.

Under the reorganization, the individual standards will be grouped into the following topical categories:

- *General Auditing Standards*—Standards on broad auditing principles, concepts, activities, and communications;
- *Audit Procedures*—Standards for planning and performing audit procedures and for obtaining audit evidence;
- *Auditor Reporting*—Standards for auditors' reports;
- *Matters Relating to Filings Under Federal Securities Laws*—Standards on certain auditor responsibilities relating to U.S. Securities and Exchange Commission ("SEC" or "Commission") filings for securities offerings and reviews of interim financial information; and
- *Other Matters Associated with Audits*—Standards for other work performed in conjunction with an audit of an issuer or of a broker or dealer.

Within each category are subcategories to further organize similar topics, such as standards related to auditor communications in the "General Auditing Standards" category. Appendix 1 to this release illustrates the reorganization, including the categories and subcategories for PCAOB auditing standards. The integrated referencing system uses an "AS" prefix to identify the auditing standards, which is consistent with common practice for describing standards issued by the Board (for example, "AS No. 7" for the standard on engagement quality review).

Each standard is assigned a unique section number, based on a four-digit numbering system.⁷ Using a four-digit system facilitates the grouping of auditing

⁷ Each standard retains its current paragraph numbers, but the paragraph number format of the standards issued by the Board has been changed to match the format of the paragraph numbers of its other auditing standards. Each paragraph is numbered ".01," ".02," etc. For example, the reference for the first paragraph of the standard on audit planning will be "AS 2101.01."



standards into logical categories and subcategories by topic and avoids potential confusion with the standards of the International Auditing and Assurance Standards Board ("IAASB") or the ASB.⁸

The topical organization also provides a structure for future updates to PCAOB auditing standards. For example, future auditing standards will be issued as new or replacement sections and paragraphs within the new structure.

Commenters that supported the Board's use of a distinguishable organizational structure generally supported the category and subcategory approach to reorganizing the auditing standards and the use of a four-digit numbering system.⁹

The Board has made certain refinements to the reorganization that are consistent with comments received. Those changes include: moving the subcategory "Auditing Internal Control Over Financial Reporting" and its related standard to follow the subcategory "Audit Planning and Risk Assessment";¹⁰ moving Auditing Standard No. 4, *Reporting on Whether a Previously Reported Material Weakness Continues to Exist*, to the "Other Matters Associated with Audits" category;¹¹ changing the title of existing standard AU sec. 331, *Inventories*, to "Auditing Inventories";¹² and expanding the

⁸ After the Board adopted the standards issued by the ASB, the ASB undertook a project to clarify its auditing standards that resulted in, among other things, a renumbering and reorganization of their standards. Consequently, the PCAOB's interim auditing standard AU section ("sec.") 230, *Due Professional Care in the Performance of Work*, for example, described the auditor's responsibility for applying due professional care in planning and performing audits, whereas the ASB standard with the same number now relates to audit documentation.

⁹ The views of commenters who preferred other approaches are discussed in Section IV.D.

¹⁰ Appendix 1 to this release reflects the movement of the subcategory "Auditing Internal Control Over Financial Reporting" and its related standard after the subcategory "Audit Planning and Risk Assessment."

¹¹ Appendix 1 to this release reflects the amendments to move this standard to the category "Other Matters Associated with Audits."

¹² In addition to this name change, Appendix 1 to this release reflects the amendments to change the auditing standard titles to make them more consistent in style with other standards or to clarify the subject of the standard. These changes include: (i) renaming subcategory 2700 as "Auditor's Responsibilities Regarding Supplemental and Other Information" (from "Auditor's Responsibilities Regarding



numbering interval between standards to allow more flexibility for future standard setting.¹³

Some commenters suggested other changes to certain categories and subcategories. For example, some commenters suggested renaming subcategory 2200 "Audit Procedures in Response to Risks—Nature, Timing, and Extent" as "Audit Evidence" and eliminating subcategories 2300 ("Audit Procedures for Specific Aspects of the Audit") and 2400 ("Audit Procedures for Certain Accounts or Disclosures"). Those commenters also suggested moving the auditing standards under those subcategories into the retitled subcategory because such standards relate to obtaining audit evidence. However, those commenters did not suggest moving other standards that also involve obtaining audit evidence, such as the standard on identifying and assessing risks. Revising the titles of certain categories and subcategories to be more general, thereby encompassing more standards, would make the reorganized standards more difficult to navigate and would not follow the audit process as closely as the proposed reorganization. Therefore these changes were not made.

The Board also received comments that suggested moving individual standards to different categories. Some commenters suggested moving AU sec. 336, *Using the Work of a Specialist*, and AU sec. 543, *Part of Audit Performed by Other Independent Auditors*, from the "General Auditing Standards" category to the "Audit Procedures" category as these standards include specific auditing procedures. Another commenter suggested keeping these standards within the general category but moving them into a

Supplementary and Other Information") to be consistent with the title of AS 2701, *Auditing Supplemental Information Accompanying Audited Financial Statements*, and (ii) changing the reference number of AS 3105, *Dating of the Independent Auditor's Report*, to AS 3110 to make room if the proposed auditing standard, *The Auditor's Report on an Audit of Financial Statements When the Auditor Expresses an Unqualified Opinion*, is adopted by the Board.

¹³ The supplemental request included a refinement to generally expand the numbering interval within the subcategories from a four-digit number structure using consecutive numbering to using increments of five. This change allows for more flexibility for future standards. However, the amendments do not change the intervals between AS 2501, *Auditing Accounting Estimates*, AS 2502, *Auditing Fair Value Measurements and Disclosures*, and AS 2503, *Auditing Derivative Instruments, Hedging Activities, and Investments in Securities*, as the Board has a standard-setting project that is, among other things, considering a combined standard to include the topics addressed by these standards. As part of that project, the Board will decide which topics, if any, to combine, which topics will be maintained as separate standards, and whether the numbering of these standards should be modified.



new subcategory titled "Using the Work of Others." These changes were not made. These standards were intentionally placed near Auditing Standard No. 10, *Supervision of the Audit Engagement*, because, in certain situations, other auditors and auditors' specialists already are required to be supervised pursuant to that supervision standard. Also, some commenters suggested moving one or more of the following standards from the "Audit Procedures" category to the "Auditor Reporting" category as these standards include aspects related to reporting on the financial statements: (i) Auditing Standard No. 17, *Auditing Supplemental Information Accompanying Audited Financial Statements*; (ii) AU sec. 558, *Required Supplementary Information*; and (iii) Auditing Standard No. 6, *Evaluating Consistency of Financial Statements*. However, moving these standards to the reporting section of the reorganization might lead auditors to overlook performance requirements in those standards. Thus, those three standards remain in the "Audit Procedures" category.

IV. Changes to PCAOB Standards and Rules

Appendix 4 to this release presents the amendments to PCAOB standards and rules to implement the reorganization of the PCAOB's auditing standards and other related amendments. These amendments are technical changes that include rescinding certain interim auditing standards that the Board believes are no longer necessary and eliminating certain inoperative language or references. The changes do not impose new requirements on auditors or change the substance of the requirements for performing and reporting on audits under PCAOB standards.

This section discusses the amendments in Appendix 4 and the comments received on the amendments presented in the original proposal and supplemental request.

A. Changes to PCAOB Standards

The amendments in Appendix 4 primarily update section numbers, update cross-references among standards using the numbering system in the adopted reorganization, and change the titles of certain standards, as described in Section III of this release.¹⁴ For example, for AU sec. 324, *Service Organizations*, the amendments replace "AU sec." with "AS" and "324" with "2601." The title of this standard is changed to "Consideration of an Entity's Use of a Service Organization." As described above, the paragraph numbers within the standard remain the same. For example, AU sec. 324.05 becomes AS 2601.05.

¹⁴ As noted earlier, Appendix 1 to this release identifies the standards in which the title has changed. Appendix 2 to this release includes a mapping between the existing reference numbers and the reference numbers in the reorganization.



Other amendments rescind certain interim standards and remove or update certain terms and phrases in the standards, such as references to generally accepted auditing standards ("GAAS"). Those changes are discussed in the following paragraphs.

1. *Interim Auditing Standards to be Rescinded*

As proposed, the Board is rescinding the following interim standards:¹⁵

- AU sec. 150, *Generally Accepted Auditing Standards*
- AU sec. 201, *Nature of the General Standards*
- AU sec. 410, *Adherence to Generally Accepted Accounting Principles*
- AU sec. 532, *Restricting the Use of an Auditor's Report*
- AU sec. 901, *Public Warehouses—Controls and Auditing Procedures for Goods Held*

Some commenters suggested retaining AU sec. 532, noting that auditors sometimes need to restrict the use of their reports, and expressed a concern that rescinding AU sec. 532 might be perceived as precluding auditors from restricting the use of those reports. The commenters cited examples of specific situations in which the use of audit reports should be restricted and indicated that auditors look to AU sec. 532 for the applicable reporting language. The Board observed that the examples cited by the commenters related to situations that were already addressed by other PCAOB standards or rules.¹⁶ Accordingly, retaining AU sec. 532 is unnecessary in those situations.

¹⁵ The original proposal also discussed why the Board proposed to rescind the standards and why AU sec. 534, *Reporting on Financial Statements Prepared for Use in Other Countries*, would not appear in the reorganized PCAOB auditing standards.

¹⁶ Specifically, commenters cited situations covered by AU sec. 325, *Communications About Control Deficiencies in an Audit of Financial Statements*, and AU sec. 623, *Special Reports*, which address use restrictions in those situations. One commenter identified PCAOB Rule 3524, *Audit Committee Pre-approval of Certain Tax Services*, Rule 3525, *Audit Committee Pre-approval of Non-audit Services Related to Internal Control Over Financial Reporting*, and Rule 3526, *Communication with Audit Committees Concerning Independence*. That commenter acknowledged, however, that



Commenters also cited Auditing Standard No. 16, *Communications with Audit Committees*, but that standard, by its terms, does not require the auditor to restrict the use of audit committee communications. Since the comments received did not identify a specific need for retaining AU sec. 532, the Board asked in the supplemental request for examples of situations that support keeping this standard.

Some commenters also raised questions regarding restricting the use of audit committee communications under Auditing Standard No. 16. Specifically, commenters observed that footnote 41 of Auditing Standard No. 16 cites AU sec. 532 and that AU sec. 532, as amended, lists audit committee communications pursuant to Auditing Standard No. 16 as "by-product" reports whose use should be restricted.¹⁷ However, even in the absence of AU sec. 532, nothing precludes auditors from restricting the use of communications to audit committees under Auditing Standard No. 16.¹⁸ Therefore, the Board is rescinding AU sec. 532 as proposed.

The Board also received comments about retaining or rescinding other interim auditing standards. One commenter suggested retaining AU sec. 901 and combining it with AU sec. 331, *Inventories*. As discussed in the original proposal, AU sec. 901 reports the conclusions of a 1966 study of the AICPA Committee on Auditing Procedure on the accountability of warehousemen for goods stored in public warehouses. AU sec. 901 is unnecessary because the specific auditing requirements regarding inventory held in public warehouses are set forth in AU sec. 331. Therefore, the Board is rescinding this standard as proposed.

A commenter suggested rescinding AU sec. 625, *Reports on the Application of Accounting Principles*, AU sec. 801, *Compliance Auditing Considerations in Audits of*

those communications are not reports that are covered by AU sec. 532, which applies to audit reports that are the "by-product" of an audit.

¹⁷ See paragraphs .07 and .11 of AU sec. 532. AU sec. 532.07 also listed reports issued pursuant to AU sec. 325 and AU sec. 623 as by-product reports.

¹⁸ If an auditor decides to restrict the use of certain reports to a company's audit committee, he or she may consider the direction provided by other standards that address restricting the use of reports, such as AS 1305.06 (formerly AU sec. 325.6). That standard requires that the auditor's written communication to the audit committee include a statement that the communication is intended solely for the information and use of the board of directors, audit committee, management, and others within the organization. It further provides that when there are requirements established by governmental authorities to furnish such written communications, specific reference to such regulatory authorities may be made.



Governmental Entities and Recipients of Governmental Financial Assistance, and AU sec. 544, *Lack of Conformity with Generally Accepted Accounting Principles*. Another commenter expressed support for retaining AU sec. 625. The Board is not rescinding these standards at this time because they cover situations that may be related to audits of issuers.

2. *Interpretive Publications*

Among other things, AU sec. 150 described the auditor's responsibilities regarding interpretive publications, which consist of auditing interpretations of the interim auditing standards, appendices to the interim auditing standards, auditing guidance included in AICPA Audit and Accounting Guides, and AICPA auditing Statements of Position.¹⁹

The Board proposed to retain almost all²⁰ of the AICPA auditing interpretations and to present the auditing interpretations separately from the auditing standards on the Board's website in a manner similar to PCAOB guidance. As addressed in the supplemental request, the proposed amendments numbered the interpretations consecutively using a two-digit section number that followed an "AI" prefix and used title language in the form of "Auditing Interpretations of AS xxxx." The auditing interpretations will be presented on the guidance page of the Board's website, consistent with their presentation in the online demonstration version that accompanied the supplemental request. As the Board proposed to retain the auditing interpretations, the Board similarly proposed to retain the existing requirement to be aware of and consider the auditing interpretations.²¹

¹⁹ See AU sec. 150.06. Pursuant to PCAOB Rule 3200T, the auditor's responsibilities regarding interpretive publications relate to the publications described in AU sec. 150.06 that were in existence as of April 16, 2003, to the extent not amended or superseded by the Board.

²⁰ As discussed in the original proposal, the Board proposed to rescind auditing interpretations related to standards that will not be in the reorganization, specifically, the interpretations of AU sec. 410 and AU sec. 534. Also, the Board proposed to remove interpretation 16 (paragraphs .76–.84) of AU sec. 9508, *Reports on Audited Financial Statements: Auditing Interpretations of Section 508*, which does not relate to audits of issuers, brokers, or dealers.

²¹ The Board proposed to add this requirement to AS 1001, *Responsibilities and Functions of the Independent Auditor*.



Some commenters suggested that the PCAOB retain the practice of presenting interpretations with the related auditing standards along with adding other Board-issued guidance. Another commenter suggested a numbering convention analogous to the existing auditing interpretations, specifically, using a "9" prefix before the standard number. The Board is adopting the organizational structure and numbering of the auditing interpretations as proposed. It is important to distinguish standards from auditing interpretations and guidance because, among other reasons, an auditor's responsibility related to auditing standards differs from the auditor's responsibility regarding auditing interpretations and other interpretive publications. The Board is also adopting the numbering convention as presented in the supplemental request. The titles of the interpretations (along with the hyperlinks) identify the corresponding standards, which should help auditors and other users associate the interpretations with their related standards. The Board will continue to assess the need to update the guidance in the auditing interpretations.

The Board also proposed to retain almost all of the appendices²² to the interim auditing standards and to continue presenting those appendices together with their related auditing standards in the same manner that the appendices to Board-issued standards are presented.²³ In addition, the Board proposed to retain the American Bar Association's *Statement of Policy Regarding Lawyers' Responses to Auditors' Requests for Information*, currently included as Exhibit II of AU sec. 337, *Inquiry of a Client's Lawyer Concerning Litigation, Claims, and Assessments*.²⁴ The Board received no specific comments on these matters. The Board is retaining the interim standards' appendices and Exhibit II of AU sec. 337 in the reorganized standards as proposed.

²² The Board proposed to delete the appendices that contain paragraphs .86 and .87 of AU sec. 316, *Consideration of Fraud in a Financial Statement Audit*, which provide amendments to AU sec. 230, *Due Professional Care in the Performance of Work*, and AU sec. 333, *Management Representations*, respectively, as these amendments already are reflected in the standards themselves.

²³ Appendices to Board-issued standards are an integral part of those standards. See *Auditing Standards Related to the Auditor's Assessment of and Response to Risk and Related Amendments to PCAOB Standards*, PCAOB Release No. 2010-004, at A10-3 (August 5, 2010).

²⁴ The Board also proposed to delete the exhibit that includes AU sec. 316.88 as it provides guidance to management regarding antifraud programs and controls. In addition, the Board proposed to delete Exhibit I of AU sec. 337 because it merely presents excerpts of Financial Accounting Standard Board ("FASB") Statement No. 5, *Accounting for Contingencies*, which are set forth in the FASB's Accounting Standards Codification.



The Board proposed to remove from PCAOB auditing standards references to AICPA Audit and Accounting Guides and AICPA auditing Statements of Position. Commenters responded that auditors historically have used audit and accounting guides in their audits of companies in specialized industries, and they offered a variety of suggestions about how the Board should treat them, such as retaining the existing references in PCAOB standards, acknowledging the usefulness of current editions of the guides, or replacing them with the Board's own specialized industry guidance.

The Board is adopting the amendments to remove references to AICPA Audit and Accounting Guides and AICPA auditing Statements of Position because the guides referenced in PCAOB standards are outdated.²⁵ While auditors might consider more recent editions of audit and accounting guides or other materials to be useful reference materials—for example, for information about specialized industries—the auditor's responsibility is to comply with PCAOB auditing and related professional practice standards. In connection with its oversight activities, the PCAOB will continue to consider developing guidance on the application of PCAOB standards when the need arises.

3. *Other Changes to PCAOB Standards*

In the supplemental request, the Board proposed amendments to replace references to GAAS throughout the auditing standards with references to the standards of the PCAOB or PCAOB auditing standards and, accordingly, to supersede Auditing Standard No. 1, *References in Auditors' Reports to the Standards of the Public Company Accounting Oversight Board*. Commenters generally supported these changes.

Auditing Standard No. 1 provides that whenever the auditor is required by existing standards to reference GAAS in a report, the auditor must instead refer to "the standards of the Public Company Accounting Oversight Board (United States)." Auditing Standard No. 1 also includes a requirement for the report to include the city and state, (or city and country), of the auditor. As Auditing Standard No. 1 also applies to reports issued in accordance with the PCAOB's attestation standards, the Board proposed similar amendments to update GAAS references and to include the city and state, (or city and country), in the interim attestation standards.

The Board received no comments on its proposal to supersede Auditing Standard No. 1. One commenter suggested that the title of illustrative auditor's reports

²⁵ AICPA Audit and Accounting Guides and auditing Statements of Position referenced in PCAOB standards are the editions of those publications as in existence on April 16, 2003.



in the PCAOB's standards also be revised to reflect the title used in Auditing Standard No. 1's illustrative reports (that is, change the title of the illustrative reports to "Report of Independent Registered Public Accounting Firm"). The Board is adopting the amendments and superseding Auditing Standard No. 1 as proposed and, as suggested, is adding amendments to change the title of illustrated reports included in the standards. The amendments do not change the requirements for the content of the auditor's report.²⁶

The Board also proposed to eliminate certain inoperative language in auditing standards and interpretations and to eliminate inoperative references to AICPA standards or rules. For example, the Board proposed to remove references to provisions of the AICPA Code of Professional Conduct or ethics rules that were not adopted as interim standards of the PCAOB and to replace references to AICPA standards with references to PCAOB standards, where appropriate.²⁷ As part of this effort the Board also proposed to remove references to superseded standards.²⁸

The Board did not receive comments, except as described below, on the proposed amendments to remove (i) references to superseded standards and (ii) inoperative language and references. With the exception of the changes described below, the Board is adopting the remainder of such amendments as proposed.

²⁶ For example, the amendments would not preclude an unregistered firm that applies PCAOB standards from omitting "Registered" from the title of its report.

²⁷ For example, the Board proposed to delete from AS 1005, *Independence*, and AS 2605, *Consideration of the Internal Audit Function*, references to AICPA independence requirements that were never adopted by the Board. Similar types of changes were made to AS 2705, *Required Supplementary Information*, AS 6101, *Letters for Underwriters and Certain Other Requesting Parties*, AS 6105, *Reports on the Application of Accounting Principles*, AI 24, *Special Reports: Auditing Interpretations of AS 3305*, and AI 25, *Association with Financial Statements: Auditing Interpretations of AS 3320*.

²⁸ For example, the Board proposed to remove references to superseded standards in AS 3305, *Special Reports*, AS 4105, *Reviews of Interim Financial Information*, AI 10, *Part of the Audit Performed by Other Independent Auditors: Auditing Interpretations of AS 1205*, AI 23, *Reports on Audited Financial Statements: Auditing Interpretations of AS 3101*, AI 24, *Special Reports: Auditing Interpretations of AS 3305*, AT Section 701, *Management's Discussion and Analysis*, AT Section 9101, *Attest Engagements: Attest Engagements Interpretations of Section 101*, and ET Section 101, *Independence*.



The Board also received comments on the proposed amendments to interpretation 4 of AT sec. 9101, *Attest Engagements: Attest Engagements Interpretations of Section 101*, which addresses letters to regulators when they request access to or copies of attestation documentation. This interpretation includes illustrative letters preceded by introductory paragraphs that discuss the use of such letters. The introductory paragraphs include a reference to a superseded auditing standard and auditing interpretation. The proposed amendments would have removed the introductory paragraphs, leaving only the illustrative letters to this interpretation. Commenters stated that the introductory paragraphs are necessary to provide context to the illustrative letters. The Board has revised the amendments to include a paragraph that introduces the illustrative letters while eliminating the superseded references.

B. Changes to PCAOB Rules

In conjunction with the reorganization of PCAOB auditing standards, the Board proposed to amend PCAOB Rule 3200T, which requires auditors to comply with the Board's interim auditing standards, to remove (i) the reference to AU sec. 150, which, as discussed above, would not be included in the reorganized standards, and (ii) terms such as "interim auditing standards" and "generally accepted auditing standards." Those terms are not relevant under the proposed reorganization and could be confusing to some users of the standards. In addition, the Board would make the rule a permanent rule rather than a temporary rule and, therefore, would remove the word "Interim" from the title of the rule.²⁹ The amended rule, as proposed, would require compliance with all PCAOB auditing standards.

The Board received no comments on the proposed amendments to Rule 3200T and is adopting them as proposed. These changes do not modify the auditor's existing responsibilities for complying with PCAOB auditing standards. Instead, the changes update Rule 3200T so that it describes, in one rule, the auditor's responsibilities for complying with all of the auditing standards included in the reorganization—those that the Board adopted as interim standards in 2003 and those that the Board has adopted since.

C. Additional Amendments for Auditing Standard No. 18

The Board has adopted certain additional amendments beyond those included in the original proposal or supplemental request. Specifically, on June 10, 2014, after the

²⁹ The Board also proposed a conforming amendment to Rule 3101, *Certain Terms Used in Auditing and Related Professional Practice Standards*, as described in Appendix 4. The Board received no comments on that amendment and is adopting it as proposed. The amendment does not change the meaning or scope of that rule.



supplemental request, the Board adopted Auditing Standard No. 18, *Related Parties*, amendments to certain PCAOB auditing standards regarding significant unusual transactions, and certain other amendments to PCAOB auditing standards.³⁰ The Board is adopting additional amendments to incorporate Auditing Standard No. 18 and the other amendments into the reorganized auditing standards.³¹

Notably, these amendments, like the other adopted amendments, are technical in nature and do not substantively affect the requirements in PCAOB standards or rules.

D. Consideration of Other Comments

The Board received other comments that are not directly related to the amendments adopted in this release. Some comments generally related to possible other enhancements to the Board's standards or the presentation of standards on the PCAOB website, in many cases consistent with potential enhancements discussed in the original proposal and supplemental request. In general, these suggested enhancements involved:

- Updating outdated references to generally accepted accounting principles ("GAAP") within the auditing standards;
- Reorganizing PCAOB guidance into an integrated topical structure;
- Adding links on the website from the auditing standards to related guidance; and
- Adding features to the Board's standards on the website, such as converting cross-references into hyperlinks.

The Board plans to address GAAP references in its standards in the context of future standard-setting activities because updating these references could involve substantive changes to the auditing standards that are outside the near-term scope of this project.

³⁰ See *Auditing Standard No. 18—Related Parties, Amendments to Certain PCAOB Auditing Standards Regarding Significant Unusual Transactions, and Other Amendments to PCAOB Auditing Standards*, PCAOB Release No. 2014-002 (June 10, 2014).

³¹ Separately, the Board also is making a technical amendment to AS 2610.09 (formerly AU sec. 315.09) to consolidate the bullet points in the paragraph, and AS 2705.09 (formerly AU sec 558.09) to update an outdated reference. Appendix 4 includes these amendments.



Also, the Board plans to consider ways to enhance the usability of PCAOB guidance. Additionally, the Board continues to consider opportunities for improving its website.³²

The Board also received comments advocating other actions besides reorganizing PCAOB auditing standards as described in the original proposal. For example, some of those commenters suggested full convergence with the IAASB or ASB standards or adopting the standards of the IAASB or ASB and adding incremental requirements for the auditor to perform when conducting an audit of an issuer. As the Board has explained previously:

[B]ecause the Board's standards must be consistent with the Board's statutory mandate, differences will continue to exist between the Board's standards and the standards of the IAASB and ASB e.g., when the Board decides to retain an existing requirement in PCAOB standards that is not included in IAASB or ASB standards. Also, certain differences are often necessary for the Board's standards to be consistent with relevant provisions of the federal securities laws or other existing standards or rules of the Board. Also, the Board's standards-setting activities are informed by and developed to some degree, in response to observations from its oversight activities.³³

Nevertheless, the PCAOB continues to consider carefully the work of the IAASB and ASB in PCAOB standard-setting projects. Additionally, the Board will consider the organization and content of individual standards during the course of future standard-setting projects.

V. Economic Considerations and Application to Audits of Emerging Growth Companies

This section discusses economic considerations related to the reorganization, specifically, the need for rulemaking, alternatives considered, description of the baseline, and consideration of benefits and costs. It also discusses considerations related to audits of emerging growth companies ("EGCs").

³² The Board updates its website to reflect changes to the Board rules and standards that are approved by the SEC. Accordingly, if the amendments to this release are approved by the SEC, the PCAOB would update its website to reflect the auditing standards as reorganized.

³³ See PCAOB Release 2010-004, at A10-91–A10-92.



A. Need for Rulemaking

As discussed in more detail in Section II of this release, the reorganization creates a standardized organizational structure of PCAOB auditing standards to enhance the usability of the standards, including helping users navigate the standards more easily. This could help auditors, for example, find more easily the relevant requirements in PCAOB standards for a particular area of the audit, which could facilitate compliance with PCAOB standards.

The reorganization also could help avoid potential confusion between the Board's standards and the recently reorganized standards of the ASB, if the same AU section reference was used for different standards covering different topics.

In addition, the reorganization would provide a structure for updating PCAOB standards in the future.

Commenters generally supported the reorganization of PCAOB auditing standards.

B. Consideration of Alternatives

In the original proposal, the Board outlined three alternatives to the proposed approach³⁴ for reorganizing the standards:

1. Continue issuing sequentially numbered standards until all of the interim standards are replaced;
2. Retain the organizational structure of the existing interim standards and assign section numbers to Board-issued standards that would fit into the existing organizational structure; or
3. Adopt the organizational structure of another auditing standard setter, such as the IAASB.

The first alternative would eventually result in a single structure and would avoid the potential confusion between PCAOB auditing standards and the standards of other standard setters. However, this alternative would take years for users to receive its benefits, and, under this approach, the standards would be more difficult to navigate than a topical system.

³⁴ The Board proposed the approach described in Section II because it addresses more fully the reasons for the reorganization.



The second alternative would provide little benefit to users because it has few categories and is less intuitive than an organized structure that follows the flow of the audit process. In addition, as the ASB continues to use a three-digit system to reference its standards, the potential for confusion between the standards of the Board and the standards of the AICPA, as previously discussed in Section III, would remain.

The third alternative could be confusing to users if PCAOB standards and IAASB standards used the same section numbers for standards that address different topics. Similar issues would arise if the PCAOB adopted the organizational structure of the clarified ASB standards.

Other commenters suggested that the PCAOB collaborate with other standard setters to develop a unified framework for auditing standards or to develop a codification of the auditing standards in a manner similar to the approach taken by the FASB with its accounting standards.³⁵ Another commenter suggested that the Board limit time spent on this project and instead focus its efforts on other matters on the Board's standard-setting agenda. The Board's reorganization of the auditing standards, as described in Section III, provides immediate benefits to users, such as making standards easier to navigate and establishing a structure for future updates of the standards. Thus, the Board decided to proceed with this project.

As previously discussed, the majority of commenters were in favor of the Board using a distinguishable organizational structure. Those commenters supported the organization as proposed or offered suggestions to the proposed reorganization such as changes to the titles, categorization, or sequence of existing standards and guidance. The Board has made some refinements to the organizational structure and amendments presented in the original proposal and supplemental request, as discussed in Sections III and IV of this release.

C. Baseline

The existing organizational structure of PCAOB auditing standards is described in Section II of this release as consisting of sequentially numbered AS standards and AU sections representing the remaining interim standards that the Board has not superseded. The Board believes this current organizational structure is generally reflected in references made in firm methodologies, commercially published guidance, and other technology tools, and therefore constitutes the baseline against which impacts can be considered.

³⁵ For example, this approach might apply an Area, Topic, Subtopic, and Section structure.



D. Consideration of Benefits and Costs

The reorganization of PCAOB auditing standards involves amendments that do not impose additional requirements on auditors or substantively change the requirements of PCAOB standards. Thus, the reorganization is not expected to affect the manner in which audits are performed and reported under PCAOB standards.

As discussed previously, benefits of the reorganization stem from a single, integrated organizational structure for PCAOB auditing standards that is easier for auditors and others to use. Among other things, this could help auditors find more easily the relevant requirements in PCAOB standards for a particular area of the audit, which could facilitate compliance with PCAOB standards. It also could help avoid the potential for confusion between PCAOB standards and ASB standards.

As discussed in the original proposal, the primary incremental costs of the changes related to the reorganization would be costs to registered firms of updating references within firm methodologies, related reference materials, and practice aids to reflect the new citations to PCAOB auditing standards, as well as training on the new organizational structure. The adopted reorganization is likely to have less cost than approaches suggested by some commenters—for example, a unified framework or FASB-like codification—that would involve substantial redrafting of PCAOB auditing standards and therefore the potential for more extensive modifications to registered firms' methodologies and related materials.

Comments on potential benefits and costs of the proposal generally were consistent with these views. Commenters who advocated using the IAASB or ASB organizational structure or working with other standard setters to develop a unified organizational structure cited additional costs associated with supporting compliance with two different sets of auditing standards. However, the costs cited by the commenters stem principally from differences in the standards themselves rather than how they are organized. Furthermore, the reorganization involves changing the titles, categorization, or sequence of existing standards and guidance; it does not create a new set of auditing standards. In addition, reorganizing the standards to make them easier to navigate should help users of the standards compare PCAOB standards to IAASB and ASB standards.

E. Application to Audits of Emerging Growth Companies

The Board does not anticipate that the preceding economic considerations would be different for audits of EGCs, as defined by the Jumpstart Our Business Startups Act



of 2012 ("JOBS Act").³⁶ Pursuant to Section 104 of the JOBS Act, any rules adopted by the Board subsequent to April 5, 2012, do not apply to the audits of EGCs (as defined in Section 3(a)(80) of the Securities Exchange Act of 1934 ["Exchange Act"]) unless the SEC "determines that the application of such additional requirements is necessary or appropriate in the public interest, after considering the protection of investors and whether the action will promote efficiency, competition, and capital formation."³⁷

As discussed previously, the reorganization of PCAOB auditing standards would involve amendments that do not impose additional requirements on auditors or change substantively the requirements of PCAOB standards. Thus, the reorganization, including the amendments, is not expected to affect the manner in which audits are performed and reported under PCAOB standards, including audits of EGCs. The Board sought comment on the effect, if any, the reorganization would have specifically on audits of EGCs. Commenters indicated that they were not aware of any costs that would be specific to audits of EGCs when compared to costs of non-EGC audits.

Accordingly and pursuant to the above discussion, the PCAOB requests that the Commission determine that it is necessary or appropriate in the public interest, after considering the protection of investors and whether the action will promote efficiency, competition, and capital formation, to apply these amendments to audits of EGCs.

³⁶ See Section 101 of the JOBS Act. As of September 30, 2014, based on the PCAOB's research, 1,726 SEC registrants have identified themselves as EGCs in SEC filings. These companies operate in diverse industries with Standard Industrial Classification codes such as pharmaceutical preparations, blank checks, real estate investment trusts, prepackaged software services, business services, metal mining, and computer processing/data preparations services. For EGCs in which audited financial statements were available, those companies reported assets ranging from zero to approximately \$13.0 billion, with an average and median of \$199.0 million and approximately \$2.4 million, respectively. The companies reported revenue ranging from zero to approximately \$993.5 million, with an average and median of \$59.8 million and \$21 thousand, respectively. Approximately 44 percent of the companies were audited by accounting firms that issued audit reports for more than 100 public company audit clients, and the remainder of the companies were audited by firms that issued audit reports for 100 or fewer public company audit clients.

³⁷ See JOBS Act, Pub. L. No. 112-106, § 104.



VI. Audits of Brokers and Dealers

Section 982 of the Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank Act")³⁸ expanded the authority of the Board to oversee the audits of brokers and dealers that are required under SEC rules. On July 30, 2013, the SEC amended its rules, including SEC Rule 17a-5 under the Exchange Act, to require, among other things, that audits of brokers' and dealers' financial statements and examinations of reports regarding compliance with SEC requirements be performed in accordance with the standards of the PCAOB, effective for fiscal years ending on or after June 1, 2014.³⁹ Commenters agreed with the Board's view that the reorganization is appropriate for all audits, including audits of brokers and dealers.

VII. Effective Date

The original proposal requested commenters to provide factors the Board should consider in determining the effective date. Factors provided by commenters, among other things, included providing sufficient time for firms to update their methodologies, reference materials, and practice aids and to train staff. One commenter, an accounting firm, also suggested using a single transition date as opposed to a date dependent on the year end of an issuer, broker, or dealer as from that firm's perspective a single date would facilitate a more efficient transition to the reorganization.

After considering the comments received and the timing of the adoption of the reorganization, the Board has determined that the accompanying reorganization and related amendments will be effective, subject to SEC approval, as of December 31, 2016. If the adopted amendments accompanying this release are approved by the SEC, nothing precludes auditors and others from using and referencing the reorganized standards before the effective date, as the amendments do not substantively change the standards' requirements.

³⁸ Pub. L. No. 111-203, 124 Stat. 1376 (July 21, 2010).

³⁹ See SEC, *Broker-Dealer Reports*, Securities Exchange Act of 1934 Release No. 70073 (July 30, 2013), 78 Federal Register 51910 (August 21, 2013), which includes the final rules.



VIII. Appendices

APPENDIX 1—Reorganization of PCAOB Auditing Standards

APPENDIX 2—Comparison of Existing PCAOB Auditing Standards to the Reorganization of PCAOB Auditing Standards

APPENDIX 3—Comparison of the Reorganization of PCAOB Auditing Standards to Existing PCAOB Auditing Standards and the Standards of the International Auditing and Assurance Standards Board and Auditing Standards Board

APPENDIX 4—Amendments to PCAOB Rules and Standards

* * *

On the 31st day of March, in the year 2015, the foregoing was, in accordance with the bylaws of the Public Company Accounting Oversight Board,

ADOPTED BY THE BOARD.

/s/ Phoebe W. Brown

Phoebe W. Brown

Secretary

March 31, 2015



Appendix 1—Reorganization of PCAOB Auditing Standards

General Auditing Standards

1000 ***General Principles and Responsibilities***

1001 Responsibilities and Functions of the Independent Auditor

1005 Independence

1010 Training and Proficiency of the Independent Auditor

1015 Due Professional Care in the Performance of Work

1100 ***General Concepts***

1101 Audit Risk

1105 Audit Evidence

1110 Relationship of Auditing Standards to Quality Control Standards¹

1200 ***General Activities***

1201 Supervision of the Audit Engagement

1205 Part of the Audit Performed by Other Independent Auditors

1210 Using the Work of a Specialist

1215 Audit Documentation

1220 Engagement Quality Review

1300 ***Auditor Communications***

1301 Communications with Audit Committees

¹ AU sec. 161 is entitled, *The Relationship of Generally Accepted Auditing Standards to Quality Control Standards*. The Board is amending the title of this standard to make it more consistent in style with other standards without changing its substance.

1305 Communications About Control Deficiencies in an Audit of Financial Statements

Audit Procedures

2100 *Audit Planning and Risk Assessment*

2101 Audit Planning

2105 Consideration of Materiality in Planning and Performing an Audit

2110 Identifying and Assessing Risks of Material Misstatement

2200 *Auditing Internal Control Over Financial Reporting*

2201 An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements

2300 *Audit Procedures in Response to Risks—Nature, Timing, and Extent*

2301 The Auditor's Responses to the Risks of Material Misstatement

2305 Substantive Analytical Procedures

2310 The Confirmation Process

2315 Audit Sampling

2400 *Audit Procedures for Specific Aspects of the Audit*

2401 Consideration of Fraud in a Financial Statement Audit

2405 Illegal Acts by Clients

2410 Related Parties

2415 Consideration of an Entity's Ability to Continue as a Going Concern²

² AU sec. 341 is entitled, *The Auditor's Consideration of an Entity's Ability to Continue as a Going Concern*. The Board is amending the title of this standard to make it more consistent in style with other standards without changing its substance.

2500	<i>Audit Procedures for Certain Accounts or Disclosures</i>
2501	Auditing Accounting Estimates
2502	Auditing Fair Value Measurements and Disclosures
2503	Auditing Derivative Instruments, Hedging Activities, and Investments in Securities
2505	Inquiry of a Client's Lawyer Concerning Litigation, Claims, and Assessments
2510	Auditing Inventories ³
2600	<i>Special Topics</i>
2601	Consideration of an Entity's Use of a Service Organization ⁴
2605	Consideration of the Internal Audit Function ⁵
2610	Initial Audits—Communications Between Predecessor and Successor Auditors ⁶
2700	<i>Auditor's Responsibilities Regarding Supplemental and Other Information</i>

³ AU sec. 331 is entitled, *Inventories*. The Board is amending the title of this standard to make it more consistent in style with other standards without changing its substance.

⁴ AU sec. 324 is entitled, *Service Organizations*. The Board is amending the title of this standard to make it more consistent in style with other standards without changing its substance.

⁵ AU sec. 322 is entitled, *The Auditor's Consideration of the Internal Audit Function in an Audit of Financial Statements*. The Board is amending the title of this standard to make it more consistent in style with other standards without changing its substance.

⁶ AU sec. 315 is entitled, *Communications Between Predecessor and Successor Auditors*. The Board is amending the title of this standard to clarify the subject of the standard without changing its substance. Additionally, this standard addresses audits of financial statements that have been audited previously.

2701	Auditing Supplemental Information Accompanying Audited Financial Statements
2705	Required Supplementary Information
2710	Other Information in Documents Containing Audited Financial Statements ⁷
2800	<i>Concluding Audit Procedures</i>
2801	Subsequent Events
2805	Management Representations
2810	Evaluating Audit Results
2815	The Meaning of "Present Fairly in Conformity with Generally Accepted Accounting Principles"
2820	Evaluating Consistency of Financial Statements
2900	<i>Post-Audit Matters</i>
2901	Consideration of Omitted Procedures After the Report Date
2905	Subsequent Discovery of Facts Existing at the Date of the Auditor's Report
Auditor Reporting	
3100	<i>Reporting on Audits of Financial Statements</i>
3101	Reports on Audited Financial Statements ⁸

⁷ The Board has proposed a new auditing standard, *The Auditor's Responsibilities Regarding Other Information in Certain Documents Containing Audited Financial Statements and the Related Auditor's Report*. See PCAOB Release No. 2013-005 (August 13, 2013). If adopted by the Board and approved by the SEC, that proposed standard would become AS 2710.

⁸ The Board has proposed a new auditing standard, *The Auditor's Report on an Audit of Financial Statements When the Auditor Expresses an Unqualified Opinion*. See *Proposed Auditing Standards—The Auditor's Report on an Audit of Financial Statements When the Auditor Expresses an Unqualified Opinion; The Auditor's*



3110	Dating of the Independent Auditor's Report
3200	<i>Reserved</i>
3300	<i>Other Reporting Topics</i>
3305	Special Reports
3310	Special Reports on Regulated Companies ⁹
3315	Reporting on Condensed Financial Statements and Selected Financial Data
3320	Association with Financial Statements
Matters Relating to Filings Under Federal Securities Laws	
4101	Responsibilities Regarding Filings Under Federal Securities Statutes ¹⁰
4105	Reviews of Interim Financial Information ¹¹
5000	<i>Reserved</i>

Responsibilities Regarding Other Information in Certain Documents Containing Audited Financial Statements and the Related Auditor's Report; and Related Amendments to PCAOB Standards, PCAOB Release No. 2013-005 (August 13, 2013). If adopted by the Board and approved by the SEC, that proposed standard would substantially amend AS 3101.

⁹ AU sec. 544 is entitled, *Lack of Conformity With Generally Accepted Accounting Principles*. The Board is amending the title of this standard to clarify the subject of the standard without changing its substance.

¹⁰ AU sec. 711 is entitled, *Filings Under Federal Securities Statutes*. The Board is amending the title of this standard to clarify the subject of the standard without changing its substance.

¹¹ AU sec. 722 is entitled, *Interim Financial Information*. The Board is amending the title of this standard to clarify the subject of the standard without changing its substance.



Other Matters Associated with Audits

6101	Letters for Underwriters and Certain Other Requesting Parties
6105	Reports on the Application of Accounting Principles
6110	Compliance Auditing Considerations in Audits of Recipients of Governmental Financial Assistance ¹²
6115	Reporting on Whether a Previously Reported Material Weakness Continues to Exist

¹² AU sec. 801 is entitled, *Compliance Auditing Considerations in Audits of Governmental Entities and Recipients of Governmental Financial Assistance*. The Board is amending the title of this standard to clarify the subject of the standard without changing its substance.



Appendix 2—Comparison of Existing PCAOB Auditing Standards to the Reorganization of PCAOB Auditing Standards

This appendix presents the existing PCAOB auditing standards ("AS No." or "AU sec.") along with their respective AS reference under the adopted reorganization of PCAOB auditing standards.

Standards that note "Rescind" in the AS Reference column are existing standards that the Board is rescinding in conjunction with the reorganization.

PCAOB Reference (AU section or AS No.)	Current Title	AS Reference
AS No. 1	References in Auditors' Reports to the Standards of the Public Company Accounting Oversight Board	Supersede ¹
AS No. 3	Audit Documentation	1215
AS No. 4	Reporting on Whether a Previously Reported Material Weakness Continues to Exist	6115
AS No. 5	An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements	2201
AS No. 6	Evaluating Consistency of Financial Statements	2820
AS No. 7	Engagement Quality Review	1220
AS No. 8	Audit Risk	1101
AS No. 9	Audit Planning	2101
AS No. 10	Supervision of the Audit Engagement	1201

¹ Auditing Standard No. 1 is superseded as a result of the amendments made to other standards.



PCAOB Reference (AU section or AS No.)	Current Title	AS Reference
AS No. 11	Consideration of Materiality in Planning and Performing an Audit	2105
AS No. 12	Identifying and Assessing Risks of Material Misstatement	2110
AS No. 13	The Auditor's Responses to the Risks of Material Misstatement	2301
AS No. 14	Evaluating Audit Results	2810
AS No. 15	Audit Evidence	1105
AS No. 16	Communications with Audit Committees	1301
AS No. 17	Auditing Supplemental Information Accompanying Audited Financial Statements	2701
AS No. 18	Related Parties	2410
AU sec. 110	Responsibilities and Functions of the Independent Auditor	1001
AU sec. 150	Generally Accepted Auditing Standards	Rescind
AU sec. 161	The Relationship of Generally Accepted Auditing Standards to Quality Control Standards	1110
AU sec. 201	Nature of the General Standards	Rescind
AU sec. 210	Training and Proficiency of the Independent Auditor	1010
AU sec. 220	Independence	1005
AU sec. 230	Due Professional Care in the Performance of Work	1015



PCAOB Reference (AU section or AS No.)	Current Title	AS Reference
AU sec. 315	Communications Between Predecessor and Successor Auditors	2610
AU sec. 316	Consideration of Fraud in a Financial Statement Audit	2401
AU sec. 317	Illegal Acts by Clients	2405
AU sec. 322	The Auditor's Consideration of the Internal Audit Function in an Audit of Financial Statements	2605
AU sec. 324	Service Organizations	2601
AU sec. 325	Communications About Control Deficiencies in an Audit of Financial Statements	1305
AU sec. 328	Auditing Fair Value Measurements and Disclosures	2502
AU sec. 329	Substantive Analytical Procedures	2305
AU sec. 330	The Confirmation Process	2310
AU sec. 331	Inventories	2510
AU sec. 332	Auditing Derivative Instruments, Hedging Activities, and Investments in Securities	2503
AU sec. 333	Management Representations	2805
AU sec. 336	Using the Work of a Specialist	1210
AU sec. 337	Inquiry of a Client's Lawyer Concerning Litigation, Claims, and Assessments	2505
AU sec. 341	The Auditor's Consideration of an Entity's Ability to Continue as a Going Concern	2415



PCAOB Reference (AU section or AS No.)	Current Title	AS Reference
AU sec. 342	Auditing Accounting Estimates	2501
AU sec. 350	Audit Sampling	2315
AU sec. 390	Consideration of Omitted Procedures After the Report Date	2901
AU sec. 410	Adherence to Generally Accepted Accounting Principles	Rescind
AU sec. 411	The Meaning of Present Fairly in Conformity With Generally Accepted Accounting Principles	2815
AU sec. 504	Association With Financial Statements	3320
AU sec. 508	Reports on Audited Financial Statements	3101
AU sec. 530	Dating of the Independent Auditor's Report	3110
AU sec. 532	Restricting the Use of an Auditor's Report	Rescind
AU sec. 534	Reporting on Financial Statements Prepared for Use in Other Countries	Not Included
AU sec. 543	Part of Audit Performed by Other Independent Auditors	1205
AU sec. 544	Lack of Conformity With Generally Accepted Accounting Principles	3310
AU sec. 550	Other Information in Documents Containing Audited Financial Statements	2710
AU sec. 552	Reporting on Condensed Financial Statements and Selected Financial Data	3315
AU sec. 558	Required Supplementary Information	2705



PCAOB Reference (AU section or AS No.)	Current Title	AS Reference
AU sec. 560	Subsequent Events	2801
AU sec. 561	Subsequent Discovery of Facts Existing at the Date of the Auditor's Report	2905
AU sec. 623	Special Reports	3305
AU sec. 625	Reports on the Application of Accounting Principles	6105
AU sec. 634	Letters for Underwriters and Certain Other Requesting Parties	6101
AU sec. 711	Filings Under Federal Securities Statutes	4101
AU sec. 722	Interim Financial Information	4105
AU sec. 801	Compliance Auditing Considerations in Audits of Governmental Entities and Recipients of Governmental Financial Assistance	6110
AU sec. 901	Public Warehouses—Controls and Auditing Procedures for Goods Held	Rescind



Appendix 3—Comparison of the Reorganization of PCAOB Auditing Standards to Existing PCAOB Auditing Standards and the Standards of the International Auditing and Assurance Standards Board and Auditing Standards Board

This appendix presents the adopted reorganization of PCAOB auditing standards ("AS") along with their references in existing PCAOB auditing standards and the analogous standards of the International Auditing and Assurance Standards Board ("IAASB") and the Auditing Standards Board of the American Institute of Certified Public Accountants ("ASB").

AS Reference	Title	PCAOB Reference (AU section or AS No.)	Analogous IAASB Standard (ISA)	Analogous ASB Standard (AU-C)
1001	Responsibilities and Functions of the Independent Auditor	AU sec. 110	200 ¹	200
1005	Independence	AU sec. 220	200	200
1010	Training and Proficiency of the Independent Auditor	AU sec. 210	200	200
1015	Due Professional Care in the Performance of Work	AU sec. 230	200	200
1101	Audit Risk	AS No. 8	200	200
1105	Audit Evidence	AS No. 15	500	500

¹ The responsibilities, functions, training, and proficiency of the independent auditor; independence requirements; exercising due professional care; and audit risk are included in multiple PCAOB standards (AS 1001, 1005, 1010, 1015, and 1101, respectively) but are included in one IAASB standard (ISA 200) and one ASB standard (AU-C 200).



AS Reference	Title	PCAOB Reference (AU section or AS No.)	Analogous IAASB Standard (ISA)	Analogous ASB Standard (AU-C)
1110	Relationship of Auditing Standards to Quality Control Standards	AU sec. 161	220 ²	220
1201	Supervision of the Audit Engagement	AS No. 10	220	220
1205	Part of the Audit Performed by Other Independent Auditors	AU sec. 543	600	600
1210	Using the Work of a Specialist	AU sec. 336	500, 620	500, 620
1215	Audit Documentation	AS No. 3	230	230
1220	Engagement Quality Review	AS No. 7	220	220
1301	Communications with Audit Committees	AS No. 16	210, 260 ³	210, 260
1305	Communications About Control Deficiencies in an Audit of Financial Statements	AU sec. 325	265	265
2101	Audit Planning	AS No. 9	300	300

² The relationship of auditing standards to quality control standards, supervision of the audit engagement, and engagement quality review are covered in separate PCAOB standards (AS 1110, 1201, and 1220, respectively) but are included in one IAASB standard (ISA 220) and one ASB standard (AU-C 220).

³ Under PCAOB standards, agreeing to the terms of an audit and communications with audit committees are covered in one standard, whereas those subjects are covered by separate standards under IAASB standards (ISA 210 and 260, respectively) and ASB standards (AU-C 210 and 260, respectively).



AS Reference	Title	PCAOB Reference (AU section or AS No.)	Analogous IAASB Standard (ISA)	Analogous ASB Standard (AU-C)
2105	Consideration of Materiality in Planning and Performing an Audit	AS No. 11	320	320
2110	Identifying and Assessing Risks of Material Misstatement	AS No. 12	315	315
2201	An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements	AS No. 5	N/A ⁴	AT 501
2301	The Auditor's Responses to the Risks of Material Misstatement	AS No. 13	330	330
2305	Substantive Analytical Procedures	AU sec. 329	520 ⁵	520
2310	The Confirmation Process	AU sec. 330	505	505
2315	Audit Sampling	AU sec. 350	530	530
2401	Consideration of Fraud in a Financial Statement Audit	AU sec. 316	240	240

⁴ The PCAOB has a standard for auditing internal control over financial reporting when auditing financial statements. The IAASB does not have a standard on auditing internal control over financial reporting, and the ASB addresses that subject in its attestation standards (AT 501).

⁵ Under PCAOB standards, substantive analytical procedures are covered in a separate standard (AS 2305) and analytical procedures performed in the overall review are included in the standard on evaluating audit results (AS 2810), whereas those subjects are both included in one IAASB standard (ISA 520) and one ASB standard (AU-C 520).



AS Reference	Title	PCAOB Reference (AU section or AS No.)	Analogous IAASB Standard (ISA)	Analogous ASB Standard (AU-C)
2405	Illegal Acts by Clients	AU sec. 317	250	250
2410	Related Parties	AS No. 18	550	550
2415	Consideration of an Entity's Ability to Continue as a Going Concern	AU sec. 341	570	570
2501	Auditing Accounting Estimates	AU sec. 342	540 ⁶	540
2502	Auditing Fair Value Measurements and Disclosures	AU sec. 328	540	540
2503	Auditing Derivative Instruments, Hedging Activities, and Investments in Securities	AU sec. 332	N/A ⁷	501

⁶ The PCAOB has separate standards for auditing accounting estimates (AS 2501) and auditing fair value measurements and disclosures (AS 2502), whereas the IAASB and ASB standards each have one standard on auditing accounting estimates including fair value estimates and disclosures (ISA 540 and AU-C 540, respectively).

⁷ The PCAOB has a separate standard for auditing derivative instruments, hedging activities, and investments in securities (AS 2503). In ASB standards, that subject is included in the standard on specific considerations regarding audit evidence (AU-C 501). The IAASB has a practice note on auditing financial instruments but does not have a standard on the subject.



AS Reference	Title	PCAOB Reference (AU section or AS No.)	Analogous IAASB Standard (ISA)	Analogous ASB Standard (AU-C)
2505	Inquiry of a Client's Lawyer Concerning Litigation, Claims, and Assessments	AU sec. 337	501 ⁸	501
2510	Auditing Inventories	AU sec. 331	501 ⁹	501
2601	Consideration of an Entity's Use of a Service Organization	AU sec. 324	402	402
2605	Consideration of the Internal Audit Function	AU sec. 322	610	610
2610	Initial Audits—Communications Between Predecessor and Successor Auditors	AU sec. 315	510	510
2701	Auditing Supplemental Information Accompanying Audited Financial Statements	AS No. 17	N/A	725
2705	Required Supplementary Information	AU sec. 558	N/A	730

⁸ The PCAOB has a separate standard on inquiry of a client's lawyers (AS 2505). In IAASB and ASB standards, inquiry of a client's lawyers is included in the standard on specific considerations regarding audit evidence (ISA 501 and AU-C 501, respectively).

⁹ The PCAOB has a separate standard on auditing inventories (AS 2510). In IAASB and ASB standards, auditing inventories is included in the standard on specific considerations regarding audit evidence (ISA 501 and AU-C 501, respectively).



AS Reference	Title	PCAOB Reference (AU section or AS No.)	Analogous IAASB Standard (ISA)	Analogous ASB Standard (AU-C)
2710	Other Information in Documents Containing Audited Financial Statements	AU sec. 550	720	720
2801	Subsequent Events	AU sec. 560	560 ¹⁰	560
2805	Management Representations	AU sec. 333	580	580
2810	Evaluating Audit Results	AS No. 14	240, 330, 450, 500, 520 ¹¹	240, 330, 450, 500, 520

¹⁰ In PCAOB standards, the subjects of subsequent events and subsequent discovery of facts existing at the report date are covered by separate standards (AS 2801 and 2905, respectively). In IAASB and ASB standards, those subjects are included in the standard on subsequent events (ISA 560 and AU-C 560, respectively).

¹¹ In PCAOB standards, the subject of evaluating audit results is covered in one standard (AS 2810). In IAASB and ASB standards, various topics related to evaluating audit results are covered in multiple standards, particularly, the standards related to the auditor's responsibilities regarding fraud, the auditor's responses to assessed risks, evaluation of misstatements, audit evidence, and analytical procedures (ISA 240, 330, 450, and 520 and AU-C 240, 330, 450, 500, and 520, respectively).



AS Reference	Title	PCAOB Reference (AU section or AS No.)	Analogous IAASB Standard (ISA)	Analogous ASB Standard (AU-C)
2815	The Meaning of "Present Fairly in Conformity with Generally Accepted Accounting Principles"	AU sec. 411	700 ¹²	700
2820	Evaluating Consistency of Financial Statements	AS No. 6	N/A	708
2901	Consideration of Omitted Procedures After the Report Date	AU sec. 390	N/A	585
2905	Subsequent Discovery of Facts Existing at the Date of the Auditor's Report	AU sec. 561	560	560
3101	Reports on Audited Financial Statements	AU sec. 508	700, 705, 706, 710	700, 705, 706

¹² The PCAOB has separate standards on the subjects of present fairly in conformity with generally accepted accounting principles (AS 2815) and reporting on audited financial statements, including emphasis paragraphs, departures from the standard opinion, and reporting on comparative statements (AS 3101). In IAASB and ASB standards, the subject of presenting fairly is included in the standard on forming an opinion and reporting on audited financial statements (ISA 700 and AU-C 700, respectively), but there are separate standards for emphasis paragraphs and departures from the standard opinion (ISA 705 and 706, respectively, and AU-C 705 and 706, respectively). In IAASB standards, reporting on comparative financial statements also is covered in a separate standard (ISA 710), whereas that subject is included in the ASB standard on forming an opinion and reporting on audited financial statements (AU-C 700).



AS Reference	Title	PCAOB Reference (AU section or AS No.)	Analogous IAASB Standard (ISA)	Analogous ASB Standard (AU-C)
3110	Dating of the Independent Auditor's Report	AU sec. 530	560, 700 ¹³	560, 700
3305	Special Reports	AU sec. 623	800, 805 ¹⁴	800, 805, 806
3310	Special Reports on Regulated Companies	AU sec. 544	210 ¹⁵	800
3315	Reporting on Condensed Financial Statements and Selected Financial Data	AU sec. 552	810	810

¹³ Under PCAOB standards, the subject of dating the independent auditor's report is covered in a single standard (AS 3110). Under IAASB and ASB standards, the standard requirement for dating the auditor's report is covered in the reporting standard (ISA 700 and AU-C 700, respectively), and the subject of dating the auditor's report when there is a subsequent discovery of facts is covered in the subsequent events standard (ISA 560 and AU-C 560, respectively).

¹⁴ Under PCAOB standards, financial statements prepared in accordance with special purpose frameworks and reporting on specified elements, accounts or items of a financial statement are covered in one standard (AS 3305). Under IAASB and ASB standards, those subjects are covered by separate standards (ISA 800 and 805, respectively) and ASB standards (AU-C 800 and 805, respectively). Reporting on compliance with contractual agreements or regulatory requirements in connection with audited financial statements also is covered by the PCAOB standard, whereas that subject is not covered by the IAASB standards and is covered by a separate ASB standard (AU-C 806).

¹⁵ Under PCAOB standards, the subject of reporting on financial statements prepared in accordance with a regulatory basis of accounting is covered in a separate standard (AS 3310). That subject is covered in the IAASB standard on agreeing to the terms of audit engagements (ISA 210) and in the ASB standard on financial statements prepared in accordance with special purpose frameworks (AU-C 800).



AS Reference	Title	PCAOB Reference (AU section or AS No.)	Analogous IAASB Standard (ISA)	Analogous ASB Standard (AU-C)
3320	Association with Financial Statements	AU sec. 504	N/A	Withdrawn by ASB
4101	Responsibilities Regarding Filings Under Federal Securities Statutes	AU sec. 711	N/A	925
4105	Reviews of Interim Financial Information	AU sec. 722	ISRE 2410 ¹⁶	930
6101	Letters for Underwriters and Certain Other Requesting Parties	AU sec. 634	N/A	920
6105	Reports on the Application of Accounting Principles	AU sec. 625	N/A	915
6110	Compliance Auditing Considerations in Audits of Recipients of Governmental Financial Assistance	AU sec. 801	N/A	935
6115	Reporting on Whether a Previously Reported Material Weakness Continues to Exist	AS No. 4	N/A	N/A

¹⁶ In PCAOB standards, the subject of conducting a review of interim financial information is covered in AS 4105. Under IAASB standards, that subject is covered in their review standards (International Standard on Review Engagements 2410). Reviewing interim financial information is covered by the ASB standards in AU-C 930.



Appendix 4—Amendments to PCAOB Rules and Standards

This appendix presents the amendments to implement the Board's reorganization of PCAOB auditing standards and related changes to PCAOB rules and attestation, quality control, and ethics and independence standards.

I. Amendments to Rules of the Board

Rule 3101. Certain Terms Used in Auditing and Related Professional Practice Standards

Rule 3101. Certain Terms Used in Auditing and Related Professional Practice Standards, is amended as follows:

In paragraph (b), the phrase "adopted in Rules 3200T, 3300T, 3400T, 3500T, and 3600T" is deleted.

Rule 3200T. Interim Auditing Standards

Rule 3200T. Interim Auditing Standards, is amended as follows:

- The letter "T" is removed from the reference to Rule 3200T.
- The word "Interim" is removed from the title of the rule.
- The text of the rule is replaced with the following:

In connection with the preparation or issuance of any audit report, a registered public accounting firm and its associated persons shall comply with all applicable auditing standards adopted by the Board and approved by the SEC, including, to the extent not superseded or amended by the Board, AICPA Statements on Auditing Standards as in existence on April 16, 2003.



II. Amendments to PCAOB Standards

Auditing Standards and Interpretations

Auditing Standard No. 1, *References in Auditors' Reports to the Standards of the Public Company Accounting Oversight Board*¹

Auditing Standard No. 1, *References in Auditors' Reports to the Standards of the Public Company Accounting Oversight Board*, is superseded.

Auditing Standard No. 3, *Audit Documentation*

Auditing Standard No. 3, *Audit Documentation*, as amended, is amended as follows:

- a. The section number "Auditing Standard No. 3" is replaced with "AS 1215."
- b. In the references before paragraph 1, the phrase "[supersedes SAS No. 96, *Audit Documentation*]" is deleted.
- c. Paragraph numbers 1 through 21 are replaced with .01 through .21.
- d. In footnote 1 to paragraph 4, the reference to "paragraph 12" is replaced with "paragraph .12."
- e. In footnote 2 to paragraph 6, the reference to "paragraphs 28–33 of Auditing Standard No. 5" is replaced with "paragraphs .28–.33 of AS 2201."
- f. In paragraph 9:
 - The parenthetical reference to "paragraph 15" is replaced with "paragraph .15."
 - In the first bullet, the reference to "paragraph 16" is replaced with "paragraph .16."
 - In the second bullet, the reference to "AU sec. 390" is replaced with "AS 2901."

¹ The captions in this section refer to the numbers and titles of existing PCAOB auditing standards and interpretations.

- g. In footnote 2A to paragraph 12a:
- The reference to "paragraphs 12–13 of Auditing Standard No. 12" is replaced with "paragraphs .12–.13 of AS 2110."
 - The reference to "AU sec. 316" is replaced with "AS 2401."
- h. In footnote 2B to paragraph 12c, the reference to "paragraphs 10–23 of Auditing Standard No. 14" is replaced with "paragraphs .10–.23 of AS 2810."
- i. In footnote 2C to paragraph 12f:
- The reference to "paragraph 74 of Auditing Standard No. 12, *Identifying and Assessing Risks of Material Misstatement*," is replaced with "AS 2110.74."
 - The reference to "paragraph 36 of Auditing Standard No. 14, *Evaluating Audit Results*" is replaced with "AS 2810.36."
- j. In the second sentence of paragraph 17, the reference to "AU sec. 711, *Filings Under Federal Securities Statutes*" is replaced with "AS 4101, *Responsibilities Regarding Filings Under Federal Securities Statutes*."
- k. In the first sentence of paragraph 18, the reference to "paragraphs 4–13" is replaced with "paragraphs .04–.13."
- l. In paragraph 19a, the reference to "paragraphs 12 and 13" is replaced with "paragraphs .12 and .13."
- m. In paragraph 19c, the reference to "paragraph 8" is replaced with "paragraph .08."
- n. In the last sentence of paragraph 19, the reference to "AU sec. 543, *Part of Audit Performed by Other Independent Auditors*," is replaced with "AS 1205, *Part of the Audit Performed by Other Independent Auditors*."

Auditing Standard No. 4, Reporting on Whether a Previously Reported Material Weakness Continues to Exist

Auditing Standard No. 4, *Reporting on Whether a Previously Reported Material Weakness Continues to Exist*, as amended, is amended as follows:

- a. The section number "Auditing Standard No. 4" is replaced with "AS 6115."

- b. Paragraph numbers 1 through 65 are replaced with .01 through .65.
- c. In Note 1 to paragraph 1, the reference to "Auditing Standard No. 5" is replaced with "AS 2201."
- d. In paragraph 2:
 - In item (1), the reference to "Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*," is replaced with "AS 2201."
 - In item (2), the reference to "Auditing Standard No. 5" is replaced with "AS 2201."
 - The parenthetical reference to "paragraph 26" is replaced with "paragraph .26."
 - In the note, the reference to "Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*" is replaced with "AS 2201."
- e. In the last sentence of paragraph 4, the reference to "Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*," is replaced with "AS 2201."
- f. In paragraph 7e, the reference to "paragraph 48" is replaced with "paragraph .48."
- g. In paragraph 8, the reference to "paragraph 7" is replaced with "paragraph .07."
- h. In paragraph 9, the reference to "Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*" is replaced with "AS 2201."
- i. In paragraph 10:
 - In the first sentence, the reference to "Paragraph 5 of Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*," is replaced with "AS 2201.05."

- In the first sentence of the note, the reference to "Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*," is replaced with "AS 2201."
- j. In paragraph 11, the reference to "Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*" is replaced with "AS 2201."
- k. In footnote 2 to paragraph 13, the reference to "paragraph 42 of Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*" is replaced with "AS 2201.42."
- l. In the last sentence of the note to paragraph 17, the reference to "Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*" is replaced with "AS 2201."
- m. In Note 2 to paragraph 18, the reference to "Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*" is replaced with "AS 2201."
- n. In the first sentence of paragraph 23, the reference to "paragraph 20 of Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*" is replaced with "AS 2201.20."
- o. In the last sentence of paragraph 24, the reference to "paragraph 9 of Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*" is replaced with "AS 2201.09."
- p. In paragraph 25:
 - In the last sentence, the reference to "Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*," is replaced with "AS 2201."
 - In the note:
 - Each reference to "Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated*

- with An Audit of Financial Statements,*" is replaced with "AS 2201."
- In the second sentence, the reference to "paragraphs 26a–b and 27" is replaced with "paragraphs .26a–b and .27."
 - In the last sentence, the reference to "paragraphs 26 and 27" is replaced with "paragraphs .26 and .27."
- q. In paragraph 26:
- In the first sentence, the reference to "paragraph 5" is replaced with "paragraph .05."
 - In footnote 3, the reference to "paragraph .02 of AU sec. 315, *Communications Between Predecessor and Successor Auditors*" is replaced with "paragraph .02 of AS 2610, *Initial Audits—Communications Between Predecessor and Successor Auditors.*"
- r. In the first sentence of paragraph 26a, the reference to "paragraphs 22–27 of Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*" is replaced with "AS 2201.22–.27."
- s. In paragraph 26b, the reference to "paragraphs 34–38 of Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements,*" is replaced with "AS 2201.34–.38."
- t. In the first sentence of paragraph 26c, the reference to "AU sec. 315, *Communications Between Predecessor and Successor Auditors*" is replaced with "AS 2610."
- u. In paragraph 27:
- In the first sentence, the reference to "paragraph 26" is replaced with "paragraph .26."
 - In the last sentence, the reference to "Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*" is replaced with "AS 2201."
- v. In the last sentence of paragraph 28, the reference to "paragraph 7" is replaced with "paragraph .07."

- w. In the last sentence of paragraph 31, the reference to "paragraphs 42–43 of Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*" is replaced with "AS 2201.42–.43."
- x. In paragraph 32:
- In the first sentence, the reference to "paragraphs 44–45 of Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*" is replaced with "AS 2201.44–.45."
 - In the last sentence, the reference to "paragraphs 50–54 of Auditing Standard No. 5" is replaced with "AS 2201.50–.54."
- y. In the third sentence of paragraph 33, the reference to "paragraphs 22–24 of Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*" is replaced with "AS 2201.22–.24."
- z. In paragraph 35, the reference to "Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*," is replaced with "AS 2201."
- aa. In the last sentence of paragraph 36, the reference to "paragraphs 16–19 of Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*" is replaced with "AS 2201.16–.19."
- bb. In the first sentence of paragraph 38, the reference to "Paragraphs 18–19 of Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*," is replaced with "AS 2201.18–.19."
- cc. In the first sentence of paragraph 40, the reference to "AU sec. 543, *Part of Audit Performed by Other Independent Auditors*" is replaced with "AS 1205, *Part of the Audit Performed by Other Independent Auditors*."
- dd. In the first sentence of the note to paragraph 43, the reference to "paragraph 51" is replaced with "paragraph .51."
- ee. In the second sentence of paragraph 46, the reference to "paragraph 43" is replaced with "paragraph .43."

- ff. In paragraph 47:
- In the first sentence, the reference to "Auditing Standard No. 3" is replaced with "AS 1215."
 - In the second sentence, the reference to "Paragraph 14 of Auditing Standard No. 3" is replaced with "AS 1215.14."
 - In the third sentence, the reference to "paragraph 29" is replaced with "paragraph .29."
 - In the last sentence, the reference to "Auditing Standard No. 3" is replaced with "AS 1215."
- gg. In the first sentence of paragraph 48, the reference to "paragraph 7e" is replaced with "paragraph .07e."
- hh. In paragraph 50, the reference to "paragraph 48" is replaced with "paragraph .48."
- ii. In the first sentence of the note to paragraph 51b, the reference to "Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*" is replaced with "AS 2201."
- jj. In the note to paragraph 51g, the reference to "paragraph 31" is replaced with "paragraph .31."
- kk. In the first sentence of the note to paragraph 51l, the reference to "Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*" is replaced with "AS 2201."
- ll. In the note to paragraph 51o, the reference to "Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*" is replaced with "AS 2201."
- mm. In the first sentence of paragraph 52, the reference to "Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*," is replaced with "AS 2201."



- nn. In paragraph 53:
- In the first sentence, the reference to "paragraph 3" is replaced with "paragraph .03."
 - In the last sentence, the reference to "paragraph 51" is replaced with "paragraph .51."
- oo. In paragraph 54a, the parenthetical reference to "paragraph 56" is replaced with "paragraph .56."
- pp. In paragraph 54b, the parenthetical reference to "paragraphs 57 and 58" is replaced with "paragraphs .57 and .58."
- qq. In paragraph 54c, the parenthetical reference to "paragraphs 59 through 60" is replaced with "paragraphs .59 through .60."
- rr. In the first sentence of paragraph 55, the reference to "paragraph 43" is replaced with "paragraph .43."
- ss. In the third sentence of paragraph 57, the reference to "paragraph 44" is replaced with "paragraph .44."
- tt. In the first sentence of paragraph 58, the reference to "paragraph 61" is replaced with "paragraph .61."
- uu. In the first sentence of paragraph 59, the reference to "paragraph 48" is replaced with "paragraph .48."
- vv. In the note to paragraph 60, each reference to "paragraph 59" is replaced with "paragraph .59."
- ww. In the first sentence of paragraph 62, the reference to "paragraph 55" is replaced with "paragraph .55."
- xx. In paragraph 63, the reference to "paragraphs 7 and 29–32 of AU sec. 722, *Interim Financial Information*" is replaced with "paragraphs .07 and .29–.32 of AS 4105, *Reviews of Interim Financial Information*."
- yy. In paragraph 64:
- In the second sentence, the reference to "paragraph 56" is replaced with "paragraph .56."

- In the last sentence, the reference to "paragraphs 7 and 29–32 of AU 722, *Interim Financial Information*" is replaced with "AS 4105.07 and AS 4105.29–.32."
- zz. In Appendix A, in the first sentence of the first paragraph, the reference to "Paragraphs 51 through 60" is replaced with "Paragraphs .51 through .60."

Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*

Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*, as amended, is amended as follows:

- a. The section number "Auditing Standard No. 5" is replaced with "AS 2201."
- b. Paragraph numbers 1 through 98 are replaced with .01 through .98.
- c. In footnote 3 to paragraph 2, the reference to "Paragraph A5" is replaced with "Paragraph .A5."
- d. In footnote 5 to paragraph 3, the reference to "AU sec. 230" is replaced with "AS 1015."
- e. In paragraph 4:
 - In the first sentence, the phrase "The general standards" is replaced with the phrase "The standards, AS 1005, *Independence*, AS 1010, *Training and Proficiency of the Independent Auditor*, and AS 1015, *Due Professional Care in the Performance of Work*."
 - Footnote 6 is deleted.
- f. In paragraph 14:
 - In the second sentence:
 - The reference to "paragraph 22" is replaced with "paragraph .22."
 - The reference to "paragraph 39" is replaced with "paragraph .39."
 - In footnote 10, the reference to "Auditing Standard No. 12" is replaced with "AS 2110."

- In footnote 10A to the first bullet, the reference to "AU sec. 316" is replaced with "AS 2401."
- g. In paragraph 15, the reference to "paragraphs 65–69 of Auditing Standard No. 12, *Identifying and Assessing Risks of Material Misstatement*" is replaced with "AS 2110.65–.69."
- h. In the last sentence of paragraph 16, the reference to "AU sec. 322, *The Auditor's Consideration of the Internal Audit Function in an Audit of Financial Statements*" is replaced with "AS 2605, *Consideration of the Internal Audit Function*."
- i. In the third sentence of paragraph 18, the reference to "paragraphs .09 through .11 of AU sec. 322" is replaced with "AS 2605.09 through .11."
- j. In footnote 11 to paragraph 20, the reference to "Auditing Standard No. 11" is replaced with "AS 2105."
- k. In footnote 12 to paragraph 28, the reference to "Auditing Standard No. 15" is replaced with "AS 1105."
- l. In footnote 13 to the note to paragraph 31:
 - The first parenthetical reference to "paragraph 14 of Auditing Standard No. 14" is replaced with "paragraph .14 of AS 2810."
 - The second parenthetical reference to "paragraph 61 and paragraph 5 of Auditing Standard No. 13" is replaced with "paragraph .61 and paragraph .05 of AS 2301."
- m. In paragraph 35:
 - The reference to "paragraph 34" is replaced with "paragraph .34."
 - The reference to "AU sec. 322" is replaced with "AS 2605."
- n. In the second sentence of paragraph 36:
 - The reference to "paragraph 29" is replaced with "paragraph .29."
 - The reference to "Auditing Standard No. 12, *Identifying and Assessing Risks of Material Misstatement*" is replaced with "AS 2110."

- o. In the first sentence of paragraph 37, the reference to "paragraph 34" is replaced with "paragraph .34."
- p. In paragraph 53, the parenthetical reference to "paragraph B1" is replaced with "paragraph .B1."
- q. In the last sentence of paragraph 57, the reference to "paragraphs 46 through 56" is replaced with "paragraphs .46 through .56."
- r. In paragraph 58, the reference to "paragraph 47" is replaced with "paragraph .47."
- s. In the first sentence of paragraph 59, the reference to "paragraphs 47 and 58" is replaced with "paragraphs .47 and .58."
- t. In the last sentence of paragraph 60, the reference to "paragraph B28" is replaced with "paragraph .B28."
- u. In paragraph 73, the reference to "paragraph C2" is replaced with "paragraph .C2."
- v. In paragraph 74, the parenthetical reference to "paragraphs C3 through C7" is replaced with "paragraphs .C3 through .C7."
- w. In paragraph 75g, the reference to "paragraphs 78 and 80" is replaced with "paragraphs .78 and .80."
- x. In paragraph 76, the reference to "paragraph C3" is replaced with "paragraph .C3."
- y. In paragraph 77, the reference to "AU sec. 333" is replaced with "AS 2805."
- z. In the last sentence of paragraph 84:
 - The reference to "AU sec. 316, *Consideration of Fraud in a Financial Statement Audit*" is replaced with "AS 2401."
 - The reference to "AU sec. 317" is replaced with "AS 2405."
- aa. In paragraph 85e, the reference to "paragraph A5" is replaced with "paragraph .A5."

- bb. In paragraph 90:
- In the first sentence, the reference to "Paragraphs 62 through 70" is replaced with "Paragraphs .62 through .70."
 - In footnote 19, the reference to "paragraph C3" is replaced with "paragraph .C3."
- cc. In the first bullet of paragraph 91, the reference to "paragraph A7" is replaced with "paragraph .A7."
- dd. In the first sentence of the note to paragraph 92, the reference to "paragraphs 88 and 91" is replaced with "paragraphs .88 and .91."
- ee. In the last sentence of paragraph 93, the reference to "paragraph 75h" is replaced with "paragraph .75h."
- ff. In the second sentence of paragraph 95, the reference to "AU sec. 560" is replaced with "AS 2801."
- gg. In paragraph 96:
- The parenthetical reference to "paragraph C2" is replaced with "paragraph .C2."
 - In the last sentence, the reference to "paragraph C13" is replaced with "paragraph .C13."
- hh. In the last sentence of paragraph 98, the reference to "AU sec. 561" is replaced with "AS 2905."
- ii. In Appendix A, paragraph numbers A1 through A11 are replaced with .A1 through .A11.
- jj. In Appendix B, paragraph numbers B1 through B33 are replaced with .B1 through .B33.
- kk. In the first sentence of paragraph B5, the reference to "paragraph B2" is replaced with "paragraph .B2."
- ll. In paragraph B13, the reference to "paragraph 61" is replaced with "paragraph .61."

- mm. In the fifth sentence of paragraph B16, the reference to "AU sec. 722, *Interim Financial Information*" is replaced with "AS 4105, *Reviews of Interim Financial Information*."
- nn. In paragraph B17:
- In the first sentence, the reference to "AU sec. 324, *Service Organizations*," is replaced with "AS 2601, *Consideration of an Entity's Use of a Service Organization*."
 - In the last sentence, the reference to "AU sec. 324" is replaced with "AS 2601."
- oo. In the first sentence of paragraph B18, the reference to "AU sec. 324.03" is replaced with "AS 2601.03."
- pp. In the first sentence of paragraph B19, the reference to "AU sec. 324.07" is replaced with "AS 2601.07."
- qq. In the first sentence of paragraph B20, the reference to "AU sec. 324.12" is replaced with "AS 2601.12."
- rr. In the note to paragraph B20a:
- In the first sentence, the parenthetical reference to "AU sec. 324.24b" is replaced with "AS 2601.24b."
 - In the second sentence, the parenthetical reference to "AU sec. 324.24a" is replaced with "AS 2601.24a."
 - In the last sentence, the reference to "AU sec. 324" is replaced with "AS 2601."
- ss. In the note to paragraph B21, the reference to "AU sec. 324.16" is replaced with "AS 2601.16."
- tt. In the last sentence of paragraph B23, the reference to "AU sec. 543, *Part of Audit Performed by Other Independent Auditors*" is replaced with "AS 1205, *Part of the Audit Performed by Other Independent Auditors*."
- uu. In Appendix C, paragraph numbers C1 through C17 are replaced with .C1 through .C17.
- vv. In the last sentence of paragraph C2, the reference to "paragraph 91" is replaced with "paragraph .91."

- ww. In paragraph C4, the parenthetical reference to "paragraph 85" is replaced with "paragraph .85."
- xx. In paragraph C5:
- In the first bullet, the reference to "paragraph A7" is replaced with "paragraph .A7."
 - In the last sentence of the second bullet, the reference to "paragraph 91" is replaced with "paragraph .91."
- yy. In the note to paragraph C6, the reference to "paragraph 89" is replaced with "paragraph .89."
- zz. In the second sentence of paragraph C8, the reference to "AU sec. 543, *Part of Audit Performed by Other Independent Auditors*" is replaced with "AS 1205, *Part of the Audit Performed by Other Independent Auditors*."
- aaa. In the last sentence of paragraph C9, the reference to "AU sec. 543" is replaced with "AS 1205."
- bbb. In footnote 1 to paragraph C10, the reference to "paragraph B15" is replaced with "paragraph .B15."
- ccc. In paragraph C12, the reference to "paragraph 72" is replaced with "paragraph .72."
- ddd. In paragraph C14:
- In the last sentence, the reference to "AU sec. 317" is replaced with "AS 2405."
 - In the first sentence of the note, the reference to "paragraph C12" is replaced with "paragraph .C12."
- eee. In paragraph C15:
- In the first sentence, the reference to "AU sec. 722, *Interim Financial Information*" is replaced with "AS 4105, *Reviews of Interim Financial Information*."
 - In the last sentence, the reference to "AU sec. 722" is replaced with "AS 4105."



- fff. In paragraph C16:
- In the first sentence, the reference to "AU sec. 711, *Filings Under Federal Securities Statutes*" is replaced with "AS 4101, *Responsibilities Regarding Filings Under Federal Securities Statutes*."
 - In the second sentence, the reference to "AU sec. 711" is replaced with "AS 4101."
 - In the last sentence, the reference to "AU sec. 711.10" is replaced with "AS 4101.10."

Auditing Standard No. 6, *Evaluating Consistency of Financial Statements*

Auditing Standard No. 6, *Evaluating Consistency of Financial Statements*, as amended, is amended as follows:

- a. The section number "Auditing Standard No. 6" is replaced with "AS 2820."
- b. In the references before paragraph 1, the phrase "*Supersedes AU secs. 420 and 9420*" is deleted.
- c. Paragraph numbers 1 through 11 are replaced with .01 through .11.
- d. In paragraph 8:
 - In the second sentence, the reference to "paragraph 7" is replaced with "paragraph .07."
 - Each reference to "AU sec. 508" is replaced with "AS 3101."
 - In the last sentence of the note, the reference to "AU sec. 508" is replaced with "AS 3101."
- e. In paragraph 9, the reference to "AU sec. 508" is replaced with "AS 3101."
- f. In the last sentence of paragraph 10:
 - The reference to "paragraph 31" is replaced with "paragraph .31."
 - The reference to "Auditing Standard No. 14" is replaced with "AS 2810."
 - The reference to "AU sec. 508" is replaced with "AS 3101."



- g. In paragraph 11:
- In the fifth sentence, the reference to "paragraphs 7 and 8 and AU sec. 508" is replaced with "paragraphs .07 and .08 and AS 3101."
 - In the last sentence, the reference to "paragraphs 9 and 10 and AU sec. 508" is replaced with "paragraphs .09 and .10 and AS 3101."

Auditing Standard No. 7, *Engagement Quality Review*

Auditing Standard No. 7, *Engagement Quality Review*, as amended, is amended as follows:

- a. The section number "Auditing Standard No. 7" is replaced with "AS 1220."
- b. In the references before paragraph 1, the phrase "*Supersedes SECPS Requirements of Membership § 1000.08(f)*." is deleted.
- c. Paragraph numbers 1 through 21 are replaced with .01 through .21.
- d. In the last sentence of footnote 1 to paragraph 2, the reference to "AU section ("sec.") 722, *Interim Financial Information*" is replaced with "AS 4105, *Reviews of Interim Financial Information*."
- e. In the last sentence of paragraph 9, the reference to "paragraphs 10 and 11" is replaced with "paragraphs .10 and .11."
- f. In footnote 4 to paragraph 10e, the reference to "Paragraph 13 of PCAOB Auditing Standard No. 3" is replaced with "Paragraph .13 of AS 1215."
- g. In footnote 5 to paragraph 10g:
- The reference to "AU sec. 550" is replaced with "AS 2710."
 - The reference to "AU sec. 711, *Filings Under Federal Securities Statutes*" is replaced with "AS 4101, *Responsibilities Regarding Filings Under Federal Securities Statutes*."
- h. In the first sentence of paragraph 11, the reference to "paragraph 10" is replaced with "paragraph .10."
- i. In footnote 6 to paragraph 12, the reference to "AU sec. 230" is replaced with "AS 1015."

- j. In the last sentence of paragraph 14, the reference to "paragraphs 15 and 16" is replaced with "paragraphs .15 and .16."
- k. In paragraph 15c, the reference to "paragraphs 10.d and 10.e" are replaced with "paragraphs .10d and .10e."
- l. In footnote 8 to paragraph 15e:
 - The reference to "AU sec. 722.18f" is replaced with "AS 4105.18f."
 - The reference to "AU sec. 711" is replaced with "AS 4101."
- m. In paragraph 15f, the reference to "paragraphs 10.h and 10.i" are replaced with "paragraphs .10h and .10i."
- n. In paragraph 16, the reference to "paragraph 15" is replaced with "paragraph .15."
- o. In paragraph 21, the reference to "PCAOB Auditing Standard No. 3, *Audit Documentation*," is replaced with "AS 1215."

Auditing Standard No. 8, *Audit Risk*

Auditing Standard No. 8, *Audit Risk*, is amended as follows:

- a. The section number "Auditing Standard No. 8" is replaced with "AS 1101."
- b. Paragraph numbers 1 through 11 are replaced with .01 through .11.
- c. In the first sentence of footnote 1 to paragraph 1, the reference to "Auditing Standard No. 5" is replaced with "AS 2201."
- d. In paragraph 3:
 - In footnote 2, the reference to "Auditing Standard No. 14" is replaced with "AS 2810."
 - In footnote 3:
 - The reference to "AU sec. 110" is replaced with "AS 1001."
 - The reference to "AU sec. 230" is replaced with "AS 1015."



- e. In paragraph 5:
- In the last sentence, the reference to "Auditing Standard No. 12" is replaced with "AS 2110."
 - In footnote 4, the reference to "Auditing Standard No. 15" is replaced with "AS 1105."
 - In footnote 5, the reference to "Paragraph 59 of Auditing Standard No. 12" is replaced with "AS 2110.59."
- f. In paragraph 8:
- In footnote 6, the reference to "Paragraph 59.a. of Auditing Standard No. 12" is replaced with "AS 2110.59a."
 - In footnote 7, the reference to "Paragraphs 32–34 of Auditing Standard No. 13" is replaced with "Paragraphs .32–.34 of AS 2301."
- g. In footnote 8 to paragraph 11, the reference to "Paragraph 37 of Auditing Standard No. 13" is replaced with "AS 2301.37."

Auditing Standard No. 9, *Audit Planning*

Auditing Standard No. 9, *Audit Planning*, as amended, is amended as follows:

- a. The section number "Auditing Standard No. 9" is replaced with "AS 2101."
- b. Paragraph numbers 1 through 19 are replaced with .01 through .19.
- c. In the second sentence of footnote 3 to paragraph 6a, the reference to "AU sec. 161, *The Relationship of Generally Accepted Auditing Standards to Quality Control Standards*" is replaced with "AS 1110, *Relationship of Auditing Standards to Quality Control Standards*."
- d. In paragraph 6c, the reference to "Auditing Standard No. 16" is replaced with "AS 1301."
- e. In paragraph 7:
- In the second sentence, the reference to "paragraphs 8–10" is replaced with "paragraphs .08–.10."

- In footnote 5, the reference to "Auditing Standard No. 11" is replaced with "AS 2105."
- f. In the first sentence of footnote 7 to paragraph 9a, the reference to "Auditing Standard No. 16, *Communications with Audit Committees*" is replaced with "AS 1301."
- g. In footnote 8 to paragraph 9b, the reference to "paragraph 6 of Auditing Standard No. 10" is replaced with "paragraph .06 of AS 1201."
- h. In paragraph 9c:
 - The reference to "paragraph 7" is replaced with "paragraph .07."
 - In footnote 9, the reference to "Paragraph 6" is replaced with "Paragraph .06."
- i. In footnote 10 to paragraph 9d:
 - The reference to "AU sec. 230" is replaced with "AS 1015."
 - The reference to "paragraph 16" is replaced with "paragraph .16."
 - The reference to "paragraph 5.a." is replaced with "paragraph .05a."
 - The reference to "Auditing Standard No. 13" is replaced with "AS 2301."
- j. In footnote 11 to paragraph 10a, the reference to "Auditing Standard No. 12" is replaced with "AS 2110."
- k. In footnote 12 to paragraph 10b:
 - The reference to "Auditing Standard No. 13" is replaced with "AS 2301."
 - The reference to "Auditing Standard No. 5" is replaced with "AS 2201."
- l. In footnote 14 to paragraph 12a, the reference to "AU sec. 316" is replaced with "AS 2401."
- m. In footnote 15 to paragraph 12b, the reference to "Paragraph 10 of Auditing Standard No. 11" is replaced with "AS 2105.10."

- n. In the note to paragraph 12g:
- The reference to "Auditing Standard No. 5" is replaced with "AS 2201."
 - In footnote 17, the reference to "Paragraphs B10–B16 of Auditing Standard No. 5" is replaced with "AS 2201.B10–.B16."
- o. In paragraph 13:
- In the first sentence:
 - The reference to "AU sec. 322, *The Auditor's Consideration of the Internal Audit Function in an Audit of Financial Statements*" is replaced with "AS 2605, *Consideration of the Internal Audit Function*."
 - The reference to "Auditing Standard No. 5" is replaced with "AS 2201."
 - In the last sentence:
 - The reference to "AU sec. 322" is replaced with "AS 2605."
 - The reference to "Auditing Standard No. 5" is replaced with "AS 2201."
- p. In paragraph 14:
- In the first sentence, the reference to "AU sec. 543, *Part of Audit Performed by Other Independent Auditors*" is replaced with "AS 1205, *Part of the Audit Performed by Other Independent Auditors*."
 - In the last sentence, the reference to "paragraphs 11–13" is replaced with "paragraphs .11–.13."
 - In footnote 18, the reference to "paragraphs C8–C11 of Auditing Standard No. 5" is replaced with "AS 2201.C8–.C11."
- q. In paragraph 18b, the reference to "AU sec. 315, *Communications Between Predecessor and Successor Auditors*" is replaced with "AS 2610, *Initial Audits—Communications Between Predecessor and Successor Auditors*."

- r. In footnote 19 to paragraph 19, the reference to "paragraph 3 of Auditing Standard No. 6" is replaced with "paragraph .03 of AS 2820."
- s. In Appendix A, paragraph numbers A1 through A2 are replaced with .A1 through .A2.

Auditing Standard No. 10, *Supervision of the Audit Engagement*

Auditing Standard No. 10, *Supervision of the Audit Engagement*, is amended as follows:

- a. The section number "Auditing Standard No. 10" is replaced with "AS 1201."
- b. Paragraph numbers 1 through 6 are replaced with .01 through .06.
- c. In paragraph 3:
 - In the last sentence, the reference to "Paragraphs 5–6" is replaced with "Paragraphs .05–.06."
 - In footnote 2, the reference to "AU sec. 336" is replaced with "AS 1210."
 - In footnote 3, the reference to "AU sec. 543, *Part of Audit Performed by Other Independent Auditors*" is replaced with "AS 1205, *Part of the Audit Performed by Other Independent Auditors*."
 - In footnote 4, the reference to "AU sec. 322, *The Auditor's Consideration of the Internal Audit Function in an Audit of Financial Statements*" is replaced with "AS 2605, *Consideration of the Internal Audit Function*."
 - In footnote 5, the reference to "Paragraphs 16–19 of Auditing Standard No. 5" is replaced with "Paragraphs .16–.19 of AS 2201."
 - In footnote 6, the reference to "AU sec. 230" is replaced with "AS 1015."



- d. In paragraph 5a:
- In footnote 7 to paragraph 5a:
 - The reference to "AU sec. 230.06" is replaced with "AS 1015.06."
 - The reference to "paragraph 5 of Auditing Standard No. 13" is replaced with "paragraph .05 of AS 2301."
 - In footnote 8 to item (3), the reference to "Auditing Standard No. 12" is replaced with "AS 2110."
- e. In footnote 9 to paragraph 5b:
- The reference to "paragraph 15 of Auditing Standard No. 9" is replaced with "paragraph .15 of AS 2101."
 - The reference to "paragraph 74 of Auditing Standard No. 12" is replaced with "AS 2110.74."
 - The reference to "paragraphs 20–23 and 35–36 of Auditing Standard No. 14" is replaced with "paragraphs .20–.23 and .35–.36 of AS 2810."
- f. In the note to paragraph 5, the reference to "AU sec. 230" is replaced with "AS 1015."
- g. In footnote 10 to item (3) of paragraph 5c:
- The reference to "Auditing Standard No. 14" is replaced with "AS 2810."
 - The reference to "Auditing Standard No. 3" is replaced with "AS 1215."
- h. In footnote 11 to paragraph 6a, the reference to "Paragraph 10 of Auditing Standard No. 12" is replaced with "AS 2110.10."
- i. In footnote 12 to paragraph 6d:
- The reference to "paragraph 5.a. of Auditing Standard No. 13" is replaced with "AS 2301.05a."
 - The reference to "AU sec. 230.06" is replaced with "AS 1015.06."

- j. In the note to paragraph 6:
- The reference to "paragraph 5 of Auditing Standard No. 13, *The Auditor's Responses to the Risks of Material Misstatement*," is replaced with "AS 2301.05."
 - In footnote 13, the reference to "Paragraph 5.b. of Auditing Standard No. 13" is replaced with "AS 2301.05b."
- k. In Appendix A, paragraph numbers A1 and A2 are replaced with .A1 and .A2.

Auditing Standard No. 11, *Consideration of Materiality in Planning and Performing an Audit*

Auditing Standard No. 11, *Consideration of Materiality in Planning and Performing an Audit*, is amended as follows:

- a. The section number "Auditing Standard No. 11" is replaced with "AS 2105."
- b. Paragraph numbers 1 through 12 are replaced with .01 through .12.
- c. In footnote 1 to paragraph 1, the reference to "Auditing Standard No. 14" is replaced with "AS 2810."
- d. In paragraph 3:
- In the third sentence, the reference to "Auditing Standard No. 14" is replaced with "AS 2810."
 - In footnote 4, the reference to "Auditing Standard No. 14" is replaced with "AS 2810."
- e. In paragraph 4:
- The reference to "Auditing Standard No. 5" is replaced with "AS 2201."
 - In footnote 5, the reference to "Paragraph 20 of Auditing Standard No. 5" is replaced with "AS 2201.20."

- f. In paragraph 12:
- In the note, the reference to "Auditing Standard No. 14" is replaced with "AS 2810."
 - In footnote 6 to the note, the reference to "Paragraph 17 of Auditing Standard No. 14" is replaced with "AS 2810.17."

Auditing Standard No. 12, *Identifying and Assessing Risks of Material Misstatement*

Auditing Standard No. 12, *Identifying and Assessing Risks of Material Misstatement*, is amended as follows:

- a. The section number "Auditing Standard No. 12" is replaced with "AS 2110."
- b. Paragraph numbers 1 through 74 are replaced with .01 through .74.
- c. In footnote 1 to paragraph 1, the reference to "Paragraphs 5–8 of Auditing Standard No. 8" is replaced with "Paragraphs .05–.08 of AS 1101."
- d. In paragraph 2:
- In the first sentence, the reference to "Paragraphs 4–58" is replaced with "Paragraphs .04–.58."
 - In the last sentence, the reference to "Paragraphs 59–73" is replaced with "Paragraphs .59–.73."
- e. In paragraph 4:
- In footnote 3:
 - In the first sentence, the reference to "AU sec. 316" is replaced with "AS 2401."
 - In the last sentence, the reference to "Auditing Standard No. 18" is replaced with "AS 2410."
 - In footnote 4, the reference to "Auditing Standard No. 15" is replaced with "AS 1105."
- f. In paragraph 5a, the parenthetical reference to "paragraphs 7–17" is replaced with "paragraphs .07–.17."

- g. In paragraph 5b, the parenthetical reference to "paragraphs 18–40" is replaced with "paragraphs .18–.40."
- h. In paragraph 5c, the parenthetical reference to "paragraphs 41–45" is replaced with "paragraphs .41–.45."
- i. In paragraph 5d, the parenthetical reference to "paragraphs 46–48" is replaced with "paragraphs .46–.48."
- j. In paragraph 5e, the parenthetical reference to "paragraphs 49–53" is replaced with "paragraphs .49–.53."
- k. In paragraph 5f:
 - The parenthetical reference to "paragraphs 54–58" is replaced with "paragraphs .54–.58."
 - In footnote 5 to the note, the reference to "Paragraph 11 of Auditing Standard No. 15" is replaced with "AS 1105.11."
- l. In footnote 7 to paragraph 9, the reference to "AU sec. 317" is replaced with "AS 2405."
- m. In paragraph 11:
 - The reference to "paragraph 7" is replaced with "paragraph .07."
 - In the third bullet, the reference to "paragraph 10A" is replaced with "paragraph .10A."
- n. In footnote 7A to the fifth bullet in paragraph 13, the reference to "AU secs. 316.66-.67A" is replaced with "AS 2401.66–.67A."
- o. In footnote 8 to paragraph 18, the reference to "Paragraphs 21–22" is replaced with "Paragraphs .21–.22."
- p. In paragraph 19:
 - In footnote 9, the reference to "Paragraph 13 of Auditing Standard No. 5" is replaced with "Paragraph .13 of AS 2201."
 - In footnote 10 to the note, the reference to "Paragraph 10 of Auditing Standard No. 15" is replaced with "AS 1105.10."

- q. In paragraph 20:
- In the last sentence of the first note, the reference to "paragraphs 37–38" is replaced with "paragraphs .37–.38."
 - In the last sentence of the second note, the reference to "paragraphs 37–38" is replaced with "paragraphs .37–.38."
- r. In paragraph 22:
- In the third sentence, the reference to "Auditing Standard No. 5" is replaced with "AS 2201."
 - In the last sentence, the reference to "paragraphs 23–36" is replaced with "paragraphs .23–.36."
 - In footnote 13, the reference to "Paragraph 5 of Auditing Standard No. 5" is replaced with "AS 2201.05."
- s. In the note to paragraph 24:
- In the first sentence, the reference to "paragraph 23" is replaced with "paragraph .23."
 - In the last sentence, the reference to "Auditing Standard No. 5" is replaced with "AS 2201."
 - In footnote 14, the reference to "Paragraph 25 of Auditing Standard No. 5" is replaced with "AS 2201.25."
- t. In paragraph 25:
- The reference to "paragraphs 65–66" is replaced with "paragraphs .65–.66."
 - In footnote 15, the reference to "Paragraph A3 of Auditing Standard No. 5" is replaced with "AS 2201.A3."
- u. In paragraph 32:
- The reference to "paragraph 28.e." is replaced with "paragraph .28e."

- In footnote 17, the reference to "Paragraphs 12–13" is replaced with "Paragraphs .12–.13."
- v. In paragraph 34:
- In the first sentence, the reference to "paragraph 18" is replaced with "paragraph .18."
 - In footnote 18, the reference to "paragraph B5" is replaced with "paragraph .B5."
- w. In footnote 19 to paragraph 35, the reference to "AU sec. 322, *The Auditor's Consideration of the Internal Audit Function in an Audit of Financial Statements*" is replaced with "AS 2605, *Consideration of the Internal Audit Function*."
- x. In paragraph 37:
- In the first sentence, the reference to "paragraph 20" is replaced with "paragraph .20."
 - In the first and last sentences of the note, the references to "Auditing Standard No. 5" are replaced with "AS 2201."
 - In footnote 20 to the note, the reference to "paragraphs 34–38 of Auditing Standard No. 5" is replaced with "AS 2201.34–.38."
- y. In paragraph 39:
- In the first sentence, the reference to "paragraph 18" is replaced with "paragraph .18."
 - In footnote 21, the reference to "Paragraphs 16–35 of Auditing Standard No. 13" is replaced with "Paragraphs .16–.35 of AS 2301."
 - In footnote 22, the reference to "Paragraph B1 of Auditing Standard No. 5" is replaced with "AS 2201.B1."
- z. In paragraph 40:
- In the first sentence, the reference to "Auditing Standard No. 5" is replaced with "AS 2201."

- In footnote 23, the reference to "Paragraph 22 of Auditing Standard No. 5" is replaced with "AS 2201.22."
 - In footnote 24, the reference to "paragraph 24 of Auditing Standard No. 5" is replaced with "AS 2201.24."
- aa. In the last sentence of paragraph 41, the reference to "paragraph 59" is replaced with "paragraph .59."
- bb. In paragraph 42, the reference to "paragraph 8" is replaced with "paragraph .08."
- cc. In paragraph 44, the reference to "AU sec. 722, *Interim Financial Information*" is replaced with "AS 4105, *Reviews of Interim Financial Information*."
- dd. In footnote 26 to paragraph 45, the reference to "Paragraph 7 of Auditing Standard No. 9" is replaced with "Paragraph .07 of AS 2101."
- ee. In the last sentence of paragraph 47, the reference to "AU sec. 722" is replaced with "AS 4105."
- ff. In paragraph 49:
- In footnote 28 to the first note to paragraph 49, the reference to "Paragraphs 52–53" is replaced with "Paragraphs .52–.53."
 - In the second note, the reference to "paragraph 67" is replaced with "paragraph .67."
- gg. In footnote 29 to paragraph 51, the reference to "paragraph 29 of Auditing Standard No. 14" is replaced with "paragraph .29 of AS 2810."
- hh. In paragraph 53:
- In the first bullet, the reference to "AU sec. 316" is replaced with "AS 2401."
 - In footnote 30 to the first bullet, the reference to "AU sec. 316.13" is replaced with "AS 2401.13."
 - In the second bullet, the parenthetical reference to "Auditing Standard No. 14" is replaced with "AS 2810."

- In footnote 31 to the third bullet, the reference to "Paragraphs 20–23 of Auditing Standard No. 14" is replaced with "AS 2810.20–.23."
- ii. In footnote 31A to Item a(8) of paragraph 56, the reference to "AU secs. 316.66-67A" is replaced with "AS 2401.66–.67A."
- jj. In paragraph 59a:
 - The parenthetical reference to "paragraphs 4–58" is replaced with "paragraphs .04–.58."
 - In the note, the reference to "paragraphs 65–69" is replaced with "paragraphs .65–.69."
- kk. In footnote 32 to the note to paragraph 59d, the reference to "Paragraphs 16–35 of Auditing Standard No. 13" is replaced with "AS 2301.16–.35."
- ll. In paragraph 59e:
 - The parenthetical reference to "paragraphs 60–64" is replaced with "paragraphs .60–.64."
 - In footnote 33, the reference to "Paragraph A10 of Auditing Standard No. 5" is replaced with "AS 2201.A10."
 - In footnote 34, the reference to "Paragraph A9 of Auditing Standard No. 5" is replaced with "AS 2201.A9."
- mm. In paragraph 59f, the parenthetical reference to "paragraphs 70–71" is replaced with "paragraphs .70–.71."
- nn. In the first sentence of paragraph 60, the reference to "paragraph 59.e." is replaced with "paragraph .59e."
- oo. In footnote 35 to the note to paragraph 62:
 - In the second sentence, the reference to "paragraphs 11, 14, and 25 of Auditing Standard No.14" is replaced with "AS 2810.11, .14, and .25."
 - In the last sentence:
 - The reference to "paragraph 61 of Auditing Standard No. 5" is replaced with "AS 2201.61."

- The reference to "paragraph 5.c. of Auditing Standard No. 13" is replaced with "AS 2301.5c."
- pp. In paragraph 65:
- In the fourth sentence, the reference to "AU sec. 316.85" is replaced with "AS 2401.85."
 - In the first sentence of the note, the reference to "AU sec. 316.85" is replaced with "AS 2401.85."
- qq. In paragraph 67, the reference to "paragraph 65" is replaced with "paragraph .65."
- rr. In paragraph 71a, the reference to "paragraph 60" is replaced with "paragraph .60."
- ss. In paragraph 72:
- The reference to "paragraphs 18–40" is replaced with "paragraphs .18–.40."
 - In footnote 36, the reference to "Auditing Standard No. 13" is replaced with "AS 2301."
- tt. In footnote 37 to paragraph 73:
- The phrase "AU sec. 316.88 and" is deleted.
 - The reference to "paragraph 14 of Auditing Standard No. 5" is replaced with "AS 2201.14," and "present" is replaced with "presents."
- uu. In paragraph 73A, the reference to "paragraphs 18-40 and 72-73" is replaced with "paragraphs .18–.40 and .72–.73."
- vv. In footnote 38 to paragraph 74, the reference to "paragraph 46 of Auditing Standard No. 13" is replaced with "AS 2301.46."
- ww. In Appendix A, paragraph numbers A1 through A5 are replaced with .A1 through .A5.
- xx. In Appendix B, paragraph numbers B1 through B6 are replaced with .B1 through .B6.



yy. In paragraph B1:

- In footnote 1, the reference to "AU sec. 324, *Service Organizations*" is replaced with "AS 2601, *Consideration of an Entity's Use of a Service Organization*."
- In footnote 2, the reference to "paragraphs 16–17 of Auditing Standard No. 9" is replaced with "paragraphs .16–.17 of AS 2101."

Auditing Standard No. 13, *The Auditor's Responses to the Risks of Material Misstatement*

Auditing Standard No. 13, *The Auditor's Responses to the Risks of Material Misstatement*, is amended as follows:

- a. The section number "Auditing Standard No. 13" is replaced with "AS 2301."
- b. Paragraph numbers 1 through 47 are replaced with .01 through .47.
- c. In paragraph 3, the reference to "Auditing Standard No. 12" is replaced with "AS 2110."
- d. In paragraph 4a, the reference to "paragraphs 5–7" is replaced with "paragraphs .05–.07."
- e. In paragraph 4b, the reference to "paragraphs 8–46" is replaced with "paragraphs .08–.46."
- f. In footnote 1 to paragraph 5a, the reference to "AU sec. 230" is replaced with "AS 1015."
- g. In paragraph 5b, the parenthetical reference to "paragraphs 5–6 of Auditing Standard No. 10" is replaced with "paragraphs .05–.06 of AS 1201."
- h. In footnote 2 to item (5) of paragraph 5c, the reference to "paragraphs 61 and B13 of Auditing Standard No. 5" is replaced with "paragraphs .61 and .B13 of AS 2201."
- i. In footnote 3 to paragraph 5d:
 - In the first sentence, the reference to "Paragraphs 12–13 of Auditing Standard No. 12" is replaced with "AS 2110.12–.13."
 - In the last sentence:

- The reference to "AU sec. 316" is replaced with "AS 2401."
- The reference to "AU sec. 411, *The Meaning of Present Fairly in Conformity With Generally Accepted Accounting Principles*" is replaced with "AS 2815, *The Meaning of 'Present Fairly in Conformity with Generally Accepted Accounting Principles.*"
- j. In footnote 4 to paragraph 7, the reference to "AU secs. 230.07–.09" is replaced with "AS 1015.07–.09."
- k. In footnote 5 to paragraph 7, the reference to "AU secs. 316.13" is replaced with "AS 2401.13."
- l. In paragraph 9c:
 - In footnote 7 to item (1), the reference to "paragraph 7.b. of Auditing Standard No. 8" is replaced with "paragraph .07b of AS 1101."
 - In the note to item (2), the reference to "Auditing Standard No. 5" is replaced with "AS 2201."
- m. In paragraph 10:
 - In the last sentence:
 - The reference to "Paragraphs 16–35" is replaced with "Paragraphs .16–.35."
 - The reference to "paragraphs 36–46" is replaced with "paragraphs .36–.46."
 - In the first sentence of the note, the reference to "Paragraphs 16–17" is replaced with "Paragraphs .16–.17."
- n. In paragraph 11:
 - In the note, the reference to "Auditing Standard No. 12" is replaced with "AS 2110."
 - In footnote 10 to the note, the reference to "paragraph 71 of Auditing Standard No. 12" is replaced with "AS 2110.71."

- o. In paragraph 11A:
- In the first sentence, the reference to "Paragraph 71.g. of Auditing Standard No. 12" is replaced with "AS 2110.71g."
 - In the second sentence, the reference to "AU sec. 316.66-.67A" is replaced with "AS 2401.66–.67A."
 - In the last sentence, the reference to "AU sec. 316.66-.67A" is replaced with "AS 2401.66–.67A."
- p. In paragraph 12:
- In the second note, the reference to "Auditing Standard No. 5" is replaced with "AS 2201."
 - In footnote 11 to the second note, the reference to "Paragraphs 14–15 of Auditing Standard No. 5" is replaced with "AS 2201.14–.15."
- q. In the last sentence of paragraph 13, the reference to "paragraphs 16–17" is replaced with "paragraphs .16–.17."
- r. In the note to paragraph 14, the reference to "AU secs. 316.54–.67" is replaced with "AS 2401.54–.67."
- s. In paragraph 15, the reference to "AU sec. 316" is replaced with "AS 2401."
- t. In paragraph 15a, the parenthetical reference to "AU secs. 316.58–.62" is replaced with "AS 2401.58–.62."
- u. In paragraph 15b, the parenthetical reference to "AU secs. 316.63–.65" is replaced with "AS 2401.63–.65."
- v. In paragraph 15c, the parenthetical reference to "AU secs. 316.66–.67A" is replaced with "AS 2401.66–.67A."
- w. In footnote 14 to paragraph 17:
- The reference to "Paragraph 10 of Auditing Standard No. 15" is replaced with "Paragraph .10 of AS 1105."
 - The reference to "AU sec. 329" is replaced with "AS 2305."

- x. In footnote 15 to paragraph 20, the reference to "Paragraphs 37–38 of Auditing Standard No. 12" is replaced with "AS 2110.37–.38."
- y. In the note to paragraph 27, the reference to "AU sec. 350" is replaced with "AS 2315."
- z. In the last sentence of paragraph 28, the reference to "Paragraph 16" is replaced with "Paragraph .16."
- aa. In the last sentence of footnote 16 to the ninth bullet of paragraph 31, the reference to "paragraph B28 of Auditing Standard No. 5" is replaced with "AS 2201.B28."
- bb. In the note to paragraph 34:
 - In the first sentence, the reference to "Auditing Standard No. 5" is replaced with "AS 2201."
 - In the last sentence, the reference to "AU sec. 325" is replaced with "AS 1305."
- cc. In paragraph 35:
 - Each reference to "Auditing Standard No. 5" is replaced with "AS 2201."
 - In footnote 17, the reference to "Paragraph B1 of Auditing Standard No. 5" is replaced with "AS 2201.B1."
- dd. In paragraph 38:
 - In footnote 18, the reference to "Paragraph A5 of Auditing Standard No. 5" is replaced with "AS 2201.A5."
 - In footnote 19, the reference to "AU sec. 328" is replaced with "AS 2502."
- ee. In the note to paragraph 39, the reference to "Auditing Standard No. 15" is replaced with "AS 1105."
- ff. In paragraph 40, the reference to "paragraph 9.b." is replaced with "paragraph .09b."
- gg. In the note to paragraph 41b, the reference to "AU secs. 316.58–.62" is replaced with "AS 2401.58–.62."

- hh. In item (1) of paragraph 44a, the reference to "paragraphs 32–34" is replaced with "paragraphs .32–.34."
- ii. In footnote 20 to paragraph 47, the reference to "Paragraph .44 of AU sec. 350" is replaced with "AS 2315.44."
- jj. In Appendix A, paragraph numbers A1 through A3 are replaced with .A1 through .A3.

Auditing Standard No. 14, *Evaluating Audit Results*

Auditing Standard No. 14, *Evaluating Audit Results*, is amended as follows:

- a. The section number "Auditing Standard No. 14" is replaced with "AS 2810."
- b. Paragraph numbers 1 through 37 are replaced with .01 through .37.
- c. In footnote 3 to paragraph 6b:
 - The reference to "Paragraphs 46–48 of Auditing Standard No. 12" is replaced with "Paragraphs .46–.48 of AS 2110."
 - The reference to "AU sec. 329" is replaced with "AS 2305."
- d. In the note to paragraph 6, the reference to "paragraph 36" is replaced with "paragraph .36."
- e. In footnote 4 to paragraph 7, the reference to "Paragraph 47 of Auditing Standard No. 12" is replaced with "AS 2110.47."
- f. In the first sentence of paragraph 9, the reference to "paragraph 6.b." is replaced with "paragraph .06b."
- g. In the second sentence of the note to paragraph 10, the reference to "Auditing Standard No. 11" is replaced with "AS 2105."
- h. In paragraph 12:
 - In the last sentence:
 - The reference to "paragraph 13" is replaced with "paragraph .13."
 - The reference to "AU sec. 350" is replaced with "AS 2315."

- In footnote 5, the reference to "AU sec. 350.26" is replaced with "AS 2315.26."
- i. In the last sentence of the note to paragraph 13, the reference to "Paragraph 27" is replaced with "Paragraph .27."
- j. In footnote 6 to paragraph 14b, the reference to "Auditing Standard No. 11" is replaced with "AS 2105."
- k. In paragraph 17:
 - In footnote 7:
 - In the first sentence, the reference to "AU sec. 508" is replaced with "AS 3101."
 - In the last sentence, the reference to "AU sec. 508.35" is replaced with "AS 3101.35."
 - In footnote 11 to the second note, the reference to "AU sec. 317" is replaced with "AS 2405."
 - In the third note, the reference to "Auditing Standard No. 11" is replaced with "AS 2105."
 - In footnote 12 to the third note, the reference to "Paragraphs 11–12 of Auditing Standard No. 11" is replaced with "AS 2105.11–.12."
- l. In paragraph 18, the reference to "paragraph 17" is replaced with "paragraph .17."
- m. In the last sentence of paragraph 19, the reference to "paragraph 36" is replaced with "paragraph .36."
- n. In the last sentence of paragraph 20, the reference to "AU sec. 316" is replaced with "AS 2401."
- o. In footnote 14 to paragraph 20, the reference to "AU sec. 316.05" is replaced with "AS 2401.05."
- p. In paragraph 23, the reference to "AU secs. 316.79–.82A, AU sec. 317" is replaced with "AS 2401.79–.82A, AS 2405."
- q. In the note to paragraph 25a, the reference to "paragraph 15" is replaced with "paragraph .15."

- r. In footnote 15 to paragraph 25c, the reference to "Paragraph 5.d. of Auditing Standard No. 13" is replaced with "Paragraph .05d of AS 2301."
- s. In footnote 16 to paragraph 25d, the reference to "Paragraph 27" is replaced with "Paragraph .27."
- t. In the note to paragraph 27, the reference to "AU secs. 316.64–.65" is replaced with "AS 2401.64–.65."
- u. In footnote 17 to paragraph 28:
 - The first parenthetical reference to "paragraph 9" is replaced with "paragraph .09."
 - The second parenthetical reference to "paragraphs 20–23" is replaced with "paragraphs .20–.23."
 - The third parenthetical reference to "paragraphs 24–27" is replaced with "paragraphs .24–.27."
- v. In the note to paragraph 29, the parenthetical reference to "paragraphs 49–51 of Auditing Standard No. 12" is replaced with "AS 2110.49–.51."
- w. In the first note to paragraph 30:
 - In the first sentence, the reference to "AU sec. 411, *The Meaning of Present Fairly in Conformity With Generally Accepted Accounting Principles*" is replaced with "AS 2815, *The Meaning of Present Fairly in Conformity with Generally Accepted Accounting Principles*."
 - In the last sentence, the reference to "Auditing Standard No. 6" is replaced with "AS 2820."
- x. In paragraph 31:
 - In the note, the reference to "AU sec. 508" is replaced with "AS 3101."
 - In footnote 18 to the note, the reference to "AU secs. 508.41–.44" is replaced with "AS 3101.41–.44."



- y. In paragraph 32:
- The reference to "Auditing Standard No. 8" is replaced with "AS 1101."
 - In footnote 19, the reference to "Paragraph 3 of Auditing Standard No. 8" is replaced with "AS 1101.03."
- z. In paragraph 34a, the parenthetical reference to "paragraphs 14 and 17–19" is replaced with "paragraphs .14 and .17–.19."
- aa. In paragraph 34b, the parenthetical reference to "paragraphs 20–23 and 28–29" is replaced with "paragraphs .20–.23 and .28–.29."
- bb. In paragraph 34c, the parenthetical reference to "paragraph 36" is replaced with "paragraph .36."
- cc. In footnote 20 to paragraph 34e, the reference to "Paragraphs 7–9 of Auditing Standard No. 15" is replaced with "Paragraphs .07–.09 of AS 1105."
- dd. In paragraph 35:
- In the last sentence, the reference to "AU sec. 508" is replaced with "AS 3101."
 - In footnote 21, the reference to "AU sec 508.22–.34" is replaced with "AS 3101.22–.34."
- ee. In the note to paragraph 36:
- In the first sentence, the reference to "Auditing Standard No. 12" is replaced with "AS 2110."
 - In footnote 22, the reference to "Paragraph 74 of Auditing Standard No.12" is replaced with "AS 2110.74."
 - In the last sentence, the reference to "Auditing Standard No. 13" is replaced with "AS 2301."
 - In footnote 23, the reference to "Paragraphs 32–34 of Auditing Standard No. 13" is replaced with "AS 2301.32–.34."

- ff. In paragraph 37:
- Each reference to "Auditing Standard No. 5" is replaced with "AS 2201."
 - In footnote 24:
 - The reference to "Paragraphs 62–70 of Auditing Standard No. 5" is replaced with "AS 2201.62–.70."
 - The reference to "paragraphs 71–73 of Auditing Standard No. 5" is replaced with "AS 2201.71–.73."
- gg. In Appendix A, paragraph numbers A1 through A3 are replaced with .A1 through .A3.
- hh. In footnote 2 to paragraph A2, the reference to "AU sec. 316" is replaced with "AS 2401."
- ii. In footnote 3 to paragraph A3, the reference to "Paragraph 10" is replaced with "Paragraph .10."
- jj. In Appendix B, paragraph numbers B1 through B2 are replaced with .B1 through .B2.
- kk. In paragraph B1:
- The reference to "Paragraph 17" is replaced with "Paragraph .17."
 - In footnote 1:
 - In the first sentence, the reference to "AU sec. 508" is replaced with "AS 3101."
 - In the last sentence, the reference to "AU sec. 508.35" is replaced with "AS 3101.35."
 - In footnote 5 to the second note, the reference to "AU sec. 317" is replaced with "AS 2405."
- ll. In the last sentence of paragraph B2.o, the reference to "paragraph B2.l" is replaced with "paragraph .B2l."
- mm. In Appendix C, paragraph number C1 is replaced with .C1.

- nn. In paragraph C1, the reference to "paragraph 28" is replaced with "paragraph .28."
- oo. In footnote 1 to item (2) of paragraph C1b, the reference to "Paragraph 9 of Auditing Standard No. 15" is replaced with "Paragraph .09 of AS 1105."
- pp. In the parenthetical reference of footnote 2 to item (1) of paragraph C1c:
 - The reference to "Auditing Standard No. 5" is replaced with "AS 2201."
 - The reference to "AU sec. 508" is replaced with "AS 3101."

Auditing Standard No. 15, *Audit Evidence*

Auditing Standard No. 15, *Audit Evidence*, is amended as follows:

- a. The section number "Auditing Standard No. 15" is replaced with "AS 1105."
- b. Paragraph numbers 1 through 29 are replaced with .01 through .29.
- c. In footnote 1 to paragraph 3:
 - In the first sentence, the reference to "Auditing Standard No. 14" is replaced with "AS 2810."
 - In the second sentence, the reference to "Auditing Standard No. 3" is replaced with "AS 1215."
- d. In footnote 2 to the first bullet of paragraph 5, the reference to "Paragraph A5 of Auditing Standard No. 12" is replaced with "Paragraph .A5 of AS 2110."
- e. In footnote 3 to paragraph 10:
 - In the first sentence, the reference to "AU sec. 336" is replaced with "AS 1210."
 - In the last sentence:
 - The reference to "AU sec. 324, *Service Organizations*" is replaced with "AS 2601, *Consideration of an Entity's Use of a Service Organization*."



- o The reference to "Auditing Standard No. 5" is replaced with "AS 2201."
- f. In footnote 5 to paragraph 12, the reference to "paragraph 28 of Auditing Standard No. 5" is replaced with "AS 2201.28."
- g. In footnote 6 to paragraph 13a, the reference to "Auditing Standard No.12" is replaced with "AS 2110."
- h. In footnote 7 to paragraph 13b, the reference to "Auditing Standard No. 13" is replaced with "AS 2301."
- i. In the first sentence of paragraph 14, the reference to "Paragraphs 15–21" is replaced with "Paragraphs .15–.21."
- j. In footnote 8 to paragraph 16, the reference to "AU sec. 331, *Inventories*" is replaced with "AS 2510, *Auditing Inventories*."
- k. In footnote 9 to paragraph 17, the reference to "AU sec. 333" is replaced with "AS 2805."
- l. In footnote 10 to paragraph 18, the reference to "AU sec. 330" is replaced with "AS 2310."
- m. In footnote 11 to paragraph 21, the reference to "AU sec. 329" is replaced with "AS 2305."
- n. In paragraph 27, the reference to "paragraphs 25–26" is replaced with "paragraphs .25–.26."
- o. In footnote 12 to paragraph 27, the reference to "paragraphs 12–13 and paragraphs 17–19 of Auditing Standard No. 14" is replaced with "AS 2810.12–.13 and AS 2810.17–.19."
- p. In footnote 13 to paragraph 28, the reference to "AU sec. 350" is replaced with "AS 2315."

Auditing Standard No. 16, *Communications with Audit Committees*

Auditing Standard No. 16, *Communications with Audit Committees*, is amended as follows:

- a. The section number "Auditing Standard No. 16" is replaced with "AS 1301."

- b. Paragraph numbers 1 through 26 are replaced with .01 through .26.
- c. In the first sentence of footnote 5 to paragraph 8, the reference to "paragraphs 5.f. and 54–57 of Auditing Standard No. 12" is replaced with "paragraphs .05f and .54–.57 of AS 2110."
- d. In the first sentence of footnote 6 to paragraph 8, the reference to "AU sec. 317" is replaced with "AS 2405."
- e. In paragraph 9:
 - In footnote 7, the reference to "paragraphs 8–9 of Auditing Standard No. 9" is replaced with "paragraphs .08–.09 of AS 2101."
 - In the first sentence of footnote 8, the reference to "Auditing Standard No. 12" is replaced with "AS 2110."
- f. In footnote 9 to paragraph 10a, the reference to "paragraph 16 of Auditing Standard No. 9" is replaced with "AS 2101.16."
- g. In footnote 10 to paragraph 10b, the reference to "AU sec. 322, *The Auditor's Consideration of the Internal Audit Function in an Audit of Financial Statements*" is replaced with "AS 2605, *Consideration of the Internal Audit Function*."
- h. In footnote 11 to paragraph 10c, the reference to "paragraphs 16–19 of Auditing Standard No. 5" is replaced with "paragraphs .16–.19 of AS 2201."
- i. In footnote 12 to paragraph 10d, the reference to "paragraphs 8–14 of Auditing Standard No. 9" is replaced with "AS 2101.08–.14."
- j. In footnote 13 to paragraph 10e, the reference to "AU sec. 543, *Part of Audit Performed by Other Independent Auditors*" is replaced with "AS 1205, *Part of the Audit Performed by Other Independent Auditors*."
- k. In footnote 14 to paragraph 11, the reference to "paragraph 15 of Auditing Standard No. 9" is replaced with "AS 2101.15."
- l. In footnote 17 to item (1) of paragraph 12c, the reference to "AU sec. 342" is replaced with "AS 2501."
- m. In footnote 20 to item (1) of paragraph 12d, the reference to "paragraph 71.g. of Auditing Standard No. 12" is replaced with "AS 2110.71g."

- n. In the first sentence of the note to paragraph 12, the reference to "paragraph 12" is replaced with "paragraph .12."
- o. In footnote 21 to item (1) of paragraph 13a, the reference to "paragraphs 24–27 of Auditing Standard No. 14" is replaced with "paragraphs .24–.27 of AS 2810."
- p. In footnote 22 to item (2) of paragraph 13a, the reference to "paragraph 27 of Auditing Standard No. 14" is replaced with "AS 2810.27."
- q. In footnote 23 to paragraph 13c, the reference to "AU sec. 342" is replaced with "AS 2501."
- r. In footnote 24 to paragraph 13d, the reference to "AU sec. 316" is replaced with "AS 2401."
- s. In footnote 25 to paragraph 13e:
 - In the first sentence, the reference to "paragraphs 30–31 of Auditing Standard No. 14" is replaced with "AS 2810.30–.31."
 - In the last sentence:
 - The reference to "Auditing Standard No. 18" is replaced with "AS 2410."
 - The reference to "AU sec. 341, *The Auditor's Consideration of an Entity's Ability to Continue as a Going Concern*" is replaced with "AS 2415, *Consideration of an Entity's Ability to Continue as a Going Concern*."
- t. In footnote 27 to paragraph 14:
 - In the first sentence, the reference to "AU sec. 550" is replaced with "AS 2710."
 - In the last sentence:
 - The reference to "AU sec. 550" is replaced with "AS 2710."
 - The reference to "Auditing Standard No. 17" is replaced with "AS 2701."
 - The reference to "AU sec. 558" is replaced with "AS 2705."



- The reference to "AU sec. 711, *Filings Under Federal Securities Statutes*" is replaced with "AS 4101, *Responsibilities Regarding Filings Under Federal Securities Statutes*."
- u. In footnote 28 to paragraph 17:
 - In the first sentence, the reference to "AU sec. 341" is replaced with "AS 2415."
 - In the last sentence, the reference to "AU secs. 341.03a–c" is replaced with "AS 2415.03a–c."
- v. In footnote 29 of paragraph 17a:
 - The reference to "AU sec. 341.06" is replaced with "AS 2415.06."
 - The reference to "AU sec 341.07" is replaced with "AS 2415.07."
- w. In footnote 30 to paragraph 17b, the reference to "AU sec. 341.08" is replaced with "AS 2415.08."
- x. In footnote 31 to paragraph 17c:
 - In the first sentence, the reference to "AU sec. 341.12" is replaced with "AS 2415.12."
 - In the last sentence, the reference to "AU sec. 341.03c" is replaced with "AS 2415.03c."
- y. In footnote 32 to item (1) of paragraph 17c, the reference to "AU sec. 341.10" is replaced with "AS 2415.10."
- z. In footnote 33 to item (2) of paragraph 17c, the reference to "AU sec. 341.12–.16" is replaced with "AS 2415.12–.16."
- aa. In footnote 34 to paragraph 18, the reference to "paragraph 20 of Auditing Standard No. 14" is replaced with "paragraph .20 of AS 2810."
- bb. In footnote 36 to paragraph 18, the reference to "Auditing Standard No. 14" is replaced with "AS 2810."
- cc. In footnote 37 to paragraph 19, the reference to "paragraph 10 of Auditing Standard No. 14" is replaced with "AS 2810.10."

- dd. In footnote 39 to the note to paragraph 23, the reference to "AU sec. 508" is replaced with "AS 3101."
- ee. In footnote 40 to paragraph 24:
- The reference to "AU sec. 316.79–.81" is replaced with "AS 2401.79–.81."
 - The reference to "AU sec. 317.17" is replaced with "AS 2405.17."
- ff. In paragraph 25:
- Footnote 41 is deleted.
 - In footnote 42, the reference to "Auditing Standard No. 3" is replaced with "AS 1215."
 - In the note, the reference to "paragraphs 12 or 18" is replaced with "paragraphs .12 or .18."
- gg. In Appendix A, paragraph numbers A1 through A4 are replaced with .A1 through .A4.
- hh. Appendix B of Auditing Standard No.16 is replaced with the following:
- This appendix identifies other PCAOB rules and standards related to the audit that require communication of specific matters between the auditor and the audit committee.
- AS 6115, *Reporting on Whether a Previously Reported Material Weakness Continues to Exist*, paragraphs .60, .62, and .64
 - AS 2201, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*, paragraphs .78–.81, .91, .C7, and .C14
 - AS 2110, *Identifying and Assessing Risks of Material Misstatement*, paragraphs .05f and .54–.57
 - AS 2410, *Related Parties*, paragraphs .07 and .19
 - Attestation Standard No. 1, *Examination Engagements Regarding Compliance Reports of Brokers and Dealers*, paragraphs 34 and 35

- *Attestation Standard No. 2, Review Engagements Regarding Exemption Reports of Brokers and Dealers*, paragraph 15
 - PCAOB Rule 3524, *Audit Committee Pre-approval of Certain Tax Services*
 - PCAOB Rule 3525, *Audit Committee Pre-approval of Non-audit Services Related to Internal Control Over Financial Reporting*
 - PCAOB Rule 3526, *Communication with Audit Committees Concerning Independence*
 - AS 2401, *Consideration of Fraud in a Financial Statement Audit*, paragraphs .79–.81
 - AS 2405, *Illegal Acts by Clients*, paragraphs .08, .17, and .20
 - AS 1305, *Communications About Control Deficiencies in an Audit of Financial Statements*, paragraphs .04–.07 and .09
 - AS 2502, *Auditing Fair Value Measurements and Disclosures*, paragraph .50
 - AS 2805, *Management Representations*, paragraph .05
 - AS 2710, *Other Information in Documents Containing Audited Financial Statements*, paragraphs .04 and .06
 - AS 4101, *Responsibilities Regarding Filings Under Federal Securities Statutes*, paragraph .13
 - AS 4105, *Reviews of Interim Financial Information*, paragraphs .08–.09, .30–.31, and .33–.36
- ii. In Appendix C, paragraph numbers C1 through C2 are replaced with .C1 through .C2.
- jj. In footnote 2 to item 2b of paragraph C1b, the reference to "AU sec. 325" is replaced with "AS 1305."
- kk. In footnote 3 to item (b) of paragraph C2, the reference to "AU sec. 722, *Interim Financial Information*" is replaced with "AS 4105, *Reviews of Interim Financial Information*."



Auditing Standard No. 17, *Auditing Supplemental Information Accompanying Audited Financial Statements*

Auditing Standard No. 17, *Auditing Supplemental Information Accompanying Audited Financial Statements*, is amended as follows:

- a. The section number "Auditing Standard No. 17" is replaced with "AS 2701."
- b. Paragraph numbers 1 through 15 are replaced with .01 through .15.
- c. In footnote 3 to the note to paragraph 3b, the reference to "Auditing Standard No. 11" is replaced with "AS 2105."
- d. In footnote 6 to paragraph 7, the reference to "paragraph 10 of Auditing Standard No. 14" is replaced with "paragraph .10 of AS 2810."
- e. In footnote 7 to the note to paragraph 8, the reference to "paragraph 17 of Auditing Standard No. 14" is replaced with "AS 2810.17."
- f. In footnote 8 to paragraph 12b:
 - In the first sentence, the reference to "AU sec. 561" is replaced with "AS 2905."
 - In the second sentence, the reference to "AU sec. 561" is replaced with "AS 2905."
- g. In Appendix A, paragraph numbers A1 and A2 are replaced with .A1 and .A2.

Auditing Standard No. 18, *Related Parties*

Auditing Standard No. 18, *Related Parties*, is amended as follows:

- a. The section number "Auditing Standard No. 18" is replaced with "AS 2410."
- b. Paragraph numbers 1 through 19 are replaced with .01 through .19.
- c. In footnote 2 to paragraph 2:
 - In the first sentence, the reference to "paragraphs 30-31 of Auditing Standard No. 14" is replaced with "paragraphs .30–.31 of AS 2810."

- In the last sentence, the reference to "AU sec. 411, *The Meaning of Present Fairly in Conformity With Generally Accepted Accounting Principles*" is replaced with "AS 2815, *The Meaning of Present Fairly in Conformity with Generally Accepted Accounting Principles.*"
- d. In paragraph 3:
- In the first sentence, the reference to "Auditing Standard No. 12" is replaced with "AS 2110."
 - In item a, the parenthetical reference to "paragraph 4" is replaced with "paragraph .04."
 - In item b, the parenthetical reference to "paragraphs 5-7" is replaced with "paragraphs .05–.07."
 - In item c, the parenthetical reference to "paragraphs 8-9" is replaced with "paragraphs .08–.09."
 - In the second note:
 - The reference to "paragraphs 4-9" is replaced with "paragraphs .04–.09."
 - The reference to "Auditing Standard No. 12" is replaced with "AS 2110."
- e. In footnote 3 to paragraph 4:
- In the first sentence, the reference to "paragraph 18 of Auditing Standard No. 12" is replaced with "AS 2110.18."
 - In the last sentence, the reference to "paragraph 20 of Auditing Standard No. 12" is replaced with "AS 2110.20."
- f. In footnote 4 to paragraph 5:
- In the first sentence, the reference to "AU sec. 333" is replaced with "AS 2805."
 - In the last sentence, the reference to "paragraph 5" is replaced with "paragraph .05."

- g. In paragraph 6, the reference to "paragraph 5" is replaced with "paragraph .05."
- h. In footnote 7 to paragraph 7, the reference to "Auditing Standard No. 16" is replaced with "AS 1301."
- i. In footnote 8 to paragraph 8:
 - In the first sentence, the reference to "paragraph 49 of Auditing Standard No. 12" is replaced with "AS 2110.49."
 - In the last sentence, the reference to "paragraph 5 of Auditing Standard No. 10" is replaced with "paragraph .05 of AS 1201."
- j. In footnote 9 to paragraph 9, the reference to "AU sec. 543, *Part of Audit Performed by Other Independent Auditors*" is replaced with "AS 1205, *Part of the Audit Performed by Other Independent Auditors*."
- k. In paragraph 10:
 - In footnote 10, the reference to "paragraph 59 of Auditing Standard No. 12" is replaced with "AS 2110.59."
 - In the note:
 - The reference to "paragraphs 4-9" is replaced with "paragraphs .04–.09."
 - The reference to "Auditing Standard No. 12" is replaced with "AS 2110."
- l. In paragraph 11:
 - In footnote 11, the reference to "paragraph 3 of Auditing Standard No. 13" is replaced with "paragraph .03 of AS 2301."
 - In footnote 12:
 - The reference to "Auditing Standard No. 13" is replaced with "AS 2301."
 - The reference to "paragraph 17 of Auditing Standard No. 15" is replaced with "paragraph .17 of AS 1105."

- In the note:
 - In the first sentence, the reference to "AU sec. 316" is replaced with "AS 2401."
 - In the last sentence, the reference to "AU sec. 316.67" is replaced with "AS 2401.67."
- m. In the last sentence of the note to paragraph 12, the reference to "paragraph 12" is replaced with "paragraph .12."
- n. In footnote 16 to paragraph 15, the reference to "paragraph 29 of Auditing Standard No .15" is replaced with "AS 1105.29."
- o. In paragraph 16:
 - In footnote 17 to item b, the reference to "AU sec. 333.04" is replaced with "AS 2805.04."
 - In item e, the reference to "paragraph 12" is replaced with "paragraph .12."
 - In item f:
 - In footnote 18 to item ii, the reference to "paragraph 74 of Auditing Standard No. 12" is replaced with "AS 2110.74."
 - In the last sentence of item iii:
 - The reference to "AU secs. 316.79-.82" is replaced with "AS 2401.79–.82."
 - The reference to "AU sec. 317" is replaced with "AS 2405."
- p. In footnote 19 to paragraph 17, the reference to "paragraphs 30-31 of Auditing Standard No. 14" is replaced with "AS 2810.30–.31."
- q. In footnote 20 to paragraph 18:
 - In the first sentence, the reference to "paragraph .06.i. of AU sec. 333" is replaced with "AS 2805.06i."
 - In the last sentence, the reference to "AU sec. 508" is replaced with "AS 3101."



- r. In footnote 21 to paragraph 19, the reference to "Auditing Standard No. 16" is replaced with "AS 1301."
- s. In Appendix A, paragraph numbers A1 through A3 are replaced with .A1 through .A3.
- t. In paragraph A1:
 - In the second sentence, the reference to "paragraph A2." is replaced with "paragraph .A2."
 - In the third sentence, the reference to "paragraph A3." is replaced with "paragraph .A3."

AU sec. 110, "Responsibilities and Functions of the Independent Auditor"

SAS No. 1, "Codification of Auditing Standards and Procedures," section 110, "Responsibilities and Functions of the Independent Auditor" (AU sec. 110, "Responsibilities and Functions of the Independent Auditor"), as amended, is amended as follows:

- a. The section number "AU Section 110" is replaced with "AS 1001."
- b. In the third sentence of paragraph .01, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
- c. In paragraph 02:
 - In footnote 1:
 - In the first sentence, the reference to "Auditing Standard No. 11" is replaced with "AS 2105."
 - In the second sentence, the reference to "section 317" is replaced with "AS 2405."
 - In footnote 2, the phrase "section 230, *Due Professional Care in the Performance of Work*, paragraphs .10 through .13" is replaced with "paragraphs .10 through .13 of AS 1015, *Due Professional Care in the Performance of Work*."
- d. In the first sentence of paragraph .05, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
- e. Paragraph .10 is deleted.



- f. Paragraph .11 and its following note is added:

The auditor should be aware of and consider auditing interpretations applicable to his or her audit. If the auditor does not apply the auditing guidance included in an applicable auditing interpretation, the auditor should be prepared to explain how he or she complied with the provisions of the auditing standard addressed by such auditing guidance.

Note: The term "auditing interpretations," as used in this paragraph, refers to the publications entitled "Auditing Interpretation" issued by the American Institute of Certified Public Accountants' Auditing Standards Board as in existence on April 16, 2003, and in effect.

AU sec. 150, "Generally Accepted Auditing Standards"

SAS No. 95, "Generally Accepted Auditing Standards" (AU sec. 150, "Generally Accepted Auditing Standards"), as amended, is rescinded.

AU sec. 161, "The Relationship of Generally Accepted Auditing Standards to Quality Control Standards"

SAS No. 25, "The Relationship of Generally Accepted Auditing Standards to Quality Control Standards," (AU sec. 161, "The Relationship of Generally Accepted Auditing Standards to Quality Control Standards"), as amended, is amended as follows:

- a. The section number "AU Section 161" is replaced with "AS 1110."
- b. The title "The Relationship of Generally Accepted Auditing Standards to Quality Control Standards" is replaced with "Relationship of Auditing Standards to Quality Control Standards."
- c. In the references before paragraph .01, the phrase "(Supersedes SAS No. 4)" is deleted.
- d. In paragraph .01:
 - In the first sentence, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
 - The last sentence is deleted.
- e. In the second sentence of paragraph .02, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."



- f. In paragraph .03:
- In the first sentence, the phrase "Generally accepted auditing standards" is replaced with "Auditing standards."
 - In the second sentence, the phrase "generally accepted auditing standards" is replaced with "auditing standards."
 - In the last sentence, the phrase "generally accepted auditing standards" is replaced with "the auditing standards."

AU sec. 201, "Nature of the General Standards"

SAS No. 1, "Codification of Auditing Standards and Procedures" (AU sec. 201, "Nature of the General Standards"), is rescinded.

AU sec. 210, "Training and Proficiency of the Independent Auditor"

SAS No. 1, "Codification of Auditing Standards and Procedures" section 210 "Training and Proficiency of the Independent Auditor" (AU sec. 210, "Training and Proficiency of the Independent Auditor"), as amended, is amended as follows:

- a. The section number "AU Section 210" is replaced with "AS 1010."
- b. In paragraph .01, the introductory phrase "The first general standard is:" is deleted.
- c. In paragraph .02, the phrase "This standard" is replaced with the phrase "The statement in the preceding paragraph."

AU sec. 220, "Independence"

SAS No. 1, "Codification of Auditing Standards and Procedures" section 220 "Independence" (AU sec. 220, "Independence"), as amended, is amended as follows:

- a. The section number "AU Section 220" is replaced with "AS 1005."
- b. In paragraph .01, the introductory phrase "The second general standard is:" is deleted.
- c. In the first sentence of paragraph .02, the phrase "This standard" is replaced with the phrase "The statement in the preceding paragraph."
- d. In paragraph .05, the phrase "that differ from the AICPA requirements in certain respects" is deleted.



AU sec. 230, "Due Professional Care in the Performance of Work"

SAS No. 1, "Codification of Auditing Standards and Procedures" section 230 "Due Professional Care in the Performance of Work" (AU sec. 230, "Due Professional Care in the Performance of Work"), as amended, is amended as follows:

- a. The section number "AU Section 230" is replaced with "AS 1015."
- b. Footnote * to the title of the standard is deleted.
- c. In paragraph .01:
 - The introductory phrase "The third general standard is:" is deleted.
 - Footnote 1 is deleted.
- d. In the first sentence of paragraph .02, the phrase "This standard" is replaced with "The statement in the preceding paragraph."
- e. In footnote 4 to paragraph .06, the reference to "Auditing Standard No. 10" is replaced with "AS 1201."
- f. In footnote 5 to paragraph .11, the reference to "section 342" is replaced with "AS 2501."
- g. In paragraph .12:
 - In the fifth sentence, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
 - In the sixth sentence, the parenthetical reference to "paragraph 9 of Auditing Standard No. 15" is replaced with "paragraph .09 of AS 1105."

AU sec. 315, "Communications Between Predecessor and Successor Auditors"

SAS No. 84, "Communications Between Predecessor and Successor Auditors" (AU sec. 315, "Communications Between Predecessor and Successor Auditors"), as amended, is amended as follows:

- a. The section number "AU Section 315" is replaced with "AS 2610."

- b. The title "Communications Between Predecessor and Successor Auditors" is replaced with "Initial Audits—Communications Between Predecessor and Successor Auditors."
- c. In the references before paragraph .01, the phrase "(Supersedes SAS No. 7)" is deleted.
- d. In last sentence of paragraph .01, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
- e. In paragraph .09:
 - The sentence "The successor auditor may wish to consider other reasonable inquiries." is moved to the end of the paragraph, after the fifth bullet.
 - In footnote 5 to the third bullet:
 - The reference to "section 316" is replaced with "AS 2401."
 - The reference to "section 317" is replaced with "AS 2405."
 - The reference to "section 325" is replaced with "AS 1305."
 - In footnote 5A to the last bullet, the reference to "Paragraph .66 of AU sec. 316, *Consideration of Fraud in a Financial Statement Audit*," is replaced with "AS 2401.66."
- f. In the last sentence of footnote 8 to paragraph .12, the reference to "section 543, *Part of Audit Performed by Other Independent Auditors*, paragraph 10a" is replaced with "paragraph .10a of AS 1205, *Part of the Audit Performed by Other Independent Auditors*."
- g. In paragraph .16:
 - In the first sentence, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
 - In the second sentence, the reference to "section 543, *Part of Audit Performed by Other Independent Auditors*" is replaced with "AS 1205."
 - In the last sentence:
 - The reference to "AU sec. 336" is replaced with "AS 1210."



- The reference to "AU sec. 322, *The Auditor's Consideration of the Internal Audit Function in an Audit of Financial Statements*," is replaced with "AS 2605, *Consideration of the Internal Audit Function*."
 - The reference to "paragraphs 16–19 of PCAOB Auditing Standard No. 5" is replaced with "paragraphs .16–.19 of AS 2201."
- h. In the first sentence of paragraph .20, the reference to "section 331, *Inventories*" is replaced with "AS 2510, *Auditing Inventories*."
- i. In paragraph .21:
- In the last sentence, the reference to "section 561" is replaced with "AS 2905."
 - In footnote 9, the reference to "section 508, *Reports on Audited Financial Statements*, paragraphs .70 through .74" is replaced with "paragraphs .70 through .74 of AS 3101, *Reports on Audited Financial Statements*."
- j. Under item 1 of paragraph 25:
- In the first sentence of the illustrative letter's first paragraph, the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
 - In the first bullet, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
 - In item (2) of the illustrative paragraph, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."

AU sec. 316, "Consideration of Fraud in a Financial Statement Audit"

SAS No. 99, "Consideration of Fraud in a Financial Statement Audit" (AU sec. 316, "Consideration of Fraud in a Financial Statement Audit"), as amended, is amended as follows:

- a. The section number "AU Section 316" is replaced with "AS 2401."



- b. In the references before paragraph .01, the phrase "(Supersedes SAS No. 82)" is deleted.
- c. In paragraph .01:
 - In the first sentence, the reference to "Section 110, *Responsibilities and Functions of the Independent Auditor*, paragraph .02" is replaced with "Paragraph .02 of AS 1001, *Responsibilities and Functions of the Independent Auditor*."
 - In the note, the reference to "paragraphs 14–15 of PCAOB Auditing Standard No. 5" is replaced with "paragraphs .14–.15 of AS 2201."
 - In the first sentence of footnote 1, the reference to "section 317" is replaced with "AS 2405."
- d. In paragraph .01A:
 - In the first sentence, the reference to "Auditing Standard No. 12" is replaced with "AS 2110."
 - In the second sentence, the reference to "Auditing Standard No. 13" is replaced with "AS 2301."
 - In the last sentence, the reference to "Auditing Standard No. 14" is replaced with "AS 2810."
- e. In the second sentence of paragraph .04, the reference to "section 110.03" is replaced with "AS 1001.03."
- f. In the fifth sentence of paragraph .09, the term "GAAS" is replaced with "the standards of the PCAOB."
- g. In footnote 7 to paragraph .12, the reference to "section 230, *Due Professional Care in the Performance of Work*, paragraphs .10 through .13" is replaced with "paragraphs .10 through .13 of AS 1015, *Due Professional Care in the Performance of Work*."
- h. In the second sentence of paragraph .13, the phrase "section 230, *Due Professional Care in the Performance of Work*, paragraphs .07 through .09" is replaced with "AS 1015.07 through .09."

- i. In paragraph .52:
- In the first sentence, the reference to "Paragraph 8 of Auditing Standard No. 13, *The Auditor's Responses to the Risks of Material Misstatement*," is replaced with "AS 2301.08."
 - In the last sentence, the reference to "Paragraph 12 of Auditing Standard No. 13" is replaced with "AS 2301.12."
 - In the note, the reference to "Paragraph 71.b. of Auditing Standard No. 12, *Identifying and Assessing Risks of Material Misstatement*," is replaced with "AS 2110.71b."
- j. In paragraph .53:
- In footnote 20 to the fourth bullet, the reference to "AU sec. 329" is replaced with "AS 2305."
 - In the fifth bullet, the parenthetical reference to "paragraph 54 of Auditing Standard No. 12, *Identifying and Assessing Risks of Material Misstatement*" is replaced with "AS 2110.54."
- k. In paragraph .54:
- In footnote 21 to the second sub-bullet of the first bullet, the reference to "AU sec. 330" is replaced with "AS 2310."
 - In footnote 22 to the second bullet, the reference to "AU sec. 336" is replaced with "AS 1210."
 - In the third bullet:
 - In the fourth sentence, the reference to "section 342" is replaced with "AS 2501."
 - In the fifth sentence, the parenthetical reference to "section 342.09 through .14" is replaced with "AS 2501.09 through .14."
- l. In the second sentence of paragraph .56, the reference to "paragraphs 8 through 15 of Auditing Standard No. 13, *The Auditor's Responses to the Risks of Material Misstatement*," is replaced with "AS 2301.08 through .15."

- m. In footnote 23 to item 1 of paragraph .58, the reference to "paragraphs 28 through 32 of Auditing Standard No. 12, *Identifying and Assessing Risks of Material Misstatement*" is replaced with "AS 2110.28 through .32."
- n. In the last sentence of the fifth bullet of paragraph .61, the reference to "paragraphs 11 through 14 of Auditing Standard No. 9" is replaced with "paragraphs .11 through .14 of AS 2101."
- o. In the last sentence of paragraph .63, the reference to "Paragraphs 24 through 27 of Auditing Standard No. 14, *Evaluating Audit Results*" is replaced with "AS 2810.24 through .27."
- p. In footnote 24 to paragraph .63, the reference to "section 342, *Auditing Accounting Estimates*, paragraphs .02 and .16," is replaced with "AS 2501.02 and .16."
- q. In paragraph .66:
 - In the first note, the reference to "Auditing Standard No. 12, *Identifying and Assessing Risks of Material Misstatement*" is replaced with "AS 2110."
 - In the second note:
 - In the second sentence, the reference to "paragraphs 14-16 of Auditing Standard No. 18" is replaced with "paragraphs .14–.16 of AS 2410."
 - In the last sentence, the reference to "Auditing Standard No. 18, *Related Parties*," is replaced with "AS 2410."
- r. In the note to paragraph .66A, the reference to "Paragraph 11A of Auditing Standard No. 13" is replaced with "AS 2301.11A."
- s. In paragraph 67:
 - In the note, the reference to "Paragraphs 20-23 of Auditing Standard No. 14, *Evaluating Audit Results*," is replaced with "AS 2810.20–.23."
 - In the second sentence of footnote 25A to the third bullet, the reference to "Auditing Standard No. 18, *Related Parties*," is replaced with "AS 2410."

- t. In paragraph 67A:
- In the note, the reference to "AU sec. 550" is replaced with "AS 2710."
 - In footnote 25B, the reference to "paragraphs 30-31 of Auditing Standard No. 14" is replaced with "AS 2810.30–.31."
- u. In paragraph .80:
- In the second sentence, the parenthetical reference to "section 325, 'Communications About Control Deficiencies in An Audit of Financial Statements,' paragraph 4" is replaced with "paragraph .04 of AS 1305, *Communications About Control Deficiencies in an Audit of Financial Statements*."
 - In the third sentence, the parenthetical reference to "paragraphs 72–73 of Auditing Standard No. 12, *Identifying and Assessing Risks of Material Misstatement*" is replaced with "AS 2110.72–.73."
- v. In the second sentence of paragraph .81, the parenthetical reference to "paragraphs 12–13 of Auditing Standard No. 16" is replaced with "paragraphs .12–.13 of AS 1301."
- w. In paragraph .82:
- In item a, the reference to "AU sec. 315, *Communications Between Predecessor and Successor Auditors*" is replaced with "AS 2610, *Initial Audits—Communications Between Predecessor and Successor Auditors*."
 - In footnote 40, the reference to "Section 315" is replaced with "AS 2610."
- x. In paragraph .83:
- In the first bullet, the parenthetical reference to "paragraphs 52 and 53 of Auditing Standard No. 12, *Identifying and Assessing Risks of Material Misstatement*" is replaced with "AS 2110.52 and .53."
 - In the second bullet, the parenthetical reference to "paragraph 47, paragraphs 56 through 58, and paragraphs 65 through 69 of Auditing Standard No. 12, *Identifying and Assessing Risks of*

Material Misstatement" is replaced with "AS 2110.47, AS 2110.56 through .58, and AS 2110.65 through .69."

- In the third bullet:
 - The first parenthetical reference to "(paragraphs 59 through 69 of Auditing Standard No. 12, *Identifying and Assessing Risks of Material Misstatement*)" is replaced with "(AS 2110.59 through .69)."
 - The second parenthetical reference to "(paragraphs 5 through 15 of Auditing Standard No. 13, *The Auditor's Response to the Risks of Material Misstatement*)" is replaced with "(AS 2301.05 through .15)."
 - In the fourth bullet, the parenthetical reference to "paragraph 68 of Auditing Standard No. 12, *Identifying and Assessing Risks of Material Misstatement*" is replaced with "AS 2110.68."
 - In the fifth bullet, the parenthetical reference to "paragraph 15 of Auditing Standard No. 13, *The Auditor's Responses to the Risks of Material Misstatements*" is replaced with "AS 2301.15."
 - In the sixth bullet, the parenthetical reference to "paragraphs 5 through 9 of Auditing Standard No. 14, *Evaluating Audit Results*" is replaced with "AS 2810.05 through .09."
- y. In the first sentence of item A.1 of paragraph .85, the reference to "paragraphs 65 through 69 of Auditing Standard No. 12, *Identifying and Assessing Risks of Material Misstatement*" is replaced with "AS 2110.65 through .69."
- z. Paragraphs .86 through .88 are deleted.
- aa. Footnotes 5 and 6 to paragraph .86 are deleted.
- bb. Footnote 8 to paragraph .87 is deleted.
- cc. Footnotes 1 through 11 to paragraph .88 are deleted.



AU sec. 317, "Illegal Acts by Clients"

SAS No. 54, "Illegal Acts by Clients" (AU sec. 317, "Illegal Acts by Clients"), as amended, is amended as follows:

- a. The section number "AU Section 317" is replaced with "AS 2405."
- b. In the references before paragraph .01, the phrase "(Supersedes section 328)" is deleted.
- c. In the first sentence of paragraph .01, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
- d. In the last sentence of paragraph .05, the reference to "section 110" is replaced with "AS 1001."
- e. In the last sentence of paragraph .07, the phrase "generally accepted auditing standards" is replaced with "PCAOB auditing standards."
- f. In paragraph .08:
 - In the first sentence, the phrase "generally accepted auditing standards" is replaced with "PCAOB auditing standards."
 - The parenthetical reference to "section 333" is replaced with "AS 2805."
- g. In footnote 2 to paragraph .21, the reference to "section 508" is replaced with "AS 3101."
- h. In the subtitle before paragraph .22, the phrase "in Accordance With Generally Accepted Auditing Standards" is deleted.
- i. In paragraph .23b:
 - The reference to "section 315, *Communications Between Predecessor and Successor Auditors*" is replaced with "AS 2610, *Initial Audits—Communications Between Predecessor and Successor Auditors*."
 - In footnote 5, the reference to "section 315" is replaced with "AS 2610."



AU sec. 9317, "Illegal Acts by Clients: Auditing Interpretations of Section 317"

AU sec. 9317, "Illegal Acts by Clients: Auditing Interpretations of Section 317," is amended as follows:

- a. The section number "AU Section 9317" is replaced with "AI 13."
- b. The title "Illegal Acts by Clients: Auditing Interpretations of Section 317" is replaced with "Illegal Acts by Clients: Auditing Interpretations of AS 2405."
- c. In paragraph .01:
 - In the first sentence, the phrase "The second standard of field work requires" is replaced with "The auditing standards require."
 - In the last sentence:
 - The reference to "section 317" is replaced with "AS 2405, *Illegal Acts by Clients*."
 - The phrase "the second standard of field work" is replaced with "AS 2110, *Identifying and Assessing Risks of Material Misstatement*."
- d. In paragraph .03, the reference to "section 317" is replaced with "AS 2405."
- e. In paragraph .05, the parenthetical reference to "section 317.22" is replaced with "AS 2405.22."

AU sec. 322, "The Auditor's Consideration of the Internal Audit Function in an Audit of Financial Statements"

SAS No. 54, "The Auditor's Consideration of the Internal Audit Function in an Audit of Financial Statements" (AU sec. 322, "The Auditor's Consideration of the Internal Audit Function in an Audit of Financial Statements"), as amended, is amended as follows:

- a. The section number "AU Section 322" is replaced with "AS 2605."
- b. The title "The Auditor's Consideration of the Internal Audit Function in an Audit of Financial Statements" is replaced with "Consideration of the Internal Audit Function."

- c. In the references before paragraph .01, the phrase "(Supersedes SAS No. 9)" is deleted.
- d. In the last sentence of paragraph .01, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
- e. In the note to paragraph .01, the reference to "paragraphs 16–19 of PCAOB Auditing Standard No. 5" is replaced with "paragraphs .16–.19 of AS 2201."
- f. In paragraph .02:
 - In the first sentence, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
 - In footnote 2, the phrase "the AICPA Code of Professional Conduct" is replaced with "PCAOB Rule 3520, *Auditor Independence*."
- g. In footnote 3 to paragraph .04, the reference to "Auditing Standard No. 12" is replaced with "AS 2110."
- h. In footnote 5 to paragraph .18, the reference to "paragraph 8 of Auditing Standard No. 15" is replaced with "paragraph .08 of AS 1105."
- i. In footnote 6 to paragraph .19, the reference to "section 543, *Part of Audit Performed by Other Independent Auditors*" is replaced with "AS 1205, *Part of the Audit Performed by Other Independent Auditors*."
- j. In the note to paragraph .22, the reference to "paragraphs 18–19 of PCAOB Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*" is replaced with "AS 2201.18–.19."
- k. In footnote 8 to paragraph .27, the reference to "Auditing Standard No. 10" is replaced with "AS 1201."
- l. In the appendix, the title "The Auditor's Consideration of the Internal Audit Function in an Audit of Financial Statements" is replaced with "Consideration of the Internal Audit Function."



AU sec. 324, "Service Organizations"

SAS No. 70, "Service Organizations" (AU sec. 324, "Service Organizations"), as amended, is amended as follows:

- a. The section number "AU Section 324" is replaced with "AS 2601."
- b. The title "Service Organizations" is replaced with "Consideration of an Entity's Use of a Service Organization."
- c. Footnote * to the title of the standard is deleted.
- d. In the references before paragraph .01, the phrase "(Supersedes SAS No. 44)" is deleted.
- e. In the note to paragraph .01, the reference to "paragraphs B17–B27 of Appendix B, *Special Topics*, of PCAOB Auditing Standard No. 5" is replaced with " paragraphs .B17–.B27 of Appendix B, *Special Topics*, of AS 2201."
- f. In paragraph .07:
 - In the first sentence, the reference to "Auditing Standard No. 12" is replaced with "AS 2110."
 - In the third bullet, the second sentence is deleted.
- g. In the first sentence of paragraph .16, the reference to "paragraph 18 and paragraphs 29 through 31 of Auditing Standard No. 13" is replaced with "paragraph .18 and paragraphs .29 through .31 of AS 2301."
- h. In the last sentence of paragraph .18, the reference to "section 543, *Part of Audit Performed by Other Independent Auditors*, paragraph .10a" is replaced with "paragraph .10a of AS 1205, *Part of the Audit Performed by Other Independent Auditors*."
- i. In the first sentence of paragraph 19, the reference to "section 543.12" is replaced with "AS 1205.12."
- j. In the last sentence of paragraph .20, the reference to "section 325" is replaced with "AS 1305."



- k. In the second sentence of paragraph .22:
- The phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
 - The phrase "general standards and with the relevant fieldwork and reporting standards" is replaced with "relevant PCAOB auditing standards."
- l. In the second sentence of paragraph .23:
- The reference to "Auditing Standard No. 14" is replaced with "AS 2810."
 - The reference to "section 317" is replaced with "AS 2405."
- m. In paragraph .38, in the last sentence of the first paragraph of the sample report on controls placed in operation at a service organization, the phrase "standards established by the American Institute of Certified Public Accountants" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
- n. In the last sentence of paragraph .41, the reference to "Section 350" is replaced with "AS 2315."
- o. In paragraph .54, in the last sentence of the first paragraph of the sample report on controls placed in operation at a service organization and tests of operating effectiveness, the phrase "standards established by the American Institute of Certified Public Accountants" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."

AU sec. 9324, "Service Organizations: Auditing Interpretations of Section 324"

AU sec. 9324, "Service Organizations: Auditing Interpretations of Section 324," as amended, is amended as follows:

- a. The section number "AU Section 9324" is replaced with "AI 18."
- b. The title "Service Organizations: Auditing Interpretations of Section 324" is replaced with "Consideration of an Entity's Use of a Service Organization: Auditing Interpretations of AS 2601."

- c. In paragraph .01:
- In the first sentence, the reference to "section 324, *Service Organizations*" is replaced with "AS 2601, *Consideration of an Entity's Use of a Service Organization*."
 - In the second sentence, the reference to "Section 324.44f" is replaced with "AS 2601.44f."
- d. In the first sentence of paragraph .02, the reference to "section 324.44f" is replaced with "AS 2601.44f."
- e. In paragraph .05:
- In the third sentence, the reference to "Paragraphs .06 through .17 of section 324, *Service Organizations*," is replaced with "AS 2601.06 through .17."
 - In the fourth sentence, the reference to "section 324.06–.17" is replaced with "AS 2601.06–.17."
 - In the last sentence, the reference to "section 324.06" is replaced with "AS 2601.06."
- f. In the second sentence of paragraph .07, the reference to "Section 324.11–.16" is replaced with "AS 2601.11–.16."
- g. Following paragraph .16, in the Sample Scope Paragraph of a Service Auditor's Report Using the Carve-Out Method:
- The heading "Independent Service Auditor's Report" above the example report is replaced with "Service Auditor's Report of Independent Registered Public Accounting Firm."
 - In the last sentence of the report, the phrase "standards established by the American Institute of Certified Public Accountants" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
 - In the bracketed sentence, the reference to "section 324.38 and .54" is replaced with "AS 2601.38 and .54."
- h. In the first sentence of paragraph .17, the reference to "section 324.12" is replaced with "AS 2601.12."

- i. Following paragraph .18, in the Sample Service Auditor's Report Using the Inclusive Method:
 - The heading "Independent Service Auditor's Report" above the example report is replaced with "Service Auditor's Report of Independent Registered Public Accounting Firm."
 - In the last sentence of the first paragraph of the report, the phrase "standards established by the American Institute of Certified Public Accountants" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
- j. In paragraph .35, each reference to "Section 324.32" or "section 324.32" is replaced with "AS 2601.32."
- k. In paragraph .36:
 - Each reference to "Section 324.32" or "section 324.32" is replaced with "AS 2601.32."
 - Footnote 2 is deleted.
- l. In the first sentence of paragraph .37, the reference to "section 550" is replaced with "AS 2710."
- m. In paragraph .38:
 - In the first sentence, the reference to "Section 324.29g and .44/" is replaced with "AS 2601.29g and .44/."
 - In the second sentence, the reference to "Section 324.44/" is replaced with "AS 2601.44/."
 - In the third sentence, the reference to "section 324.38 and .54" is replaced with "AS 2601.38 and .54."
 - In the fourth sentence, the reference to "section 324.54" is replaced with "AS 2601.54."
- n. In the first sentence of paragraph .39, the reference to "section 324.38 and .54" is replaced with "AS 2601.38 and .54."
- o. In the first sentence of paragraph .40, the reference to "section 324.38 and .54" is replaced with "AS 2601.38 and .54."



AU sec. 325, "Communications About Control Deficiencies in an Audit of Financial Statements"

AU sec. 325, "Communications About Control Deficiencies in an Audit of Financial Statements," as amended, is amended as follows:

- a. The section number "AU Section 325" is replaced with "AS 1305."
- b. Paragraph numbers 1 through 9 are replaced with .01 through .09.
- c. The directions before paragraph 1 are replaced with the following:

Note: For an integrated audit of financial statements and internal control over financial reporting, see paragraphs .78–.84 of AS 2201, An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements.

Note: The following paragraphs apply in an audit of financial statements only:

- d. In the second note to paragraph 3, the reference to "paragraphs 62–70 of PCAOB Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*" is replaced with "AS 2201.62–.70."
- e. In the last sentence of paragraph 4, the reference to "paragraphs 2 and 3" is replaced with "paragraphs .02 and .03."
- f. In the last sentence of paragraph 9:
 - The reference to "AU sec. 325" is replaced with "AS 1305."
 - The reference to "paragraph 2" is replaced with "paragraph .02."

AU sec. 9325, "Communication of Internal Control Related Matters Noted in an Audit: Auditing Interpretations of Section 325"

AU sec. 9325, "Communication of Internal Control Related Matters Noted in an Audit: Auditing Interpretations of Section 325," as amended, is amended as follows:

- a. The section number "AU Section 9325" is replaced with "AI 12."
- b. The title "Communication of Internal Control Related Matters Noted in an Audit: Auditing Interpretations of Section 325" is replaced with



"Communications About Control Deficiencies in an Audit of Financial Statements: Auditing Interpretations of AS 1305."

- c. In the note before paragraph .01:
- In the first sentence:
 - The reference to "AU sec. 325" is replaced with "AS 1305, *Communications About Control Deficiencies in an Audit of Financial Statements*."
 - The reference to "paragraph 2" is replaced with "paragraph .02."
 - In the last sentence, the reference to "paragraph A7 of Appendix A, *Definitions*, of PCAOB Auditing Standard No. 5" is replaced with "paragraph .A7 of Appendix A, *Definitions*, of AS 2201."
- d. In the first sentence of paragraph .01, the reference to "Section 325" is replaced with "AS 1305."
- e. In the second sentence of paragraph .02, the reference to "Section 325" is replaced with "AS 1305."
- f. In the first sentence of paragraph .03, the reference to "Section 325" is replaced with "AS 1305."
- g. In the example report below paragraph .04, in the second sentence, the phrase "standards established by the American Institute of Certified Public Accountants" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."

AU sec. 9326, "Evidential Matter: Auditing Interpretations of Section 326"

AU sec. 9326, "Evidential Matter: Auditing Interpretations of Section 326," as amended, is amended as follows:

- a. The section number "AU Section 9326" is replaced with "AI 28."
- b. The title "Evidential Matter: Auditing Interpretations of Section 326" is replaced with "Evidential Matter Relating to Income Tax Accruals: Auditing Interpretations."

- c. In paragraph .10:
- In the first sentence, the phrase "third standard of field work requires" is replaced with "auditing standards require."
 - In the second sentence, the reference to "Paragraph 35 of Auditing Standard No. 14" is replaced with "Paragraph .35 of AS 2810."
 - In the third sentence, the reference to "Section 508, *Reports on Audited Financial Statements*, paragraph .24" is replaced with "Paragraph .24 of AS 3101, *Reports on Audited Financial Statements*."
 - In the fourth sentence, the reference to "section 333 on *Management Representations*" is replaced with "AS 2805, *Management Representations*."
 - In the fifth sentence:
 - The reference to "Section 333.06" is replaced with "AS 2805.06."
 - The reference to "section 333.08" is replaced with "AS 2805.08."
 - In the last sentence, the reference to "section 333.13" is replaced with "AS 2805.13."
- d. In the first sentence of paragraph .12, the phrase "Section 339, *Audit Documentation*, states that audit documentation is the principal record" is replaced with "Audit documentation is the written record."
- e. In paragraph .16, the reference to "section 336" is replaced with "AS 1210."
- f. In the first sentence of paragraph .18, the reference to "Section 336.01" is replaced with "AS 1210.01."
- g. In the first sentence of paragraph .19, the reference to "section 337" is replaced with "AS 2505."

AU sec. 328, "Auditing Fair Value Measurements and Disclosures"

SAS No. No. 101, "Auditing Fair Value Measurements and Disclosures" (AU sec. 328, "Auditing Fair Value Measurements and Disclosures"), as amended, is amended as follows:

- a. The section number "AU Section 328" is replaced with "AS 2502."
- b. In paragraph .06 each reference to "Section 342" or "section 342" is replaced with "AS 2501."
- c. In footnote 3 to paragraph .07, the reference to "section 332" is replaced with "AS 2503."
- d. In the first sentence of paragraph .11, the reference to "Auditing Standard No. 12" is replaced with "AS 2110."
- e. In the last sentence of the fifth bullet of paragraph .12, the reference to "section 324, *Service Organizations*" is replaced with "AS 2601, *Consideration of an Entity's Use of a Service Organization*."
- f. In the first sentence of paragraph .14, the reference to "Paragraph A5, second note of Auditing Standard No. 5" is replaced with "Paragraph .A5, second note of AS 2201."
- g. In the last sentence of paragraph .20, the reference to "section 336" is replaced with "AS 1210."
- h. In paragraph .22, the reference to "Section 336" or "section 336" is replaced with "AS 1210."
- i. In footnote 6 to paragraph .40, the reference to "section 329, *Analytical Procedures*" is replaced with "AS 2305, *Substantive Analytical Procedures*."
- j. In footnote 7 to paragraph .41, the reference to "section 560" is replaced with "AS 2801."
- k. In footnote 8 to paragraph .43, the reference to "paragraph 31 of Auditing Standard No. 14" is replaced with "paragraph .31 of AS 2810."
- l. In the last sentence of paragraph .47, the parenthetical reference to "paragraphs 12 through 18 and 24 through 27 of Auditing Standard No. 14, *Evaluating Audit Results*" is replaced with "AS 2810.12 through .18 and AS 2810.24 through .27."



- m. In the first sentence of paragraph .48:
- The reference to "Section 333" is replaced with "AS 2805."
 - The reference to "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
- n. In paragraph .50, the reference to "Paragraphs 12–13 of Auditing Standard No. 16" is replaced with "Paragraphs .12–.13 of AS 1301."

AU sec. 329, "Substantive Analytical Procedures"

SAS No. 56, "Analytical Procedures" (AU sec. 329, "Substantive Analytical Procedures"), as amended, is amended as follows:

- a. The section number "AU Section 329" is replaced with "AS 2305."
- b. In the references before paragraph .01, the phrase "(Supersedes section 318)" is deleted.
- c. In paragraph .01:
- In the first note, the reference to "Auditing Standard No. 12" is replaced with "AS 2110."
 - In the second note, the reference to "Auditing Standard No. 14" is replaced with "AS 2810."
- d. In the last sentence of paragraph .09, the parenthetical reference to "paragraph 11 of Auditing Standard No. 13" is replaced with "paragraph .11 of AS 2301."
- e. In footnote 1 to paragraph .09, the reference to "Auditing Standard No. 15" is replaced with "AS 1105."
- f. In the last sentence of paragraph .21, the parenthetical reference to "Auditing Standard No. 14, *Evaluating Audit Results*" is replaced with "AS 2810."

AU sec. 330, "The Confirmation Process"

SAS No. 67, "The Confirmation Process" (AU sec. 330, "The Confirmation Process"), as amended, is amended as follows:

- a. The section number "AU Section 330" is replaced with "AS 2310."

- b. In the references before paragraph .01, the phrase "(Supersedes section 331.03–.08)" is deleted.
- c. In paragraph .01:
 - In the first sentence, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
 - In the last bullet:
 - In the first sentence, the reference to "section 331, *Inventories*, paragraphs .03–.08" is replaced with "paragraphs .03–.08 of AS 2510, *Auditing Inventories*."
 - Each reference to "section 331.01" is replaced with "AS 2510.01."
- d. In paragraph .02:
 - In the second sentence:
 - The reference to "section 350" is replaced with "AS 2315."
 - The reference to "Auditing Standard No. 13" is replaced with "AS 2301."
 - In the last sentence, the reference to "Auditing Standard No. 13, *The Auditor's Responses to the Risks of Material Misstatement*" is replaced with "AS 2301."
- e. In paragraph .03:
 - The reference to "section 336" is replaced with "AS 1210."
 - The reference to "section 337" is replaced with "AS 2505."
- f. In the first sentence of paragraph .05, the reference to "Auditing Standard No. 8" is replaced with "AS 1101."
- g. In the last sentence of paragraph .06, the reference to "paragraph 8 of Auditing Standard No. 15" is replaced with "paragraph .08 of AS 1105."
- h. In the last sentence of paragraph .11, the reference to "Auditing Standard No. 15, *Audit Evidence*," is replaced with "AS 1105."

- i. In paragraph .15, the parenthetic reference to "section 230" is replaced with "AS 1015."
- j. In footnote 2 to paragraph .27, the reference to "Auditing Standard No. 18" is replaced with "AS 2410."
- k. In the last sentence of footnote 3 to paragraph .28, the reference to "Section 322, *The Auditor's Consideration of the Internal Audit Function in an Audit of Financial Statements*" is replaced with "AS 2605, *Consideration of the Internal Audit Function*."

AU sec. 331, "Inventories"

SAS No. 1, "Codification of Auditing Standards and Procedures" section 331 "Inventories" (AU sec. 331, "Inventories"), as amended, is amended as follows:

- a. The section number "AU Section 331" is replaced with "AS 2510."
- b. The title "Inventories" is replaced with "Auditing Inventories."
- c. Footnote * to the title of the standard is deleted.
- d. Footnote 3 to the subtitle before paragraph .14, "Inventories Held in Public Warehouses," is deleted.
- e. In paragraph .15, the reference to "sections 508.24 and 508.67" is replaced with "paragraphs .24 and .67 of AS 3101, *Reports on Audited Financial Statements*."

AU sec. 332, "Auditing Derivative Instruments, Hedging Activities, and Investments in Securities"

SAS No. 92, "Auditing Derivative Instruments, Hedging Activities, and Investments in Securities" (AU sec. 332, "Auditing Derivative Instruments, Hedging Activities, and Investments in Securities"), as amended, is amended as follows:

- a. The section number "AU Section 332" is replaced with "AS 2503."
- b. Footnote 1 to the title of the standard is deleted.
- c. In the references before paragraph .01, the phrase "(Supersedes SAS No. 81)" is deleted.
- d. In paragraph .01:

- In the last sentence, the reference to "paragraphs 11 and 12 of Auditing Standard No. 15" is replaced with "paragraphs .11 and .12 of AS 1105."
 - In footnote 3, the reference to "section 623, *Special Reports*, paragraph .04" is replaced with "paragraph .04 of AS 3305, *Special Reports*."
- e. In paragraph .06:
- In the first sentence, the reference to "Auditing Standard No. 9" is replaced with "AS 2101."
 - In the second sentence, the reference to "Auditing Standard No. 10" is replaced with "AS 1201."
 - In the last sentence, the reference to "AU sec. 336" is replaced with "AS 1210."
- f. In the last sentence of paragraph .07, the reference to "section 322, *The Auditor's Consideration of the Internal Audit Function in an Audit of Financial Statements*" is replaced with "AS 2605, *Consideration of the Internal Audit Function*."
- g. In the first sentence of paragraph .09, the reference to "Auditing Standard No. 12" is replaced with "AS 2110."
- h. Footnote 6 to paragraph .10 is deleted.
- i. In paragraph .11:
- In the fourth sentence, the reference to "Paragraphs 28 through 32 and B1 through B6 of Auditing Standard No. 12, *Identifying and Assessing Risks of Material Misstatement*" is replaced with "AS 2110.28 through .32 and AS 2110.B1 through .B6."
 - In the last sentence, the reference to "section 324, *Service Organizations*" is replaced with "AS 2601, *Consideration of an Entity's Use of a Service Organization*."
 - In the note, the reference to "paragraph 39 of PCAOB Auditing Standard No. 5" is replaced with "paragraph .39 of AS 2201."

- j. In footnote 8 to the fifth bullet of paragraph .14, the reference to "Section 324" is replaced with "AS 2601."
- k. In the last sentence of paragraph .15, the reference to "Auditing Standard No. 12, *Identifying and Assessing Risks of Material Misstatement*" is replaced with "AS 2110."
- l. In paragraph .16a, the reference to "section 324" is replaced with "AS 2601."
- m. Footnote 10 to paragraph .18 is deleted.
- n. In paragraph .21:
 - In the first sentence of footnote 11 to the second bullet, the reference to "Section 330" is replaced with "AS 2310, *The Confirmation Process*."
 - In footnote 12 to the last bullet, the reference to "Section 329" is replaced with "AS 2305, *Substantive Analytical Procedures*."
- o. In footnote 13 to the second bullet of paragraph .22, the reference to "Section 330.17" is replaced with "AS 2310.17."
- p. In footnote 15 to paragraph .32, the reference to "section 508, *Reports on Audited Financial Statements*, paragraphs .16–.18" is replaced with "paragraphs .16–.18 of AS 3101, *Reports on Audited Financial Statements*."
- q. In paragraph .33:
 - In the third sentence, the reference to "section 560, *Subsequent Events*, paragraphs .05–.06)" is replaced with "paragraphs .05–.06 of AS 2801, *Subsequent Events*."
 - In the last sentence, the reference to "section 560.03" is replaced with "AS 2801.03."
- r. In paragraph .35:
 - In the sixth sentence, the reference to "section 342" is replaced with "AS 2501."

- In the last sentence, the reference to "paragraphs 24 through 27 of Auditing Standard No. 14" is replaced with "paragraphs .24 through .27 of AS 2810."
- s. In paragraph .39:
 - Each reference to "Section 336" is replaced with "AS 1210."
 - Each reference to "Section 324" is replaced with "AS 2601."
- t. In paragraph .43a, the reference to "section 342" is replaced with "AS 2501."
- u. In paragraph .43b, the reference to "section 336" is replaced with "AS 1210."
- v. In the third sentence of paragraph .49, the reference to "section 411, *The Meaning of Present Fairly in Conformity with Generally Accepted Accounting Principles*, paragraph .04" is replaced with "paragraph .04 of AS 2815, *The Meaning of Present Fairly in Conformity with Generally Accepted Accounting Principles*."
- w. In paragraph .51, the parenthetical reference to "paragraph 31 of Auditing Standard No. 14, *Evaluating Audit Results*" is replaced with "AS 2810.31."
- x. In paragraph .58:
 - In the first sentence, the reference to "Section 333" is replaced with "AS 2805."
 - In footnote 20, the reference to "section 333.17" is replaced with "AS 2805.17."

AU sec. 333, "Management Representations"

SAS No. 85, "Management Representations" (AU sec. 333, "Management Representations"), as amended, is amended as follows:

- a. The section number "AU Section 333" is replaced with "AS 2805."
- b. In the references before paragraph .01, the phrase "(Supersedes SAS No. 19)" is deleted.

- c. In paragraph .01, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
- d. In footnote 1 to paragraph .02, the reference to "Section 230" is replaced with "AS 1015."
- e. In the third sentence of paragraph .03, the reference to "Auditing Standard No. 18" is replaced with "AS 2410."
- f. In the note to paragraph .05, the reference to "paragraphs 75–77 of PCAOB Auditing Standard No. 5" is replaced with "paragraphs .75–.77 of AS 2201."
- g. In paragraph .06g:
 - In footnote 4, the reference to "Auditing Standard No. 14" is replaced with "AS 2810."
 - In the first sentence of footnote 6, the reference to "Paragraph 11 of Auditing Standard No. 14, *Evaluating Audit Results*" is replaced with "AS 2810.11."
 - In footnote 7:
 - In the first sentence:
 - The reference to "section 317, *Illegal Acts by Clients*, paragraph .17" is replaced with "paragraph .17 of AS 2405, *Illegal Acts by Clients*."
 - The reference to "section 316, *Consideration of Fraud in a Financial Statement Audit*, paragraphs .79 through .82" is replaced with "paragraphs .79 through .82 of AS 2401, *Consideration of Fraud in a Financial Statement Audit*."
 - In the last sentence:
 - The reference to "section 317" is replaced with "AS 2405."
 - The reference to "section 316" is replaced with "2401."

- h. In footnote 9 to paragraph .06l, the reference to "paragraph 18 of Auditing Standard No. 18, *Related Parties*" is replaced with "AS 2410.18."
- i. In footnote 10 to paragraph .06o, the reference to "section 317" is replaced with "AS 2405."
- j. In footnote 11 to paragraph .06p:
 - In the first sentence, the reference to "section 337, *Inquiry of a Client's Lawyer Concerning Litigation, Claims, and Assessments*, paragraph .05d" is replaced with " paragraph .05d of AS 2505, *Inquiry of a Client's Lawyer Concerning Litigation, Claims, and Assessments*."
 - The parenthetical reference to "section 9337.15–.17" is replaced with "paragraphs .15–.17 of AI 17, *Inquiry of a Client's Lawyer Concerning Litigation, Claims, and Assessments: Auditing Interpretations of AS 2505*."
- k. In footnote 12 to paragraph .06q, the reference to "section 337.05b" is replaced with "AS 2505.05b."
- l. In footnote 13 to paragraph .06t:
 - a. The reference to "section 560, *Subsequent Events*, paragraph .12" is replaced with "paragraph .12 of AS 2801, *Subsequent Events*."
 - b. The reference to "section 711, *Filings Under Federal Securities Statutes*, paragraph .10" is replaced with "paragraph .10 of AS 4101, *Responsibilities Regarding Filings Under Federal Securities Statutes*."
 - c. The reference to "section 634, *Letters for Underwriters and Certain Other Requesting Parties*, paragraph .45, footnote 29" is replaced with "paragraph .45, footnote 31 of AS 6101, *Letters for Underwriters and Certain Other Requesting Parties*."
- m. Footnote 14 to paragraph .07 is deleted.
- n. In the fourth sentence of paragraph .09, the bracketed reference to "section 530, *Dating of the Independent Auditor's Report*, paragraph .05"

is replaced with "paragraph .05 of AS 3110, *Dating of the Independent Auditor's Report*."

- o. In footnote 15 to paragraph .12, the reference to "section 508, *Reports on Audited Financial Statements*, paragraph .71" is replaced with "paragraph .71 of AS 3101, *Reports on Audited Financial Statements*."
- p. In footnote 16 to paragraph .12, the reference to "section 711.10" is replaced with "AS 4101.10."
- q. In footnote 18 to paragraph .13, the reference to "section 508.22–.34" is replaced with "AS 3101.22–.34."
- r. In the second sentence of item 4 of paragraph .16:
 - a. The reference to "section 316" is replaced with "AS 2401."
 - b. The reference to "Auditing Standard No. 18" is replaced with "AS 2410."
- s. The second sentence in item 1 of paragraph .17 is deleted.

AU sec. 9333, "Management Representations: Auditing Interpretations of Section 333"

AU sec. 9333, "Management Representations: Auditing Interpretations of Section 333," is amended as follows:

- a. The section number "AU Section 9333" is replaced with "AI 21."
- b. The title "Management Representations: Auditing Interpretations of Section 333" is replaced with "Management Representations: Auditing Interpretations of AS 2805."
- c. In the first sentence of paragraph .01, the reference to "Section 333" is replaced with "AS 2805."
- d. In paragraph .02, each reference to "Section 317" or "section 317" is replaced with "AS 2405."
- e. In the second sentence of paragraph .03, the reference to "Section 333" is replaced with "AS 2805."



AU sec. 336, "Using the Work of a Specialist"

SAS No. 73, "Using the Work of a Specialist" (AU sec. 336, "Using the Work of a Specialist"), as amended, is amended as follows:

- a. The section number "AU Section 336" is replaced with "AS 1210."
- b. In the references before paragraph .01, the phrase "(Supersedes SAS No. 11)" is deleted.
- c. In paragraph .01:
 - In the first sentence, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
 - In footnote 1, the reference to "Auditing Standard No. 10" is replaced with "AS 1201."
- d. In the second sentence of paragraph .02, the reference to "section 337" is replaced with "AS 2505."
- e. In paragraph .04:
 - The reference to "section 623" is replaced with "AS 3305."
 - In footnote 3, the reference to "section 623, *Special Reports*" is replaced with "AS 3305."
- f. In the last sentence of paragraph .05, the reference to "Auditing Standard No. 10, *Supervision of the Audit Engagement*" is replaced with "AS 1201."
- g. In footnote 4 to paragraph .07c, the parenthetical sentence is deleted.
- h. In the last sentence of paragraph .13, the parenthetical reference to "section 508, *Reports on Audited Financial Statements*, paragraphs .22 and .23" is replaced with "paragraphs .22 and .23 of AS 3101, *Reports on Audited Financial Statements*."
- i. In the last sentence of paragraph .14, the parenthetical reference to "section 508.35, .36, and .41" is replaced with "AS 3101.35, .36, and .41."



AU sec. 9336, "Using the Work of a Specialist: Auditing Interpretations of Section 336"

AU sec. 9336, "Using the Work of a Specialist: Auditing Interpretations of Section 336," as amended, is amended as follows:

- a. The section number "AU Section 9336" is replaced with "AI 11."
- b. The title "Using the Work of a Specialist: Auditing Interpretations of Section 336" is replaced with "Using the Work of a Specialist: Auditing Interpretations of AS 1210."
- c. In the first sentence of paragraph .04, the reference to "Section 336, *Using the Work of a Specialist*, paragraph .06" is replaced with "Paragraph .06 of AS 1210, *Using the Work of a Specialist*."
- d. In the second sentence of paragraph .11, the reference to "Section 336.13" is replaced with "AS 1210.13."
- e. In the fourth sentence of paragraph .15, the reference to "Paragraph 6 of Auditing Standard No. 15" is replaced with "Paragraph .06 of AS 1105."
- f. In the second sentence of paragraph .17, the reference to "section 336.09" is replaced with "AS 1210.09."
- g. In paragraph .21:
 - In footnote 14, the reference to "section 336.13" is replaced with "AS 1210.13."
 - In the third sentence, the reference to "section 508, *Reports on Audited Financial Statements*, paragraphs .35 through .60" is replaced with "paragraphs .35 through .60 of AS 3101, *Reports on Audited Financial Statements*."
 - In the last sentence, the reference to "section 508.22–.26 and 508.61–.63." is replaced with "AS 3101.22–.26 and AS 3101.61–.63."

AU sec. 337, "Inquiry of a Client's Lawyer Concerning Litigation, Claims, and Assessments"

SAS No. 12, "Inquiry of a Client's Lawyer Concerning Litigation, Claims, and Assessments" (AU sec. 336, "Inquiry of a Client's Lawyer Concerning Litigation, Claims, and Assessments"), as amended, is amended as follows:



- a. The section number "AU Section 337" is replaced with "AS 2505."
- b. Footnote 1 to the title of the standard is deleted.
- c. In paragraph .01, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
- d. In footnote 2 to paragraph .03:
 - The first sentence is deleted.
 - In the last sentence, the term "SAS" is replaced with "auditing standard."
- e. In footnote 4 to the subtitle before paragraph .08 (*"Inquiry of a Client's Lawyer"*), the parenthetical reference to "section 337A" is replaced with "AS 2505A."
- f. In footnote 6 to the subtitle before paragraph .12 (*"Limitations on the Scope of a Lawyer's Response"*), the parenthetical reference to "section 337C" is replaced with "AS 2505C."
- g. In the first sentence of paragraph .13, the parenthetical reference to "section 508.22 and .23" is replaced with "paragraphs .22 and .23 of AS 3101, *Reports on Audited Financial Statements*."
- h. In the last sentence of paragraph .14, the reference to "section 508.45 through .49" is replaced with "AS 3101.45 through .49."
- i. The section number "AU Section 337A" is replaced with "AS 2505A."
- j. In AU Section 337A, the paragraph number ".01" is deleted.
- k. Exhibit I, AU sec. 337B and related footnotes are deleted.
- l. The section number "AU Section 337C" is replaced with "AS 2505C."

AU sec. 9337, "Inquiry of a Client's Lawyer Concerning Litigation, Claims, and Assessments: Auditing Interpretation of Section 337"

AU sec. 9337, "Inquiry of a Client's Lawyer Concerning Litigation, Claims, and Assessments: Auditing Interpretation of Section 337," as amended, is amended as follows:

- a. The section number "AU Section 9337" is replaced with "AI 17."

- b. The title "Inquiry of a Client's Lawyer Concerning Litigation, Claims, and Assessments: Auditing Interpretations of Section 337" is replaced with "Inquiry of a Client's Lawyer Concerning Litigation, Claims, and Assessments: Auditing Interpretation of AS 2505."
- c. In the first sentence of paragraph .01, the reference to "section 337" is replaced with "AS 2505."
- d. In the first sentence of paragraph .04, the reference to "[section 337A] to section 337, *Inquiry of a Client's Lawyer Concerning Litigation, Claims, and Assessments*," is replaced with "[AS 2505A] to AS 2505."
- e. In the first sentence of paragraph .05, the reference to "Section 560.10 through .12 indicates" is replaced with "Paragraphs .10 through .12 of AS 2801, *Subsequent Events*, indicate."
- f. In the first sentence of paragraph .06, the reference to "[section 337A] to section 337, *Inquiry of a Client's Lawyer Concerning Litigation, Claims, and Assessments*," is replaced with "[AS 2505A] to AS 2505."
- g. In the first sentence of paragraph .07, the reference to "[section 337A] to section 337" is replaced with "[AS 2505A] to AS 2505."
- h. In the first sentence of paragraph .08, the reference to "Section 337, *Inquiry of a Client's Lawyer Concerning Litigation, Claims, and Assessments*, paragraph .05c," is replaced with "AS 2505.05c."
- i. In the second sentence of paragraph .09:
 - The parenthetical reference to "section 337.13" is replaced with "AS 2505.13."
 - The reference to "section 337.05c" is replaced with "AS 2505.05c."
- j. In the first sentence of paragraph .10, the reference to "[section 337A] of section 337, *Inquiry of a Client's Lawyer Concerning Litigation, Claims, and Assessments*," is replaced with "[AS 2505A] of AS 2505."
- k. In paragraph .11:
 - In the first sentence, the reference to "Section 337.09," is replaced with "AS 2505.09."
 - In the second sentence, the reference to "section 337" is replaced with "AS 2505."

- l. In the last sentence of footnote 1 to paragraph .13:
- The reference to "section 337" is replaced with "AS 2505."
 - The bracketed reference to "section 337C" is replaced with "AS 2505C."
- m. In footnote 2 to paragraph .14, the parenthetical reference to "sections 9337.01–.05" is replaced with "paragraphs .01–.05."
- n. In the first sentence of paragraph .15, the reference to "Section 337.06" is replaced with "AS 2505.06."
- o. In paragraph .16:
- In the first sentence, the reference to "Section 337" is replaced with "AS 2505."
 - In the second sentence:
 - The reference to "section 337.05 and .07" is replaced with "AS 2505.05 and .07."
 - The reference to "section 333, *Management Representations*, paragraph .06*m* and *n*" is replaced with "paragraphs .06*o* and *p* of AS 2805, *Management Representations*."
- p. In the first sentence of paragraph .18, the reference to "Section 337, *Inquiry of a Client's Lawyer Concerning Litigation, Claims, and Assessments*, paragraph .09*d*(2)," is replaced with "AS 2505.09*d*(2)."
- q. In paragraph .19:
- In the first sentence, the reference to "[section 337C] to section 337" is replaced with "[AS 2505C] to AS 2505."
 - In the second sentence, the bracketed reference to "section 337C" is replaced with "AS 2505C."
- r. In the first sentence of paragraph .22:
- The reference to "section 337.14" is replaced with "AS 2505.14."



- The bracketed reference to "section 337C" is replaced with "AS 2505C."
- s. In the last sentence of paragraph .23, the reference to "section 508.45 through .49" is replaced with "paragraphs .45 through .49 of AS 3101, *Reports on Audited Financial Statements*."
- t. In the first sentence of paragraph .24, the reference to "Section 337.06" is replaced with "AS 2505.06."
- u. In the first sentence of paragraph .25, the reference to "Section 337.08" is replaced with "AS 2505.08."
- v. In footnote 4 to paragraph .26, the reference to "section 337.08" is replaced with "AS 2505.08."
- w. In paragraph .32:
 - In the third sentence, the bracketed reference to "section 337C" is replaced with "AS 2505C."
 - In footnote 5, each bracketed reference to "section 337C" is replaced with "AS 2505C."

AU sec. 341, "The Auditor's Consideration of an Entity's Ability to Continue as a Going Concern"

SAS No. 59, "The Auditor's Consideration of an Entity's Ability to Continue as Going Concern" (AU sec. 341, "The Auditor's Consideration of an Entity's Ability to Continue as a Going Concern"), as amended, is amended as follows:

- a. The section number "AU Section 341" is replaced with "AS 2415."
- b. The title "The Auditor's Consideration of an Entity's Ability to Continue as a Going Concern" is replaced with "Consideration of an Entity's Ability to Continue as a Going Concern."
- c. In the references before paragraph .01, the phrase "(Supersedes section 340)" is deleted.
- d. In paragraph .01:
 - In the first sentence, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."

- In the last sentence of footnote 1, the parenthetical reference to "section 9508.33–.38" is replaced with "AI 23.33–.38."
- e. In the last sentence of paragraph .02, the reference to "Auditing Standard No. 15" is replaced with "AS 1105."
- f. In the first sentence of footnote 3 to the fifth bullet of paragraph .10, the phrase "generally accepted auditing standards" is replaced with "PCAOB auditing standards."
- g. In the last sentence of footnote 4 to paragraph .12, the parenthetical reference to "section 508" is replaced with "AS 3101."
- h. In the last sentence of paragraph .14, the reference to "section 508, *Reports on Audited Financial Statements*" is replaced with "AS 3101."
- i. In the last sentence of paragraph .15, the reference to "section 508" is replaced with "AS 3101."
- j. In the first sentence of paragraph .17A, the reference to "Paragraph 17 of Auditing Standard No. 16" is replaced with "Paragraph .17 of AS 1301."

AU sec. 9341, "The Auditor's Consideration of an Entity's Ability to Continue as a Going Concern: Auditing Interpretations of Section 341"

AU sec. 9341, "The Auditor's Consideration of an Entity's Ability to Continue as a Going Concern: Auditing Interpretations of Section 341," as amended, is amended as follows:

- a. The section number "AU Section 9341" is replaced with "AI 15."
- b. The title "The Auditor's Consideration of an Entity's Ability to Continue as a Going Concern: Auditing Interpretations of Section 341" is replaced with "Consideration of an Entity's Ability to Continue as a Going Concern: Auditing Interpretations of AS 2415."
- c. In paragraph .02:
 - In footnote 2, the reference to "Section 530, *Dating of the Independent Auditor's Report*, paragraph .05" is replaced with "Paragraph .05 of AS 3110, *Dating of the Independent Auditor's Report*."

- In the second bullet, the reference to "section 560, *Subsequent Events*, paragraph .12" is replaced with "paragraph .12 of AS 2801, *Subsequent Events*."
- In the third bullet, the reference to "section 341, *The Auditor's Consideration of an Entity's Ability to Continue as a Going Concern*, paragraphs .06 through .11," is replaced with "paragraphs .06 through .11 of AS 2415, *Consideration of an Entity's Ability to Continue as a Going Concern*."

AU sec. 342, "Auditing Accounting Estimates"

SAS No. 57, "Auditing Accounting Estimates" (AU sec. 342, "Auditing Accounting Estimates"), as amended, is amended as follows:

- a. The section number "AU Section 342" is replaced with "AS 2501."
- b. In the first sentence of paragraph .01, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
- c. In paragraph .07c:
 - In footnote 2, the reference to "Section 411, *The Meaning of Present Fairly in Conformity With Generally Accepted Accounting Principles*" is replaced with "AS 2815, *The Meaning of 'Present Fairly in Conformity with Generally Accepted Accounting Principles*."
 - In footnote 3, the reference to "paragraph 31 of Auditing Standard No. 14" is replaced with "paragraph .31 of AS 2810."
- d. In paragraph .08b:
 - In item 1, the parenthetical reference to "Auditing Standard No. 12" is replaced with "AS 2110."
 - In item 3, the parenthetical reference to "section 337" is replaced with "AS 2505."
- e. In paragraph .11h, the parenthetical reference to "section 336" is replaced with "AS 1210."

- f. In paragraph .14, the reference to "Paragraphs 24 through 27 of Auditing Standard No. 14, *Evaluating Audit Results*," is replaced with "AS 2810.24 through .27."

AU sec. 9342, "Auditing Accounting Estimates: Auditing Interpretations of Section 342"

AU sec. 9342, "Auditing Accounting Estimates: Auditing Interpretations of Section 342," as amended, is amended as follows:

- a. The section number "AU Section 9342" is replaced with "AI 16."
- b. The title "Auditing Accounting Estimates: Auditing Interpretations of Section 342" is replaced with "Auditing Accounting Estimates: Auditing Interpretations of AS 2501."
- c. In the first sentence of paragraph .06—the example paragraph—the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board."
- d. In the last sentence of paragraph .07, the reference to "Auditing Standard No. 17" is replaced with "AS 2701."
- e. In the last sentence of paragraph .09, the reference to "section 550" is replaced with "AS 2710."
- f. In the second flowchart of paragraph .10, "Auditing Guidance for Fair Value Information: Required and Voluntary Information":
 - The reference to "paragraph 10 of Auditing Standard No. 17, *Auditing Supplemental Information Accompanying Audited Financial Statements*," is replaced with "AS 2701.10."
 - The reference to "section 550" is replaced with "AS 2710."
 - The reference to "interpretation 11 of section 623, 'Reporting on Current-Value Financial Statements That Supplement Historical Cost Financial Statements in a General-Use Presentation of Real Estate Entities'" is replaced with "AI 24, *Special Reports: Auditing Interpretations of AS 3305*, interpretation 11, 'Reporting on Current-Value Financial Statements That Supplement Historical Cost Financial Statements in a General-Use Presentation of Real Estate Entities.'"



AU sec. 350, "Audit Sampling"

SAS No. 39, "Audit Sampling" (AU sec. 350, "Audit Sampling"), as amended, is amended as follows:

- a. The section number "AU Section 350" is replaced with "AS 2315."
- b. In the references before paragraph .01, the phrase "(Supersedes Statement of Auditing Standards No. 1, sections 320A, and 320B.)" is deleted.
- c. In the last sentence of footnote 2 to paragraph .02, the reference to "Auditing Standard No. 14" is replaced with "AS 2810."
- d. In the note to paragraph .06:
 - The reference to "Auditing Standard No. 15" is replaced with "AS 1105."
 - The reference to "Auditing Standard No. 14, *Evaluating Audit Results*," is replaced with "AS 2810."
- e. In the first sentence of paragraph .07, the phrase "referred to in the third standard of field work" is deleted.
- f. In the note to paragraph .09, the reference to "Auditing Standard No. 8" is replaced with "AS 1101."
- g. In the last sentence of paragraph .11, the parenthetical reference to "section 161, *The Relationship of Generally Accepted Auditing Standards to Quality Control Standards*" is replaced with "AS 1110, *Relationship of Auditing Standards to Quality Control Standards*."
- h. In paragraph .15, the reference to "Auditing Standard No. 9" is replaced with "AS 2101."
- i. In the first sentence of paragraph .18A, the reference to "Paragraphs 8–9 of Auditing Standard No. 11" is replaced with "Paragraphs .08–.09 of AS 2105."
- j. The first sentence in paragraph .19 is deleted.
- k. In footnote 6 to paragraph .26, the reference to "Paragraphs 10 through 23 of Auditing Standard No. 14, *Evaluating Audit Results*," is replaced with "AS 2810.10 through .23."



- l. In the last sentence of paragraph .39, the reference to "Paragraphs 44 through 46 of Auditing Standard No. 13" is replaced with "Paragraphs .44 through .46 of AS 2301."
- m. In the note to paragraph .44, the reference to "Paragraph 47 of Auditing Standard No. 13, *The Auditor's Responses to the Risks of Material Misstatement*" is replaced with "AS 2301.47."

AU sec. 390, "Consideration of Omitted Procedures After the Report Date"

SAS No. 46, "Consideration of Omitted Procedures After the Report Date" (AU sec. 390, "Consideration of Omitted Procedures After the Report Date"), is amended as follows:

- a. The section number "AU Section 390" is replaced with "AS 2901."
- b. In the last sentence of paragraph .01, the reference to "section 561" is replaced with "AS 2905, *Subsequent Discovery of Facts Existing at the Date of the Auditor's Report*."
- c. In footnote 2 to paragraph .02, the reference to "section 161, *The Relationship of Generally Accepted Auditing Standards to Quality Control Standards*, paragraph .02" is replaced with "paragraph .02 of AS 1110, *Relationship of Auditing Standards to Quality Control Standards*."
- d. In paragraph .06, the reference to "section 561.05–.09" is replaced with "AS 2905.05–.09."

AU sec. 410, "Adherence to Generally Accepted Accounting Principles"

SAS No. 1, "Codification of Auditing Standards and Procedures" (AU sec. 410, "Adherence to Generally Accepted Accounting Principles"), as amended, is rescinded.

AU sec. 9410, "Adherence to Generally Accepted Accounting Principles: Auditing Interpretations of Section 410"

AU sec. 9410, "Adherence to Generally Accepted Accounting Principles: Auditing Interpretations of Section 410," as amended, is rescinded.

AU sec. 411, "The Meaning of *Present Fairly in Conformity With Generally Accepted Accounting Principles*"

SAS No. 69, "The Meaning of *Present Fairly in Conformity With Generally Accepted Accounting Principles*" (AU sec. 411, "The Meaning of *Present Fairly in*



Conformity With Generally Accepted Accounting Principles"), as amended, is amended as follows:

- a. The section number "AU Section 411" is replaced with "AS 2815."
- b. The title "*The Meaning of Present Fairly in Conformity With Generally Accepted Accounting Principles*" is replaced with "*The Meaning of Present Fairly in Conformity with Generally Accepted Accounting Principles.*"
- c. Footnote * to the title of the standard is deleted.
- d. In the references before paragraph .01, the phrase "(Supersedes SAS No. 5)" is deleted.
- e. In the second sentence of paragraph .01, the parenthetical reference to "section 508.08*h*" is replaced with "paragraph .08*h* of AS 3101, *Reports on Audited Financial Statements.*"
- f. In paragraph .04:
 - In item (c), the parenthetical reference to "paragraph 31 of Auditing Standard No. 14" is replaced with "paragraph .31 of AS 2810."
 - In item (d), the parenthetical reference to "paragraph 31 of Auditing Standard No. 14, *Evaluating Audit Results*" is replaced with "AS 2810.31."
 - In the last sentence of footnote 1:
 - The parenthetical reference to "sections 150.04" is deleted.
 - The parenthetical reference to "Auditing Standard No. 11" is replaced with "AS 2105."
 - The parenthetical reference to "508.36" is replaced with "3101.36."
- g. In the second sentence of paragraph .08:
 - The reference to "Section 544, *Lack of Conformity With Generally Accepted Accounting Principles*, paragraph .04" is replaced with "Paragraph .04 of AS 3310, *Special Reports on Regulated Companies.*"

- The reference to "section 623, *Special Reports*" is replaced with "AS 3305, *Special Reports*."

AU sec. 504, "Association With Financial Statements"

SAS No. 26, "Association With Financial Statements" (AU sec. 504, "Association With Financial Statements"), as amended, is amended as follows:

- The section number "AU Section 504" is replaced with "AS 3320."
- In the title, the "W" in the word "With" is changed to lower case.
- In the references before paragraph .01, the phrase "(Supersedes Statement on Auditing Standards No. 1, Sections 516, 517, and 518 and Statement on Auditing Standards No. 15, paragraph 13–15)" is deleted.
- In paragraph .01:
 - The introductory phrase "The fourth standard of reporting is:" is deleted.
 - In the last sentence, the phrase "fourth reporting standard" is replaced with "preceding paragraph."
- In paragraph .02:
 - In the first sentence, the phrase "the fourth reporting standard" is replaced with "paragraph .01."
 - In the last sentence, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
- In paragraph .04:
 - In the second sentence, the reference to "section 508" is replaced with "AS 3101."
 - In the last sentence, the reference to "section 722, *Interim Financial Information*" is replaced with "AS 4105, *Reviews of Interim Financial Information*."
- In paragraph .05:
 - Following the first sentence, the parenthetical phrase ", city and state or country," is added following "(Signature."

- In the second sentence, the phrase "the fourth standard of reporting" is replaced with "paragraph .01."
- h. In paragraph .07:
- The parenthetical reference to "section 623.02–.10" is replaced with "paragraphs .02–.10 of AS 3305."
 - Following the second sentence, the parenthetical phrase ", city and state or country," is added following "(Signature."
- i. In paragraph .08:
- In the first sentence, the phrase "The second general standard requires that" is deleted.
 - The quotation marks included in the first sentence are deleted.
- j. In the first sentence of paragraph .09, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
- k. Following the last sentence of paragraph .10, the parenthetical phrase ", city and state or country," is added following "(Signature."
- l. In the first sentence of paragraph .15, the parenthetical reference to "section 530.06–.08" is replaced with "paragraphs .06–.08 of AS 3110, *Dating of the Independent Auditor's Report*."
- m. In paragraph .18, the phrase "applicable standards established by the American Institute of Certified Public Accountants" is replaced with "the standards of the PCAOB."
- n. In paragraph .19:
- The parenthetical reference to "section 634" is replaced with "AS 6101."
 - Footnote * is deleted.
- o. In paragraph [.20], the parenthetical reference to "section 634" is replaced with "AS 6101."



AU sec. 9504, "Association With Financial Statements: Auditing Interpretations of Section 504"

AU sec. 9504, "Association With Financial Statements: Auditing Interpretations of Section 504," as amended, is amended as follows:

- a. The section number "AU Section 9504" is replaced with "AI 25."
- b. The title "Association With Financial Statements: Auditing Interpretations of Section 504" is replaced with "Association with Financial Statements: Auditing Interpretations of AS 3320."
- c. In paragraph .07, the reference to "section 722" is replaced with "AS 4105, *Reviews of Interim Financial Information*."
- d. In paragraph .15:
 - In the first sentence, the reference to "Section 150.02" is replaced with "Paragraph .04 of AS 3101, *Reports on Audited Financial Statements*."
 - In the second sentence, the reference to "Section 504.03" is replaced with "Paragraph .03 of AS 3320, *Association with Financial Statements*."
- e. In the first sentence of paragraph .19, the reference to "Section 504" is replaced with "AS 3320."
- f. In paragraph .20:
 - In the first sentence, the reference to "Section 504" is replaced with "AS 3320."
 - The third and fourth sentences are deleted.
- g. Paragraph .21 is replaced with "PCAOB Rules establish requirements regarding auditor independence."
- h. In the first sentence of paragraph .22, the reference to "Section 504.10" is replaced with "AS 3320.10."

AU sec. 508, "Reports on Audited Financial Statements"

SAS No. 58, "Reports on Audited Financial Statements" (AU sec. 508, "Reports on Audited Financial Statements"), as amended, is amended as follows:

- a. The section number "AU Section 508" is replaced with "AS 3101."
- b. Footnote * to the title of the standard is deleted.
- c. In the references before paragraph .01, the phrase "(Supersedes sections 505, 509, 542, 545, and 546)" is deleted.
- d. In paragraph .01:
 - In footnote 1:
 - In the first sentence, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
 - The second sentence is deleted.
 - In the note:
 - In the second sentence:
 - The reference to "paragraphs 85–98 of PCAOB Auditing Standard No. 5" is replaced with "paragraphs .85–.98 of AS 2201."
 - The reference to "Appendix C, *Special Reporting Situations*, of PCAOB Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*" is replaced with "Appendix C, *Special Reporting Situations*, of AS 2201."
 - In the last sentence, the reference to "paragraphs 86–88 of PCAOB Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*" is replaced with "AS 2201.86–.88."
- e. In paragraph .02:
 - The reference to "section 504, *Association With Financial Statements*" is replaced with "AS 3320, *Association with Financial Statements*."
 - The reference to "section 623" is replaced with "AS 3305."

- f. In paragraph .03:
- In the first sentence, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
 - The second sentence is deleted.
 - In the last sentence, the phrase "fourth reporting standard" is replaced with "requirements in paragraph .04."
- g. In paragraph .04, the introductory phrase "The fourth standard of reporting is as follows:" is deleted.
- h. In paragraph .05:
- In the first sentence, the phrase "fourth standard" is replaced with "requirements in paragraph .04."
 - In the second sentence, the phrase "the fourth reporting standard" is replaced with "paragraph .04."
 - In the third sentence, the parenthetical phrase "fourth standard of reporting" is replaced with "requirements in paragraph .04."
- i. In the last sentence of paragraph .07, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
- j. In the last sentence of footnote 3 to paragraph .08a, the phrase "section 504, *Association With Financial Statements*," is replaced with "AS 3320."
- k. In paragraph .08d:
- The phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
 - The parenthetical phrase "auditing standards generally accepted in the United States of America or U.S. generally accepted auditing standards" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
- l. In the first sentence of footnote 5 to item (3) of paragraph .08f, the reference to "Section 411, *The Meaning of Present Fairly in Conformity With Generally Accepted Accounting Principles*, paragraphs .03 and .04," is replaced with "Paragraphs .03 and .04 of AS 2815, *The Meaning of*

'Present Fairly in Conformity with Generally Accepted Accounting Principles.'

- m. Footnote 6 to paragraph .08h is deleted.
- n. Paragraph ".08k" is replaced with ".08l."
- o. Paragraph ".08j" is replaced with ".08k."
- p. Paragraph .08j is added:

The city and state (or city and country, in the case of non-U.S. auditors) from which the auditor's report has been issued.
- q. Footnote 6A is added to the end of the added paragraph .08j:

See SEC Rule 2-02(a) of Regulation S-X, 17 C.F.R. § 210.2-02(a).
- r. In the first sentence of footnote 7 to paragraph .08j, the reference to "section 530" is replaced with "AS 3110."
- s. In the first example report following paragraph .08j:
 - The heading "Independent Auditor's Report" above the example report is replaced with "Report of Independent Registered Public Accounting Firm."
 - In the first sentence of the second paragraph, the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
 - The phrase "[City and State or Country]" is added following the term "[Signature]."
- t. In the second example report following paragraph .08j:
 - The heading "Independent Auditor's Report" above the example report is replaced with "Report of Independent Registered Public Accounting Firm."
 - In the first sentence of the second paragraph, the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."

- The phrase "[*City and State or Country*]" is added following the term "[*Signature*]."
- u. In the first sentence of footnote 11 to paragraph .11*b*, the reference to "Section 341, *The Auditor's Consideration of an Entity's Ability to Continue as a Going Concern*" is replaced with "AS 2415, *Consideration of an Entity's Ability to Continue as a Going Concern*."
- v. In the last sentence of paragraph .11*f*, the parenthetical reference to "section 722, *Interim Financial Information*, paragraph .50" is replaced with "paragraph .50 of AS 4105, *Reviews of Interim Financial Information*."
- w. In the last sentence of paragraph .11*g*, the parenthetical reference to "section 558, *Required Supplementary Information*, paragraph .02" is replaced with "paragraph .02 of AS 2705, *Required Supplementary Information*."
- x. In the last sentence of paragraph .11*h*, the parenthetical reference to "section 550, *Other Information in Documents Containing Audited Financial Statements*, paragraph .04" is replaced with "paragraph .04 of AS 2710, *Other Information in Documents Containing Audited Financial Statements*."
- y. In the last sentence of paragraph .12, the parenthetical reference to "section 543, *Part of Audit Performed by Other Independent Auditors*" is replaced with "AS 1205, *Part of the Audit Performed by Other Independent Auditors*."
- z. Following paragraph .13:
 - The heading "Independent Auditor's Report" above the example report is replaced with "Report of Independent Registered Public Accounting Firm."
 - In the first sentence of the second paragraph in the example report, the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
- aa. In the first sentence of paragraph .17A, the reference to "PCAOB Auditing Standard No. 6" is replaced with "AS 2820."
- bb. In the first sentence of paragraph .22, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."

- cc. In the third sentence of footnote 14 to paragraph .24, the reference to "section 331, *Inventories*" is replaced with "AS 2510, *Auditing Inventories*."
- dd. Following paragraph .26:
- The heading "Independent Auditor's Report" above the example report is replaced with "Report of Independent Registered Public Accounting Firm."
 - In the first sentence of the first paragraph in the example report, the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
- ee. In the fourth sentence of paragraph .28, the reference to "section 530, *Dating of the Independent Auditor's Report*," is replaced with "AS 3110."
- ff. Following paragraph .34:
- The heading "Independent Auditor's Report" above the example report is replaced with "Report of Independent Registered Public Accounting Firm."
 - In the first sentence of the second paragraph in the example report, the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
- gg. In the first sentence of paragraph .35, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
- hh. Following paragraph .39, the heading "Independent Auditor's Report" above the example report is replaced with "Report of Independent Registered Public Accounting Firm."
- ii. In the third sentence of paragraph .41, the reference to "Statement on Auditing Standards" is replaced with "PCAOB standard."
- jj. Following paragraph .42, the heading "Independent Auditor's Report" above the example report is replaced with "Report of Independent Registered Public Accounting Firm."

- kk. Following paragraph .44, the heading "Independent Auditor's Report" above the example report is replaced with "Report of Independent Registered Public Accounting Firm."
- ll. In the last sentence of paragraph .49, the parenthetical reference to "paragraph 13 of Auditing Standard No. 14" is replaced with "paragraph .13 of AS 2810."
- mm. Following paragraph .52, the heading "Independent Auditor's Report" above the example report is replaced with "Report of Independent Registered Public Accounting Firm."
- nn. Following paragraph .60, the heading "Independent Auditor's Report" above the example report is replaced with "Report of Independent Registered Public Accounting Firm."
- oo. In the first sentence of footnote 20 to paragraph .62, the reference to "Section 504, *Association With Financial Statements*, paragraph .05" is replaced with "AS 3320.05."
- pp. Following paragraph .63:
- The heading "Independent Auditor's Report" above the example report is replaced with "Report of Independent Registered Public Accounting Firm."
 - In the second sentence of footnote 21 to the example report, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
- qq. In paragraph .65:
- In the first sentence, the phrase "The fourth standard of reporting" is replaced with "Paragraph .04."
 - In the second sentence, the phrase "the fourth reporting standard" is replaced with "paragraph .04."
 - The parenthetical reference to "section 530, *Dating of the Independent Auditor's Report*, paragraph .01" is replaced with "AS 3110.01."

- rr. In the first sentence of footnote 23 to paragraph .65, the parenthetical reference to "section 530, *Dating of the Independent Auditor's Report*, paragraphs .06 through .08" is replaced with "AS 3110.06 through .08."
- ss. In the second sentence of paragraph .66, the parenthetical reference to "paragraph 31 of Auditing Standard No. 14, *Evaluating Audit Results*" is replaced with "AS 2810.31."
- tt. Following paragraph .67:
- The heading "Independent Auditor's Report" above each example report is replaced with "Report of Independent Registered Public Accounting Firm."
 - In the first sentence of the first paragraph in the example report titled, "*Standard Report on the Current-Year Financial Statements With a Disclaimer of Opinion on the Prior-Year Statements of Income, Retained Earnings, and Cash Flows*," the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
 - In the last sentence of footnote 25 to the example report titled, "*Standard Report on the Current-Year Financial Statements With a Disclaimer of Opinion on the Prior-Year Statements of Income, Retained Earnings, and Cash Flows*," the reference to "PCAOB Auditing Standard No. 6, *Evaluating Consistency of Financial Statements*," is replaced with "AS 2820."
- uu. Following paragraph .69, the heading "Independent Auditor's Report" above the example report is replaced with "Report of Independent Registered Public Accounting Firm."
- vv. In the sixth sentence of paragraph .71, the reference to "section 543, *Part of Audit Performed by Other Independent Auditors*, paragraphs .10 through .12" is replaced with "AS 1205.10 through .12."
- ww. In the first sentence of footnote 28 to paragraph .71, the reference to "section 333" is replaced with "AS 2805."
- xx. In paragraph .73, the parenthetical reference to "section 530, *Dating of the Independent Auditor's Report*, paragraph .05" is replaced with "AS 3110.05."



- yy. Following paragraph .74, the heading "Independent Auditor's Report" above the example report is replaced with "Report of Independent Registered Public Accounting Firm."

AU sec. 9508, "Reports on Audited Financial Statements: Auditing Interpretations of Section 508"

AU sec. 9508, "Reports on Audited Financial Statements: Auditing Interpretations of Section 508," as amended, is amended as follows:

- a. The section number "AU Section 9508" is replaced with "AI 23."
- b. The title "Reports on Audited Financial Statements: Auditing Interpretations of Section 508" is replaced with "Reports on Audited Financial Statements: Auditing Interpretations of AS 3101."
- c. In the first sentence of paragraph .01, the reference to "Section 508, *Reports on Audited Financial Statements*, paragraph .24" is replaced with "Paragraph .24 of AS 3101, *Reports on Audited Financial Statements*."
- d. In paragraph .02:
 - In the first sentence, the reference to "section 331, *Inventories*, paragraphs .09–.12" is replaced with "paragraphs .09–.12 of AS 2510, *Auditing Inventories*."
 - In the last sentence, the reference to "Section 331.09" is replaced with "AS 2510.09."
- e. In the first sentence of paragraph .03, the reference to "Section 331.10 and .11" is replaced with "AS 2510.10 and .11."
- f. In the first sentence of paragraph .04:
 - The reference to "Section 331.12" is replaced with "AS 2510.12."
 - The reference to "section 331.09–.11" is replaced with "AS 2510.09–.11."
- g. In paragraph .36:
 - In the first sentence of the second paragraph of the *Report on Single Year Financial Statements in Year of Adoption of Liquidation Basis* example report, the phrase "auditing standards generally accepted in the United States of America" is replaced with "the

standards of the Public Company Accounting Oversight Board (United States)."

- In the first sentence of the second paragraph of the *Report on Comparative Financial Statements in Year of Adoption of Liquidation Basis* example report, the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
- h. In the second sentence of paragraph .52, the reference to "section 508, *Reports on Audited Financial Statements*," is replaced with "AS 3101."
- i. The title of auditing interpretation 14 "Reporting on Audits Conducted in Accordance With Auditing Standards Generally Accepted in the United States of America and in Accordance With International Standards on Auditing" is replaced with "Reporting on Audits Conducted in Accordance with the Standards of the PCAOB and in Accordance with International Standards on Auditing."
- j. In paragraph .56:
 - In the first sentence:
 - The reference to "Section 508, *Reports on Audited Financial Statements*," is replaced with "AS 3101."
 - The phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
 - In the last sentence, the phrase "standards generally accepted in the United States of America" is replaced with "the standards of the PCAOB."
- k. In paragraph .57:
 - In the second sentence:
 - The reference to "Section 508" is replaced with "AS 3101."
 - The phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
 - The reference to "section 508" is replaced with "AS 3101."

- Footnote 1 is deleted.
- l. In paragraph .58:
- The phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the PCAOB."
 - The phrase "generally accepted in the United States of America" is replaced with "of the PCAOB."
- m. In the first sentence of paragraph .59:
- The first occurrence of the phrase "auditing standards generally accepted in the United States" is replaced with "the standards of the PCAOB."
 - The second occurrence of the phrase "auditing standards generally accepted in the United States of America" (found in the example paragraph) is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
- n. In paragraph .61:
- In the first sentence, the reference to "section 508, *Reports on Audited Financial Statements*, paragraph .74" is replaced with "AS 3101.74."
 - In the third sentence, the reference to "section 508" is replaced with "AS 3101."
- o. In paragraph .63:
- In the second sentence, the reference to "section 508.74" is replaced with "AS 3101.74."
 - In the last sentence, the reference to "section 561" is replaced with "AS 2905."
- p. In footnote 4 to paragraph .67:
- In the second sentence, the reference to "section 315" is replaced with "AS 2610."

- In the last sentence, the reference to "Section 561" is replaced with "AS 2905."
- q. In the first sentence of paragraph .71, the reference to "section 508.74" is replaced with "AS 3101.74."
- r. In paragraph .74, the reference to "section 508.74" is replaced with "AS 3101.74."
- s. In the second sentence of paragraph .75, the reference to "Section 508.74" is replaced with "AS 3101.74."
- t. Auditing Interpretation 16 is deleted.
- u. Footnotes 6 and 7 to paragraph .84 are deleted.

AU sec. 530, "Dating of the Independent Auditor's Report"

SAS No. 1, "Codification of Auditing Standards and Procedures" section 530, "Dating of the Independent Auditor's Report" (AU sec. 530, "Dating of the Independent Auditor's Report"), as amended, is amended as follows:

- a. The section number "AU Section 530" is replaced with "AS 3110."
- b. In paragraph .02:
 - In the last sentence, the reference to "section 711.10–.13" is replaced with "paragraphs .10–.13 of AS 4101, *Responsibilities Regarding Filings Under Federal Securities Statutes*."
 - In footnote 1, the reference to "section 561" is replaced with "AS 2905, *Subsequent Discovery of Facts Existing at the Date of the Auditor's Report*."
 - Footnote * is deleted.
- c. In the first sentence of paragraph .03, the parenthetical reference to "section 560.03" is replaced with "paragraph .03 of AS 2801, *Subsequent Events*."
- d. In the first sentence of paragraph .04, the parenthetical reference to "section 560.05" is replaced with "AS 2801.05."
- e. In the last sentence of paragraph .05, the reference to "section 560.12" is replaced with "AS 2801.12."

- f. In paragraph .06:
- In the fifth sentence:
 - The reference to "section 711" is replaced with "AS 4101."
 - The reference to "section 508.70–.73" is replaced with "paragraphs .70–.73 of AS 3101, *Reports on Audited Financial Statements*."
 - Footnote * is deleted.
- g. In the second sentence of paragraph .07, the reference to "section 560.08" is replaced with "AS 2801.08."
- h. In the first sentence of paragraph .08, the parenthetical reference to "section 560.05 and 560.08" is replaced with "AS 2801.05 and AS 2801.08."

AU sec. 532, "Restricting the Use of an Auditor's Report"

SAS No. 87, "Restricting the Use of an Auditor's Report" (AU sec. 532, "Restricting the Use of an Auditor's Report"), as amended, is rescinded.

AU sec. 543, "Part of Audit Performed by Other Independent Auditors"

SAS No. 1, "Codification of Auditing Standards and Procedures" section 543, "Part of Audit Performed by Other Independent Auditors" (AU sec. 543, "Part of Audit Performed by Other Independent Auditors"), as amended, is amended as follows:

- a. The section number "AU Section 543" is replaced with "AS 1205."
- b. The title "Part of Audit Performed by Other Independent Auditors" is replaced with "Part of the Audit Performed by Other Independent Auditors."
- c. In paragraph .01:
- In footnote 1, the reference to "Section 315" is replaced with "AS 2610, *Initial Audits—Communications Between Predecessor and Successor Auditors*."
 - In the first note:
 - The reference to "paragraphs C8–C11" is replaced with "paragraphs .C8–.C11."

- The reference to "PCAOB Auditing Standard No. 5" is replaced with "AS 2201."
- In the second note:
 - The reference to "AU sec. 543" is replaced with "AS 1205."
 - The reference to "Auditing Standard No. 10" is replaced with "AS 1201."
- d. Following paragraph .09:
 - The heading "Independent Auditor's Report" above the example report is replaced with "Report of Independent Registered Public Accounting Firm."
 - In the first sentence of the second paragraph in the example report, the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
- e. In paragraph .10b, the phrase "American Institute of Certified Public Accountants and, if appropriate," is replaced with "PCAOB and."
- f. In item (ii) of paragraph .10c, the phrase "generally accepted auditing standards promulgated by the American Institute of Certified Public Accountants" is replaced with "standards of the PCAOB."
- g. In paragraph .12, the reference to "AU sec. 543.10" is replaced with "AS 1205.10."
- h. In paragraph .12a, the reference to "paragraphs 12 and 13 of PCAOB Auditing Standard No. 3" is replaced with "paragraphs .12 and .13 of AS 1215, *Audit Documentation*."
- i. In paragraph .12c, the reference to "paragraph 8 of PCAOB Auditing Standard No. 3" is replaced with "AS 1215.08."
- j. In footnote 5 to paragraph .12:
 - The reference to "AU sec. 324" is replaced with "AS 2601, *Consideration of an Entity's Use of a Service Organization*."
 - The reference to "section 543.12" is replaced with "AS 1205.12."



AU sec. 9543, "Part of Audit Performed by Other Independent Auditors: Auditing Interpretations of Section 543"

AU sec. 9543, "Part of Audit Performed by Other Independent Auditors: Auditing Interpretations of Section 543," as amended, is amended as follows:

- a. The section number "AU Section 9543" is replaced with "AI 10."
- b. The title "Part of Audit Performed by Other Independent Auditors: Auditing Interpretations of Section 543" is replaced with "Part of the Audit Performed by Other Independent Auditors: Auditing Interpretations of AS 1205."
- c. In the first sentence of paragraph .01, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
- d. In the first sentence of footnote 2 to paragraph .01, the reference to "section 543" is replaced with "AS 1205, *Part of the Audit Performed by Other Independent Auditors*."
- e. In paragraph .02:
 - In the first sentence, the reference to "Section 543, *Part of Audit Performed by Other Independent Auditors*, paragraph .10," is replaced with "AS 1205.10."
 - In the last sentence, the reference to "Section 543.10c(iv)" is replaced with "AS 1205.10c(iv)."
- f. In paragraph .04:
 - In the first sentence, the reference to "Section 543, *Part of Audit Performed by Other Independent Auditors*," is replaced with "AS 1205."
 - In the second sentence, the reference to "Section 543.03" is replaced with "AS 1205.03."
- g. In paragraph .05:
 - In the first sentence, the phrase "Section 334, *Related Parties*, states that there may be inquiry of the principal auditor regarding related parties." is deleted.
 - In the second sentence:



- The phrase "In addition," is deleted.
 - The "b" in "before" is capitalized.
- h. In footnote 3 to paragraph .11, the reference to "section 9543.04–.07" is replaced with "paragraphs .04–.07."
- i. In paragraph .15, the reference to "section 9543.11" is replaced with "paragraph .11."
- j. In footnote 5 to paragraph .17, the reference to "section 561" is replaced with "AS 2905."
- k. In paragraph .18:
- In the first sentence, the reference to "section 543" is replaced with "AS 1205."
 - In the last sentence, the reference to "section 543.12" is replaced with "AS 1205.12."
- l. In the last sentence of paragraph .19, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."

AU sec. 544, "Lack of Conformity With Generally Accepted Accounting Principles"

SAS No. 1, "Codification of Auditing Standards and Procedures" section 544, "Lack of Conformity With Generally Accepted Accounting Principles" (AU sec. 544, "Lack of Conformity With Generally Accepted Accounting Principles"), as amended, is amended as follows:

- a. The section number "AU Section 544" is replaced with "AS 3310."
- b. The title "Lack of Conformity With Generally Accepted Accounting Principles" is replaced with "Special Reports on Regulated Companies."
- c. In paragraph .02:
 - In the third sentence, the phrase "first reporting standard" is replaced with "requirement in paragraph .08h of AS 3101, *Reports on Audited Financial Statements*."

- In footnote 1, the parenthetical reference to "section 623, *Special Reports*, paragraphs .02 and .10" is replaced with "paragraphs .02 and .10 of AS 3305, *Special Reports*."
- d. In the last sentence of paragraph .04:
- The parenthetical reference to "section 508, *Reports on Audited Financial Statements*, paragraph .08" is replaced with "AS 3101.08."
 - The parenthetical reference to "section 508.35–.60" is replaced with "AS 3101.35–.60."

AU sec. 550, "Other Information in Documents Containing Audited Financial Statements"

SAS No. 8, "Other Information in Documents Containing Audited Financial Statements" (AU sec. 550, "Other Information in Documents Containing Audited Financial Statements"), as amended, is amended as follows:

- a. The section number "AU Section 550" is replaced with "AS 2710."
- b. In paragraph .03:
 - In the second sentence:
 - The parenthetical reference to "sections 634" is replaced with "AS 6101, *Letters for Underwriters and Certain Other Requesting Parties*."
 - The parenthetical reference to "711" is replaced with "AS 4101, *Responsibilities Regarding Filings Under Federal Securities Statutes*."
 - Footnote [†] is deleted.
 - Footnote ^{††} is deleted.
 - In the last sentence:
 - The parenthetical reference to "Auditing Standard No. 17" is replaced with "AS 2701."
 - The reference to "AU sec. 623" is replaced with "AS 3305, *Special Reports*."



- Footnote ** is deleted.

AU sec. 9550, "Other Information in Documents Containing Audited Financial Statements: Auditing Interpretations of Section 550"

AU sec. 9550, "Other Information in Documents Containing Audited Financial Statements: Auditing Interpretations of Section 550," as amended, is amended as follows:

- a. The section number "AU Section 9550" is replaced with "AI 20."
- b. The title "Other Information in Documents Containing Audited Financial Statements: Auditing Interpretations of Section 550" is replaced with "Other Information in Documents Containing Audited Financial Statements: Auditing Interpretations of AS 2710."
- c. In the first sentence of paragraph .07, the reference to "section 550, *Other Information in Documents Containing Audited Financial Statements*, paragraph .02" is replaced with "paragraph .02 of AS 2710, *Other Information in Documents Containing Audited Financial Statements*."
- d. In paragraph .09, each reference to "section 550" is replaced with "AS 2710."
- e. In paragraph .11:
 - In the second sentence, the reference to "section 550" is replaced with "AS 2710."
 - In the last sentence, the reference to "section 550.06" is replaced with "AS 2710.06."
- f. In the first sentence of paragraph .12, the reference to "section 550, *Other Information in Documents Containing Audited Financial Statements*, paragraph .02" is replaced with "AS 2710.02."
- g. In paragraph .13:
 - Each reference to "section 550" is replaced with "AS 2710."
 - In the last sentence, the reference to "section 550.06" is replaced with "AS 2710.06."

- h. In paragraph .14:
- In the second sentence, the phrase "generally accepted auditing standards" is replaced with "PCAOB auditing standards."
 - In the last sentence, the reference to "section 550.06" is replaced with "AS 2710.06."
- i. In paragraph .15:
- In the first sentence, the reference to "The auditing interpretation of section 325, *Communication of Internal Control Related Matters Noted in an Audit*, titled 'Reporting on the Existence of Material Weaknesses' (section 9325.01–.07)" is replaced with "AI 12, *Communications About Control Deficiencies in an Audit of Financial Statements: Auditing Interpretations of AS 1305*, titled 'Reporting on the Existence of Material Weaknesses' (AI 12.01–.07)."
 - In the first sentence of footnote 8, the reference to "Section 325.8" is replaced with "Paragraph .08 of AS 1305, *Communications About Control Deficiencies in an Audit of Financial Statements*."
- j. In paragraph .17:
- In the first sentence, the reference to "section 550, *Other Information in Documents Containing Audited Financial Statements*" is replaced with "AS 2710."
 - In the last sentence, each reference to "section 550" is replaced with "AS 2710."
- k. In the second sentence of paragraph .18, the reference to "section 550" is replaced with "AS 2710."

AU sec. 552, "Reporting on Condensed Financial Statements and Selected Financial Data"

SAS No. 42, "Reporting on Condensed Financial Statements and Selected Financial Data" (AU sec. 552, "Reporting on Condensed Financial Statements and Selected Financial Data"), as amended, is amended as follows:

- a. The section number "AU Section 552" is replaced with "AS 3315."
- b. Footnote * to the title of the standard is deleted.

- c. In paragraph .01:
- In footnote 1, the reference to "section 504, *Association With Financial Statements*, footnote 2" is replaced with "footnote 2 of AS 3320, *Association with Financial Statements*."
 - In the last sentence, the reference to "Auditing Standard No. 17" is replaced with "AS 2701."
- d. In paragraph .02, the reference to "section 508, *Reports on Audited Financial Statements*, paragraphs .41 through .44, section 623, *Special Reports*, or other applicable Statements on Auditing Standards" is replaced with "paragraphs .41 through .44 of AS 3101, *Reports on Audited Financial Statements*, AS 3305, *Special Reports*, or other applicable PCAOB auditing standards."
- e. In footnote 4 to paragraph .05, the parenthetical reference to "section 711, *Filings Under Federal Securities Statutes*" is replaced with "AS 4101, *Responsibilities Regarding Filings Under Federal Securities Statutes*."
- f. Following paragraph .06:
- The heading "Independent Auditor's Report" above the example report is replaced with "Report of Independent Registered Public Accounting Firm."
 - In the first sentence of the first paragraph in the example report, the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
- g. In footnote 6 to paragraph .07:
- In the second sentence, the parenthetical reference to "section 508, *Reports on Audited Financial Statements*, paragraphs .41 through .44" is replaced with "AS 3101.41 through .44."
 - The heading "Independent Auditor's Report" above the example report is replaced with "Report of Independent Registered Public Accounting Firm."
 - In the fourth sentence of the example report, the phrase "auditing standards generally accepted in the United States of America" is

replaced with "the standards of the Public Company Accounting Oversight Board (United States)."

- h. In paragraph .08:
- In item *c* of footnote 8, the parenthetical reference to "section 722, *Interim Financial Information*, paragraph .03" is replaced with "paragraph .03 of AS 4105, *Reviews of Interim Financial Information*."
 - In the example independent auditor's review report following paragraph .08:
 - In the first sentence of the second paragraph, the phrase "standards established by the American Institute of Certified Public Accountants" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
 - In the third sentence of the second paragraph, the phrase "generally accepted auditing standards" is replaced with "the standards of the Public Company Accounting Oversight Board."
 - In the first sentence of the fourth paragraph, the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board."
- i. In footnote 11 to paragraph .09, the reference to "section 623, *Special Reports*," is replaced with "AS 3305."
- j. Following paragraph .10:
- The heading "Independent Auditor's Report" above the example report is replaced with "Report of Independent Registered Public Accounting Firm."
 - In the example report:
 - In the first sentence of the second paragraph, the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."

- In the first sentence of the fourth paragraph, the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board."

AU sec. 558, "Required Supplementary Information"

SAS No. 52, "Omnibus Statement on Auditing Standards—1987, Required Supplementary Information" (AU sec. 558, "Required Supplementary Information"), as amended, is amended as follows:

- a. The section number "AU Section 558" is replaced with "AS 2705."
- b. In the references before paragraph .01, the phrase "(Supersedes section 553)" is deleted.
- c. Footnote * is deleted.
- d. Footnote 1 to paragraph .01 is deleted.
- e. In paragraph .02:
 - In the first sentence, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
 - In the second sentence of footnote 2, the reference to "section 550" is replaced with "AS 2710."
- f. In the last sentence of paragraph .03, the reference to "section 550," is replaced with "AS 2710."
- g. In paragraph .04:
 - In the first sentence, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
 - In the second sentence, the phrase "generally accepted auditing standards" is replaced with "PCAOB auditing standards."
- h. In paragraph .05:
 - In the first sentence, the reference to "section 550" is replaced with "AS 2710."

- In the second sentence, the reference to "Auditing Standard No. 17" is replaced with "AS 2701."
- i. In the last sentence of footnote 6 to paragraph .07*b*, the reference to "section 552, *Reporting on Condensed Financial Statements and Selected Financial Data*, paragraph .10" is replaced with "paragraph .10 of AS 3315, *Reporting on Condensed Financial Statements and Selected Financial Data*."
- j. In paragraph .07*c*, the parenthetical reference to "section 333" is replaced with "AS 2805."
- k. In paragraph .07*d*, the phrase ", interpretations, guides, or statements of position" is replaced with "or interpretations."
- l. In footnote 7 to paragraph .08, the reference to "Auditing Standard No. 17, *Auditing Supplemental Information Accompanying Audited Financial Statements*," is replaced with "AS 2701."
- m. In the second sentence of paragraph .09, the reference to "section 550.07" is replaced with "AS 2701."

AU sec. 9558, "Required Supplementary Information: Auditing Interpretations of Section 558"

AU sec. 9558, "Required Supplementary Information: Auditing Interpretations of Section 558," is amended as follows:

- a. The section number "AU Section 9558" is replaced with "AI 19."
- b. The title "Required Supplementary Information: Auditing Interpretations of Section 558" is replaced with "Required Supplementary Information: Auditing Interpretations of AS 2705."
- c. In the last sentence of paragraph .01, the reference to "section 558" is replaced with "AS 2705."
- d. In the second sentence of paragraph .02, the reference to "section 558" is replaced with "AS 2705."
- e. In the first sentence of paragraph .04, the reference to "section 558" is replaced with "AS 2705."
- f. In the first sentence of paragraph .06, the reference to "section 558" is replaced with "AS 2705."



AU sec. 560, "Subsequent Events"

SAS No. 1, "Codification of Auditing Standards and Procedures," section 560, "Subsequent Events" (AU sec. 560, "Subsequent Events"), as amended, is amended as follows:

- a. The section number "AU Section 560" is replaced with "AS 2801."
- b. In the note to paragraph .01, the reference to "paragraphs 93–97 of PCAOB Auditing Standard No. 5" is replaced with "paragraphs .93–.97 of AS 2201."
- c. In paragraph .09, the parenthetical reference to "section 508.19" is replaced with "paragraph .19 of AS 3101, *Reports on Audited Financial Statements*."
- d. In paragraph .12d, the parenthetical reference to "section 337" is replaced with "AS 2505, *Inquiry of a Client's Lawyer Concerning Litigation, Claims, and Assessments*."
- e. In paragraph .12e, the parenthetical reference to "section 333" is replaced with "AS 2805."

AU sec. 561, "Subsequent Discovery of Facts Existing at the Date of the Auditor's Report"

SAS No. 1, "Codification of Auditing Standards and Procedures," section 561, "Subsequent Discovery of Facts Existing at the Date of the Auditor's Report" (AU sec. 561, "Subsequent Discovery of Facts Existing at the Date of the Auditor's Report"), as amended, is amended as follows:

- a. The section number "AU Section 561" is replaced with "AS 2905."
- b. In paragraph .01:
 - In the first sentence of footnote 1, the reference to "section 560" is replaced with "AS 2801."
 - In the note, the reference to "paragraph 98 of PCAOB Auditing Standard No. 5" is replaced with "paragraph .98 of AS 2201."
- c. In the first sentence of footnote 2 to paragraph .03, the reference to "section 711.10–.13" is replaced with "paragraphs .10–.13 of AS 4101, *Responsibilities Regarding Filings Under Federal Securities Statutes*."



AU sec. 9561, "Subsequent Discovery of Facts Existing at the Date of the Auditor's Report: Auditing Interpretations of Section 561"

AU sec. 9561, "Subsequent Discovery of Facts Existing at the Date of the Auditor's Report: Auditing Interpretations of Section 561," is amended as follows:

- a. The section number "AU Section 9561" is replaced with "AI 22."
- b. The title "Subsequent Discovery of Facts Existing at the Date of the Auditor's Report: Auditing Interpretations of Section 561" is replaced with "Subsequent Discovery of Facts Existing at the Date of the Auditor's Report: Auditing Interpretations of AS 2905."
- c. In the second sentence of paragraph .02, the reference to "Section 561" is replaced with "AS 2905."

AU sec. 623, "Special Reports"

SAS No. 62, "Special Reports" (AU sec. 623, "Special Reports"), as amended, is amended as follows:

- a. The section number "AU Section 623" is replaced with "AS 3305."
- b. In the references before paragraph .01, the phrase "(Supersedes section 621)" is deleted.
- c. In the first sentence of paragraph .02, the phrase "Generally accepted auditing standards" is replaced with "The standards of the PCAOB."
- d. In paragraph .03:
 - In the first sentence, the parenthetical reference to "section 411, *The Meaning of Present Fairly in Conformity With Generally Accepted Accounting Principles*" is replaced with "AS 2815, *The Meaning of 'Present Fairly in Conformity with Generally Accepted Accounting Principles.*'"
 - In the second sentence, the parenthetical reference to "section 411.05" is replaced with "AS 2815.05."
- e. In the last sentence of footnote 1 to paragraph .05a, the reference to "section 504, *Association With Financial Statements*" is replaced with "AS 3320, *Association with Financial Statements.*"

- f. In item (1) of paragraph .05c:
- The phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
 - The parenthetical phrase "auditing standards generally accepted in the United States of America or U.S. generally accepted auditing standards" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
- g. In footnote 5 to paragraph .05f, the reference to "section 544, *Lack of Conformity With Generally Accepted Accounting Principles*" is replaced with "AS 3310, *Special Reports on Regulated Companies*."
- h. Paragraph ".05h" is replaced with ".05i."
- i. Paragraph .05h is added:
- The city and state (or city and country, in the case of non-U.S. auditors) from which the auditor's report has been issued.
- j. Footnote 5A is added to the end of the added paragraph .05h:
- See SEC Rule 2-02(a) of Regulation S-X, 17 C.F.R. § 210.2-02(a).
- k. In footnote 6 to paragraph .05h, the reference to "section 530" is replaced with "AS 3110."
- l. In paragraph .06, the parenthetical reference to "section 508, *Reports on Audited Financial Statements*, paragraph .08" is replaced with "paragraph .08 of AS 3101, *Reports on Audited Financial Statements*."
- m. Following paragraph .08:
- The heading "Independent Auditor's Report" above each example report is replaced with "Report of Independent Registered Public Accounting Firm."
 - In the first sentence of the second paragraph of each example report, the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."

- n. In the third sentence of paragraph .09, the reference to "section 411, *The Meaning of Present Fairly in Conformity With Generally Accepted Accounting Principles*, paragraph .04" is replaced with "AS 2815.04."
- o. In the last sentence of paragraph .11, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
- p. In paragraph .12:
 - In the second sentence:
 - The phrase "first standard of reporting" is replaced with "requirement in AS 3101.08h."
 - The phrase "ten generally accepted auditing standards" is replaced with "standards of the PCAOB."
 - In the last sentence, the phrase "The first standard of reporting" is replaced with "AS 3101.08h."
- q. In paragraph .14, the parenthetical reference to "section 508, *Reports on Audited Financial Statements*, paragraph .64" is replaced with "AS 3101.64."
- r. In item (1) of paragraph .15c:
 - The phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
 - The parenthetical phrase "auditing standards generally accepted in the United States of America or U.S. generally accepted auditing standards" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
- s. In footnote 12 to paragraph .15e, the reference to "Paragraph 31" is replaced with "Paragraph .31."
- t. Paragraph ".15h" is replaced with ".15i."
- u. Paragraph .15h is added:

The city and state (or city and country, in the case of non-U.S. auditors) from which the auditor's report has been issued.

- v. Footnote 13A is added to the end of the added paragraph .15*h*:

See footnote 5A.
- w. In paragraph .17, the reference to "section 508, *Reports on Audited Financial Statements*, paragraph .11" is replaced with "AS 3101.11."
- x. Following paragraph .18:
- The heading "Independent Auditor's Report" above each example report is replaced with "Report of Independent Registered Public Accounting Firm."
 - In the first sentence of the second paragraph in the example report titled, "Report Relating to Accounts Receivable," the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
 - In the first sentence of the second paragraph in the example report titled, "Report Relating to Amount of Sales for the Purpose of Computing Rental," the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
 - In the first sentence of the second paragraph in the example report titled, "Report Relating to Royalties," the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
 - In the example report titled, "Report on Profit Participation":
 - In the first sentence of the first paragraph, the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
 - In the first sentence of the second paragraph, the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board."

- In the example report titled, "Report on Federal and State Income Taxes Included in Financial Statements":
 - In the first sentence of the first paragraph, the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
 - In the first sentence of the second paragraph, the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board."

- y. In footnote 18 to paragraph .19, the reference to "section 801, *Compliance Auditing Applicable to Governmental Entities and Other Specified Recipients of Governmental Financial Assistance*" is replaced with "AS 6110, *Compliance Auditing Considerations in Audits of Recipients of Governmental Financial Assistance*."

- z. In the first sentence of paragraph .20b:
 - The phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
 - The parenthetical phrase "auditing standards generally accepted in the United States of America or U.S. generally accepted auditing standards" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."

- aa. Paragraph ".20g" is replaced with ".20h."

- bb. Paragraph .20g is added:

The city and state (or city and country, in the case of non-U.S. auditors) from which the auditor's report has been issued.

- cc. Footnote 20A is added to the end of the added paragraph .20g:

See footnote 5A.

- dd. Following paragraph .21:
 - The heading "Independent Auditor's Report" above each example report is replaced with "Report of Independent Registered Public Accounting Firm."

- In the first sentence of the example report titled, "Report on Compliance With Contractual Provisions Given in a Separate Report," the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
 - In the first sentence of the example report titled, "Report on Compliance With Regulatory Requirements Given in a Separate Report When the Auditor's Report on the Financial Statements Included an Explanatory Paragraph Because of an Uncertainty," the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
- ee. In the fourth sentence of paragraph .24, the parenthetical reference is deleted.
- ff. In item (1) of paragraph .25c:
- The phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
 - The parenthetical phrase "auditing standards generally accepted in the United States of America or U.S. generally accepted auditing standards" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
- gg. Paragraph ".25h" is replaced with ".25i."
- hh. Paragraph .25h is added:
- The city and state (or city and country, in the case of non-U.S. auditors) from which the auditor's report has been issued.
- ii. Footnote 28A is added to the end of the added paragraph .25h:
- See footnote 5A.
- jj. Following paragraph .26:
- The heading "Independent Auditor's Report" above each example report is replaced with "Report of Independent Registered Public Accounting Firm."

- In the first sentence of the second paragraph of the example report titled, "Report on a Schedule of Gross Income and Certain Expenses to Meet a Regulatory Requirement and to Be Included in a Document Distributed to the General Public," the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
 - In the first sentence of the second paragraph of the example report titled, "Report on a Statement of Assets Sold and Liabilities Transferred to Comply With a Contractual Agreement," the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
- kk. In item (1) of paragraph .29c:
- The phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
 - The parenthetical phrase "auditing standards generally accepted in the United States of America or U.S. generally accepted auditing standards" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
- ll. Paragraph ".29i" is replaced with ".29j."
- mm. Paragraph .29j is added:
- The city and state (or city and country, in the case of non-U.S. auditors) from which the auditor's report has been issued.
- nn. Footnote 33A is added to the end of the added paragraph .29i:
- See footnote 5A.
- oo. Following paragraph .30:
- The heading "Independent Auditor's Report" above the example report is replaced with "Report of Independent Registered Public Accounting Firm."
 - In the first sentence of the second paragraph of the example report, the phrase "auditing standards generally accepted in the United



States of America" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."

- pp. In the last sentence of paragraph .31a, the reference to "section 508, *Reports on Audited Financial Statements*, paragraphs .16 through .18" is replaced with "AS 3101.16 through .18."
- qq. In footnote 39 to paragraph .31b, the reference to "section 341, *The Auditor's Consideration of an Entity's Ability to Continue as a Going Concern*" is replaced with "AS 2415, *Consideration of an Entity's Ability to Continue as a Going Concern*."
- rr. In the last sentence of paragraph .31c, the reference to "section 508, *Reports on Audited Financial Statements*, paragraphs .12 and .13" is replaced with "AS 3101.12 and .13."
- ss. In the last sentence of paragraph .31d, the reference to "section 508, *Reports on Audited Financial Statements*, paragraphs .68 and .69" is replaced with "AS 3101.68 and .69."

AU sec. 9623, "Special Reports: Auditing Interpretations of Section 623"

AU sec. 9623, "Special Reports: Auditing Interpretations of Section 623," as amended, is amended as follows:

- a. The section number "AU Section 9623" is replaced with "AI 24."
- b. The title "Special Reports: Auditing Interpretations of Section 623" is replaced with "Special Reports: Auditing Interpretations of AS 3305."
- c. Footnote * to paragraphs [.01–.08], is deleted.
- d. In paragraph .41, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
- e. In paragraph .42:
 - In the first sentence, the reference to "Section 623.11 through .18 provides" is replaced with "Paragraphs .11 through .18 of AS 3305, *Special Reports*, provide."
 - In the Illustrative report:
 - The first paragraph is deleted.

- o The phrase "City and State or Country" is added below the term "Signature."
- f. Paragraphs .43 through .46 are deleted.
- g. The last sentence of paragraph .47 is deleted.
- h. In paragraph .50, the parenthetical reference to "section 623, *Special Reports*, paragraph .08" is replaced with "AS 3305.08."
- i. In paragraph .51, each reference to "Section 623" or "section 623" is replaced with "AS 3305."
- j. Following paragraph .52:
 - The heading "Independent Auditor's Report" above the example report is replaced with "Report of Independent Registered Public Accounting Firm."
 - In the example report:
 - o In the first sentence of the second paragraph, the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
 - o The phrase "[*City and State or Country*]" is added below the term "[*Signature*]."
- k. In the first sentence of paragraph .53, the parenthetical reference to "section 623.08" is replaced with "AS 3305.08."
- l. In the last sentence of footnote 10 to paragraph .55:
 - The reference to "section 508" is replaced with "AS 3101."
 - The phrase ", and the applicable industry audit guide" is deleted.
- m. In the first sentence of paragraph .57, the reference to "section 623, *Special Reports*, paragraph .29" is replaced with "AS 3305.29."

- n. Following paragraph .58:
- The heading "Independent Auditor's Report" above the example report is replaced with "Report of Independent Registered Public Accounting Firm."
 - In the example report in paragraph .58:
 - In the first sentence of the second paragraph, the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
 - The phrase "[*City and State or Country*]" is added below the term "[*Signature*]."
- o. In paragraph .61:
- In the first sentence, the reference to "section 623, *Special Reports*, paragraph .04)" is replaced with "AS 3305.04."
 - In the second sentence, the reference to "Section 623.09" is replaced with "AS 3305.09."
 - In the last sentence, the reference to "section 411, *The Meaning of Present Fairly in Conformity With Generally Accepted Accounting Principles*, paragraph .04" is replaced with "paragraph .04 of AS 2815, *The Meaning of 'Present Fairly in Conformity with Generally Accepted Accounting Principles*."
- p. In paragraph .62:
- In the first sentence:
 - The reference to "Section 623.02" is replaced with "AS 3305.02."
 - The phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
 - In the last sentence:
 - The phrase "Thus, in accordance with the third standard of reporting," is deleted.



- The quotation marks are deleted.
 - The first "i" in "informative" is capitalized.
- q. In paragraph .64:
- In the first sentence the reference to "Section 623.09 and .10" is replaced with "AS 3305.09 and .10."
 - In the last sentence, the reference to "Section 623.10" is replaced with "AS 3305.10."
- r. In the third sentence of paragraph .82, the reference to "Section 623, *Special Reports*, paragraph .22" is replaced with "AS 3305.22."
- s. In the last sentence of paragraph .83, the reference to "section 508, *Reports on Audited Financial Statements*, paragraphs .35–.44 and .58–.60" is replaced with "AS 3101.35–.44 and .58–.60."
- t. In the last sentence of paragraph .85, the reference to "section 623.22–.26" is replaced with "AS 3305.22–.26."
- u. In paragraph .86, the reference to "section 508.35–.44 and .58–.60" is replaced with "AS 3101.35–.44 and .58–.60."
- v. In paragraph .90:
- In the first sentence, the reference to "Section 623, *Special Reports*, paragraph .10" is replaced with "AS 3305.10."
 - Each reference to "section 623.10" is replaced with "AS 3305.10."

AU sec. 625, "Reports on the Application of Accounting Principles"

SAS No. 50, "Reports on the Application of Accounting Principles" (AU sec. 625, "Reports on the Application of Accounting Principles"), as amended, is amended as follows:

- a. The section number "AU Section 625" is replaced with "AS 6105."
- b. In the last sentence of footnote 1 to paragraph .01, the reference to "section 623, *Special Reports*, paragraph .04" is replaced with "paragraph .04 of AS 3305, *Special Reports*."
- c. Footnote 3 to paragraph .02 is deleted.

- d. In paragraph .08, the parenthetical reference to "section 411, *The Meaning of Present Fairly in Conformity With Generally Accepted Accounting Principles*" is replaced with "AS 2815, *The Meaning of 'Present Fairly in Conformity with Generally Accepted Accounting Principles.*"
- e. In the last sentence of paragraph .09, the reference to "section 315, *Communications Between Predecessor and Successor Auditors*, paragraph .10" is replaced with "paragraph .10 of AS 2610, *Initial Audits—Communications Between Predecessor and Successor Auditors.*"
- f. In paragraph .10a, the phrase "applicable AICPA standards" is replaced with "the standards of the PCAOB."
- g. The first sentence of footnote 7 to paragraph .10f is deleted.
- h. In the last sentence of the paragraph following the subheading "*Introduction*" following paragraph .11, the phrase "standards established by the American Institute of Certified Public Accountants" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."

AU sec. 634, "Letters for Underwriters and Certain Other Requesting Parties"

SAS No. 72, "Letters for Underwriters and Certain Other Requesting Parties" (AU sec. 634, "Letters for Underwriters and Certain Other Requesting Parties"), as amended, is amended as follows:

- a. The section number "AU Section 634" is replaced with "AS 6101."
- b. In the references before paragraph .01, the phrase "(Supersedes SAS No. 49)" is deleted.
- c. In footnote 3 to paragraph .03, the parenthetical reference to "section 9634.01–.09" is replaced with "paragraphs .01–.09 of AI 27, *Letters for Underwriters and Certain Other Requesting Parties: Auditing Interpretations of AS 6101.*"
- d. In paragraph .09b:
 - In the first sentence, the phrase "generally accepted auditing standards" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
 - In the last sentence, the phrase "standards established by the American Institute of Certified Public Accountants" is replaced with

"the standards of the Public Company Accounting Oversight Board."

- e. In paragraph .12:
- Each phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
 - In footnote 8, the parenthetical reference to "section 9711.12–.15" is replaced with "paragraphs .12–.15 of AI 26, *Responsibilities Regarding Filings Under Federal Securities Statutes: Auditing Interpretations of AS 4101*."
 - In the first sentence of footnote 9, the reference to "section 711, *Filings Under Federal Securities Statutes*" is replaced with "AS 4101, *Responsibilities Regarding Filings Under Federal Securities Statutes*."
- f. In the first sentence of footnote 13 to paragraph .16, the reference to "SAS No. 71 [section 722]" is replaced with "AS 4105, *Reviews of Interim Financial Information*."
- g. In the first sentence of footnote 18 to paragraph .27:
- The parenthetical reference to "section 722.50" is replaced with "AS 4105.50."
 - The reference to "section 558, *Required Supplementary Information*, paragraphs .08 through .11" is replaced with "paragraphs .08 through .11 of AS 2705, *Required Supplementary Information*."
- h. In footnote 20 to paragraph .28, the reference to "section 530, *Dating of the Independent Auditor's Report*, paragraphs .03 through .08" is replaced with "AS 3110.03 through .08."
- i. In paragraphs .29a and b, each parenthetical reference to "section 552" is replaced with "AS 3315."
- j. In paragraph .29c, the parenthetical reference to "section 722" is replaced with "AS 4105."
- k. In the fifth sentence of paragraph .29, the reference to "section 325" is replaced with "AS 1305."



- I. In paragraph .30:
 - In the first sentence:
 - The reference to "section 722" is replaced with "AS 4105."
 - The reference to "section 558, *Required Supplementary Information*," is replaced with "AS 2705."
 - In the second sentence:
 - The reference to "Section 722" is replaced with "AS 4105."
 - The reference to "section 558" is replaced with "AS 2705."
 - In the last sentence, the reference to "sections 722 and 558" is replaced with "AS 4105 and AS 2705."
- m. In paragraph .31, the sixth and seventh sentences are deleted.
- n. In paragraphs .35a and b, each reference to "SAS No. 71 [section 722]" is replaced with "AS 4105."
- o. In paragraph .37:
 - Each reference to "section 722" is replaced with "AS 4105."
 - In the second sentence of footnote 28, the reference to "section 722" is replaced with "AS 4105."
- p. In the first sentence of paragraph .38, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
- q. In paragraphs .39a and b, each reference to "SAS No. 71 [section 722]" is replaced with "AS 4105."
- r. In the third sentence of paragraph .42, the reference to "SAS No. 71 [section 722]" is replaced with "AS 4105."
- s. In the second bullet of paragraph .46, the reference to "SAS No. 71 [section 722]" is replaced with "AS 4105."

- t. In paragraph .59:
- In the fourth sentence, the parenthetical reference to "(see section 435, *Segment Information*)" is deleted.
 - In footnote 34, the reference to "section 558" is replaced with "AS 2705."
- u. In paragraph .64:
- Following subtitle "Example A: Typical Comfort Letter":
 - In the third sentence of the second paragraph following item 2d, the reference to "section 722" is replaced with "AS 4105, *Reviews of Interim Financial Information*."
 - In item 4a(i) of the letter in Example A:
 - The phrase "American Institute of Certified Public Accountants" is replaced with "Public Company Accounting Oversight Board (United States)."
 - The reference to "SAS No. 71, *Interim Financial Information*" is replaced with "AS 4105, *Reviews of Interim Financial Information*."
 - In the first sentence following item 4b(ii) of the letter in Example A, the phrase "generally accepted auditing standards" is replaced with "the standards of the Public Company Accounting Oversight Board."
 - In footnote 6 to item 5a(i) of the letter in Example A, the reference to "Section 722" is replaced with "AS 4105."
 - Following the subtitle "Example B: Letter When a Short-Form Registration Statement Is Filed Incorporating Previously Filed Forms 10-K and 10-Q by Reference":
 - In item 4a(i) of the letter in Example B:
 - The phrase "American Institute of Certified Public Accountants" is replaced with "Public Company Accounting Oversight Board (United States)."

- The reference to "SAS No. 71, *Interim Financial Information*" is replaced with "AS 4105, *Reviews of Interim Financial Information*."
- In the first sentence following item 4b(ii) of the letter in Example B, the phrase "generally accepted auditing standards" is replaced with "the standards of the Public Company Accounting Oversight Board."
- In the third sentence of item 5, (following the subtitle "Example D: Comments on Pro Forma Financial Information"), the reference to "SAS No. 71 [section 722]" is replaced with "AS 4105."
- In item 8 (following the subtitle "Example E: Comments on a Financial Forecast"):
 - In the first sentence, the reference to "AICPA" is replaced with "AT section 301, *Financial Forecasts and Projections*."
 - Each phrase "standards established by the American Institute of Certified Public Accountants" is replaced with "the standards of the Public Company Accounting Oversight Board."
- In the first sentence of footnote 10 to item 7 (following the subtitle "Example F: Comments on Tables, Statistics, and Other Financial Information—Complete Description of Procedures and Findings"), the reference to "section 552" is replaced with "AS 3315."
- Following the subtitle "Example L: Alternate Wording When Recent Earnings Data Are Presented in Capsule Form":
 - In the first sentence of item 13, the reference to "section 722" is replaced with "AS 4105."
 - In item 4a(i) of the letter in Example L:
 - The phrase "American Institute of Certified Public Accountants" is replaced with "Public Company Accounting Oversight Board (United States)."
 - The reference to "SAS No. 71, *Interim Financial Information*" is replaced with "AS 4105, *Reviews of Interim Financial Information*."

- In item 4b(ii) of the letter in Example L:
 - The phrase "American Institute of Certified Public Accountants" is replaced with "Public Company Accounting Oversight Board."
 - The reference to "SAS No. 71, *Interim Financial Information*," is replaced with "AS 4105."
- In the first sentence following item 4b(iii) of the letter in Example L, the phrase "generally accepted auditing standards" is replaced with "the standards of the Public Company Accounting Oversight Board."
- The subtitle "Example O: Alternate Wording When the Procedures That the Underwriter Has Requested the Accountant to Perform on Interim Financial Information Are Less Than an SAS No. 71 Review" is replaced with "Example O: Alternate Wording When the Procedures That the Underwriter Has Requested the Accountant to Perform on Interim Financial Information Are Less Than an AS 4105 Review."
- Following the subtitle "Example O: Alternate Wording When the Procedures That the Underwriter Has Requested the Accountant to Perform on Interim Financial Information Are Less Than an SAS No. 71 Review":
 - In the third sentence of item 16, the reference to "SAS No. 71 [section 722]" is replaced with "AS 4105."
 - In the first sentence following item 4c of the letter in Example O, the phrase "generally accepted auditing standards" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
 - In the second paragraph to item 6 of the letter in Example O:
 - In the first sentence:
 - The phrase "standards established by the American Institute of Certified Public Accountants" is replaced with "the standards of the Public Company Accounting Oversight Board."



- The reference to "AICPA" is replaced with "AT section 301, *Financial Forecasts and Projections*."
- In the last sentence, the phrase "standards established by the AICPA" is replaced with "the standards of the Public Company Accounting Oversight Board."
- Following the subtitle "Example P: A Typical Comfort Letter in a Non-1933 Act Offering, Including the Required Underwriter Representations":
 - In the third sentence of item 17, the reference to "SAS No. 71 [section 722]" is replaced with "AS 4105."
 - In the first sentence of item 6 of the letter in Example P, the phrase "generally accepted auditing standards" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
- In the letter following the subtitle "Example Q: Letter to a Requesting Party That Has Not Provided the Representation Letter Described in Paragraphs .06 and .07":
 - In the second paragraph, the phrase "rule 101 of the AICPA's Code of Professional Conduct, and its interpretations and rulings" is replaced with "Public Company Accounting Oversight Board Rule 3520, *Auditor Independence*."
 - In Item 6:
 - In the first sentence, the phrase "generally accepted auditing standards" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
 - In the last sentence, the phrase "standards established by the American Institute of Certified Public Accountants" is replaced with "the standards of the Public Company Accounting Oversight Board."

- Following the subtitle "Example R: Comfort Letter That Includes Reference to Examination of Annual MD&A and Review of Interim MD&A":
 - In the fifth sentence of item 19, the reference to "section 722" is replaced with "AS 4105."
 - In the first sentence following item 5b(ii) of the letter in Example R, the phrase "generally accepted auditing standards" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."

AU sec. 9634, "Letters for Underwriters and Certain Other Requesting Parties: Auditing Interpretations of Section 634"

AU sec. 9634, "Letters for Underwriters and Certain Other Requesting Parties: Auditing Interpretations of Section 634," as amended, is amended as follows:

- a. The section number "AU Section 9634" is replaced with "AI 27."
- b. The title "Letters for Underwriters and Certain Other Requesting Parties: Auditing Interpretations of Section 634" is replaced with "Letters for Underwriters and Certain Other Requesting Parties: Auditing Interpretations of AS 6101."
- c. In paragraph .03, the parenthetical reference to "section 634.33" is replaced with "paragraph .33 of AS 6101, *Letters for Underwriters and Certain Other Requesting Parties*."
- d. In the first sentence of paragraph .04:
 - The phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
 - The parenthetical reference to "section 550" is replaced with "AS 2710, *Other Information in Documents Containing Audited Financial Statements*."
- e. In paragraph .05:
 - In the third sentence:
 - The reference to "section 634" is replaced with "AS 6101."

- The reference to "section 634.54–.60" is replaced with "AS 6101.54–.60."
 - In the first sentence of footnote 3, the reference to "Section 634.12" is replaced with "AS 6101.12."
 - In the fourth sentence, the reference to "section 634.55" is replaced with "AS 6101.55."
 - In the fifth sentence, the reference to "section 634.55 and .57" is replaced with "AS 6101.55 and .57."
- f. In paragraph .06, each reference to "section 634.57" or "Section 634.57" is replaced with "AS 6101.57."
- g. In the last sentence of paragraph .07, the reference to "section 634.55" is replaced with "AS 6101.55."
- h. In the last sentence of paragraph .09, the reference to "section 634.31" is replaced with "AS 6101.31."
- i. In the first sentence of paragraph .16, the reference to "Section 634, *Letters for Underwriters and Certain Other Requesting Parties*, paragraph .57," is replaced with "AS 6101.57."
- j. In the first sentence of paragraph .18, the reference to "Section 634.55" is replaced with "AS 6101.55."
- k. In the third sentence of paragraph .19, the reference to "section 634.55" is replaced with "6101.55."
- l. In paragraph .29:
- In the first sentence, the reference to "section 634.64" is replaced with "6101.64."
 - In the last sentence of footnote 4 to the table following paragraph .29, the reference to "section 634.55" is replaced with "AS 6101.55."

AU sec. 711, "Filings Under Federal Securities Statutes"

SAS No. 37, "Filings Under Federal Securities Statutes" (AU sec. 711, "Filings Under Federal Securities Statutes"), as amended, is amended as follows:

- a. The section number "AU Section 711" is replaced with "AS 4101."
- b. The title "Filings Under Federal Securities Statutes" is replaced with "Responsibilities Regarding Filings Under Federal Securities Statutes."
- c. Footnote * to the section number of the standard is deleted.
- d. In the note to paragraph .02, the reference to "paragraphs C16–C17 of Appendix C, *Special Reporting Situations*, of PCAOB Auditing Standard No. 5" is replaced with "paragraphs .C16–.C17 of Appendix C, *Special Reporting Situations*, of AS 2201."
- e. In the fourth sentence of paragraph .10, the reference to "section 560.12" is replaced with "paragraph .12 of AS 2801, *Subsequent Events*."
- f. In the last sentence of paragraph .11, the parenthetical reference to "section 508" is replaced with "AS 3101, *Reports on Audited Financial Statements*."
- g. In paragraph .12:
 - In the first sentence, the references to "sections 560 and 561" are replaced with "AS 2801 and AS 2905, *Subsequent Discovery of Facts Existing at the Date of the Auditor's Report*."
 - In the second sentence, the reference to "sections 530.05 and 530.07 and .08" is replaced with "paragraph .05 of AS 3110, *Dating of the Independent Auditor's Report*, and AS 3110.07 and .08."
 - In the third sentence, the reference to "section 561.08 and .09" is replaced with "AS 2905.08 and .09."
- h. In paragraph .13a:
 - The reference to "section 561" is replaced with "AS 2905."
 - The parenthetical reference to "section 722.46" is replaced with "paragraph .46 of AS 4105, *Reviews of Interim Financial Information*."

AU sec. 9711, "Filings Under Federal Securities Statutes: Auditing Interpretations of Section 711"

AU sec. 9711, "Filings Under Federal Securities Statutes: Auditing Interpretations of Section 711," as amended, is amended as follows:

- a. The section number "AU Section 9711" is replaced with "AI 26."
- b. The title "Filings Under Federal Securities Statutes: Auditing Interpretations of Section 711" is replaced with "Responsibilities Regarding Filings Under Federal Securities Statutes: Auditing Interpretations of AS 4101."
- c. In paragraph .03:
 - In the first sentence, the reference to "Section 711, *Filings Under Federal Securities Statutes*, paragraph .05" is replaced with "Paragraph .05 of AS 4101, *Responsibilities Regarding Filings Under Federal Securities Statutes*."
 - In the last sentence, the parenthetical reference to "section 711.10 and .11" is replaced with "AS 4101.10 and .11."
- d. In paragraph .05, the reference to "section 711.10 and .11" is replaced with "AS 4101.10 and .11."
- e. In paragraph .09:
 - In the second sentence, the parenthetical reference to "section 552, *Reporting on Condensed Financial Statements and Selected Financial Data*, paragraph .08" is replaced with "paragraph .08 of AS 3315, *Reporting on Condensed Financial Statements and Selected Financial Data*."
 - In the last sentence, the parenthetical reference to "section 711.10 and .11" is replaced with "AS 4101.10 and .11."
- f. In paragraph .10:
 - In the first sentence, the reference to "section 711" is replaced with "AS 4101."
 - In the last sentence, the reference to "section 711.10 and .11" is replaced with "AS 4101.10 and .11."
- g. In the last sentence of paragraph .11, the reference to "Section 711.12 and .13" is replaced with "AS 4101.12 and .13."

AU sec. 722, "Interim Financial Information"

SAS No. 100, "Interim Financial Information" (AU sec. 722, "Interim Financial Information"), as amended, is amended as follows:

- a. The section number "AU Section 722" is replaced with "AS 4105."
- b. The title "Interim Financial Information" is replaced with "Reviews of Interim Financial Information."
- c. In the references before paragraph .01, the phrase "(Supersedes SAS No. 71)" is deleted.
- d. In the second sentence of paragraph .01:
 - The word "three" is deleted.
 - The phrase "discussed in section 150, *Generally Accepted Auditing Standards*, paragraph .02," is deleted.
 - Footnote 1A is added following the term "standards":

See AS 1005, Independence, AS 1010, Training and Proficiency of the Independent Auditor, and AS 1015, Due Professional Care in the Performance of Work.
- e. In the first sentence of paragraph .04, the reference to "Section 315, *Communications Between Predecessor and Successor Auditors*" is replaced with "AS 2610, *Initial Audits—Communications Between Predecessor and Successor Auditors*."
- f. In footnote 5 to paragraph .05, the last sentence is deleted.
- g. In the second sentence of paragraph .07, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
- h. In the eighth bullet of paragraph .09:
 - In the first sentence, the phrase "standards established by the AICPA" is replaced with "the standards of the PCAOB."
 - In the third sentence, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."

- i. In the first sentence of footnote 7 to the first bullet of paragraph .11, the reference to "Paragraphs 10 through 23 of Auditing Standard No. 14" is replaced with "Paragraphs .10 through .23 of AS 2810."
- j. In the third sentence of paragraph .13, the reference to "Auditing Standard No. 12" is replaced with "AS 2110."
- k. In the last sentence of paragraph .16, the reference to "section 329" is replaced with "AS 2305."
- l. In footnote 11 to paragraph .18*b*, the parenthetical reference to "section 543, *Part of Audit Performed by Other Independent Auditors*" is replaced with "AS 1205, *Part of the Audit Performed by Other Independent Auditors*."
- m. In the last sentence of paragraph .18*f*, the reference to "section 550, *Other Information in Documents Containing Audited Financial Statements*, paragraphs .04 through .06)" is replaced with "paragraphs .04 through .06 of AS 2710, *Other Information in Documents Containing Audited Financial Statements*."
- n. In the first sentence of footnote 15 to paragraph .21, the reference to "section 341, *The Auditor's Consideration of an Entity's Ability to Continue as a Going Concern*, paragraph .10" is replaced with "paragraph .10 of AS 2415, *Consideration of an Entity's Ability to Continue as a Going Concern*."
- o. In footnote 16 to paragraph .24, the reference to "section 333, *Management Representations*, paragraphs .08 through .12" is replaced with "paragraphs .08 through .12 of AS 2805, *Management Representations*."
- p. In the last sentence of paragraph .30, the reference "paragraph 25 of Auditing Standard No. 16" is replaced with "paragraph .25 of AS 1301."
- q. In paragraph .32:
 - The reference to "AU sec. 316" is replaced with "AS 2401."
 - The reference to "AU sec. 317" is replaced with "AS 2405."

- r. In paragraph .34:
- In the first sentence, the reference to "Auditing Standard No. 16, *Communications with Audit Committees*" is replaced with "AS 1301."
 - In the fourth sentence, the reference to "paragraph 12 of Auditing Standard No. 16, *Communications with Audit Committees*" is replaced with "AS 1301.12."
- s. In the last sentence of paragraph .36, the reference to "paragraph 25 of Auditing Standard No. 16, *Communications with Audit Committees*" is replaced with "AS 1301.25."
- t. In paragraph .37*d*, the phrase "standards established by the AICPA" is replaced with "the standards of the PCAOB."
- u. In paragraph .37*f*, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."
- v. Paragraph ".37*i*" is replaced with ".37*j*."
- w. Paragraph .37*i* is added:
The city and state (or city and country, in the case of non-U.S. auditors) from which the auditor's report has been issued.
- x. Footnote 24A is added to the end of the added paragraph .37*i*:
See SEC Rule 2-02(a) of Regulation S-X, 17 C.F.R. § 210.2-02(a).
- y. In footnote 25 to paragraph .37*i*:
- The reference to "sections 530" is replaced with "AS 3110."
 - The reference to "560" is replaced with "AS 2801."
- z. In the Independent Accountant's Report following paragraph .38:
- The heading "Independent Accountant's Report" above the example report is replaced with "Report of Independent Registered Public Accounting Firm."
 - In the first sentence of the second paragraph, the phrase "standards established by the American Institute of Certified Public



- Accountants" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
- In the third sentence of the second paragraph, the phrase "generally accepted auditing standards" is replaced with "the standards of the Public Company Accounting Oversight Board."
 - The phrase "[*City and State or Country*]" is added following the term "[*Signature*]."
- aa. In the Independent Accountant's Report following paragraph .39:
- The heading "Independent Accountant's Report" above the example report is replaced with "Report of Independent Registered Public Accounting Firm."
 - In the first sentence of the second paragraph, the phrase "standards established by the American Institute of Certified Public Accountants" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
 - In the third sentence of the second paragraph, the phrase "generally accepted auditing standards" is replaced with "the standards of the Public Company Accounting Oversight Board."
 - In the first sentence of the fourth paragraph, the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board."
 - The phrase "[*City and State or Country*]" is added following the term "[*Signature*]."
- bb. In footnote 29 to paragraph .40, the reference to "section 543, *Part of Audit Performed by Other Independent Auditors*" is replaced with "AS 1205."
- cc. In the Independent Accountant's Report following paragraph .40:
- The heading "Independent Accountant's Report" above the example report is replaced with "Report of Independent Registered Public Accounting Firm."



- In the first sentence of the third paragraph, the phrase "standards established by the American Institute of Certified Public Accountants" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."
 - In the third sentence of the third paragraph, the phrase "generally accepted auditing standards" is replaced with "the standards of the Public Company Accounting Oversight Board."
 - The phrase "[*City and State or Country*]" is added following the term "[*Signature*]."
- dd. In footnote 30 to paragraph .41, the reference to "section 508, *Reports on Audited Financial Statements*, paragraph .15" is replaced with "paragraph .15 of AS 3101, *Reports on Audited Financial Statements*."
- ee. In the first sentence of footnote 32 to paragraph .43, the reference to "section 341, *The Auditor's Consideration of an Entity's Ability to Continue as a Going Concern*, paragraph .10" is replaced with "AS 2415.10."
- ff. In the last sentence of paragraph .46, the reference to "section 561" is replaced with "AS 2905."
- gg. In the last sentence of paragraph .50d, the phrase "standards established by the American Institute of Certified Public Accountants" is replaced with "the standards of the Public Company Accounting Oversight Board."
- hh. In Appendix B, footnote 36 to bullet 16 of item B1 in paragraph .55, the reference to "section 342, *Auditing Accounting Estimates*, paragraphs .05 and .06" is replaced with "paragraphs .05 and .06 of AS 2501, *Auditing Accounting Estimates*."
- ii. In Appendix C of paragraph .56:
- In item C2:
 - In the third sentence, the reference to "section 333" is replaced with "AS 2805."
 - The last sentence is deleted.
 - In the second sentence of item C5:
 - The reference to "section 316" is replaced with "AS 2401."



- The phrase "related parties" is italicized.
- The reference to "Auditing Standard No. 18" is replaced with "AS 2410."
- In the last sentence of item C6, the reference to "section 333.08" is replaced with "AS 2805.08."
- In the bracketed sentence of paragraph 15 of the second management representation letter titled "Illustrative Representation Letter for a Review of Interim Financial Information (Statements)," the reference to "*section 333, Management Representations, paragraph .17*" is replaced with "*paragraph .17 of AS 2805, Management Representations.*"

AU sec. 801, "Compliance Auditing Considerations in Audits of Governmental Entities and Recipients of Governmental Financial Assistance"

SAS No. 74, "Compliance Auditing Considerations in Audits of Governmental Entities and Recipients of Governmental Financial Assistance" (AU sec. 801, "Compliance Auditing Considerations in Audits of Governmental Entities and Recipients of Governmental Financial Assistance"), as amended, is amended as follows:

- a. The section number "AU Section 801" is replaced with "AS 6110."
- b. The title "Compliance Auditing Considerations in Audits of Governmental Entities and Recipients of Governmental Financial Assistance" is replaced with "Compliance Auditing Considerations in Audits of Recipients of Governmental Financial Assistance."
- c. In the references before paragraph .01, the phrase "(Supersedes SAS No. 68)" is deleted.
- d. In paragraph .01, in the first sentence, the phrase "generally accepted auditing standards (GAAS)" is replaced with "the standards of the PCAOB."
- e. Footnote 5 to paragraph .02 is deleted.
- f. In paragraph .02a, the reference to "section 317" is replaced with "AS 2405."
- g. In the first sentence of paragraph .06:
 - The reference to "Section 317" is replaced with "AS 2405."

- The term "GAAS" is replaced with "the standards of the PCAOB."
- h. In the first sentence of paragraph .09, the term "GAAS" is replaced with "the standards of the PCAOB."
- i. In paragraph .10a, the term "GAAS" is replaced with "the standards of the PCAOB."
- j. In the last sentence of paragraph .11, the term "GAAS" is replaced with "the standards of the PCAOB."
- k. Footnote 12 to paragraph .12 is deleted.
- l. Footnote 14 to paragraph .16 is deleted.
- m. In footnote 15 to paragraph .17c, the term "GAAS" is replaced with "the standards of the PCAOB."
- n. In the last sentence of paragraph .18, the reference to "section 350" is replaced with "AS 2315."
- o. In paragraph .22:
 - In the first sentence, the term "GAAS" is replaced with "The standards of the PCAOB."
 - In the second sentence:
 - The phrase "a GAAS" is replaced with "an."
 - The phrase "in accordance with the standards of the PCAOB" is added following the term "statements."
 - The second term "GAAS" is replaced with "the standards of the PCAOB."
 - In the last sentence, the term "GAAS" is replaced with "the standards of the PCAOB."
- p. In the last sentence of paragraph .23, the reference to "section 317" is replaced with "AS 2405."



AU sec. 901, "Public Warehouses—Controls and Auditing Procedures for Goods Held"

SAS No. 1, "Codification of Auditing Standards and Procedures" (AU sec. 901, "Public Warehouses—Controls and Auditing Procedures for Goods Held"), as amended, is rescinded.

Attestation Standards

Attestation Standard No. 1, "Examination Engagements Regarding Compliance Reports of Brokers and Dealers"

Attestation Standard No. 1, "Examination Engagements Regarding Compliance Reports of Brokers and Dealers," is amended as follows:

- a. In footnote 8 to paragraph 4, the reference to "Auditing Standard No. 15" is replaced with "AS 1105."
- b. In the second note to paragraph 6, the reference to "Auditing Standard No. 3" is replaced with "AS 1215."
- c. In the first sentence of footnote 12 to paragraph 8, the reference to "Auditing Standard No. 17" is replaced with "AS 2701."
- d. In footnote 18 to paragraph 35, the reference to "Auditing Standard No. 16" is replaced with "AS 1301."
- e. In footnote 3 to paragraph C10, the reference to "AU sec. 317" is replaced with "AS 2405."

Attestation Standard No. 2, "Review Engagements Regarding Exemption Reports of Brokers and Dealers"

Attestation No. 2, "Review Engagements Regarding Exemption Reports of Brokers and Dealers," is amended as follows:

- a. In the second note to paragraph 5, the reference to "Auditing Standard No. 3" is replaced with "AS 1215."
- b. In the first sentence of footnote 9 to paragraph 7, the reference to "Auditing Standard No. 17" is replaced with "AS 2701."
- c. In footnote 12 to paragraph 15, the reference to "Auditing Standard No. 16" is replaced with "AS 1301."



AT sec. 101, "Attestation Engagements"

AT sec. 101, "Attestation Engagements," as amended, is amended as follows:

- a. The following note is added at the end of paragraph .01:

Note: In connection with an engagement performed in accordance with this attestation standard, whenever the practitioner is required to make reference in a report to attestation standards established by the American Institute of Certified Public Accountants, the practitioner must instead refer to "the standards of the Public Company Accounting Oversight Board (United States)." A practitioner must also include the city and state (or city and country, in the case of non-U.S. practitioners) from which the practitioner's report has been issued.

- b. In the last sentence of paragraph .04f, the reference to "PCAOB Auditing Standard No. 4" is replaced with "AS 6115."
- c. In paragraph .91:
- The parenthetical reference to "AU section 634" is replaced with "AS 6101."
 - The parenthetical reference to "AU section 711, *Filings Under Federal Securities Statutes*" is replaced with "AS 4101, *Responsibilities Regarding Filings Under Federal Securities Statutes*."
- d. In the last sentence of paragraph .99, the reference to "AU section 561" is replaced with "AS 2905."

AT sec. 9101, "Attest Engagements: Attest Engagements Interpretations of Section 101"

AT sec. 9101, "Attest Engagements: Attest Engagements Interpretations of Section 101," is amended as follows:

- a. In the last sentence of paragraph .12, the reference to "AU section 322, *The Auditor's Consideration of the Internal Audit Function in an Audit of Financial Statements*" is replaced with "AS 2605, *Consideration of the Internal Audit Function*."
- b. In the second bullet of paragraph .28, the reference to "AU section 722, *Interim Financial Information*" is replaced with "AS 4105, *Reviews of Interim Financial Information*."

- c. Paragraph .43 is deleted.
- d. Paragraph 44 is replaced with the following:
- Illustrative letters in response to a regulatory request for access to or copies of the attest documentation related to an examination engagement performed in accordance with section 601, *Compliance Attestation*, and an agreed-upon procedures engagement performed in accordance with section 201, *Agreed-Upon Procedures Engagements*, follow.
- e. In footnote 7 to paragraph .45, the parenthetical reference to "AU section 9339.11–.15" is deleted.
- f. In footnote 12 to paragraph .46:
- The parenthetical reference to "AU section 9339.11–.15" is deleted.
 - A comma is added after the second word "access."

AT sec. 201, "Agreed-Upon Procedures Engagements"

AT sec. 201, "Agreed-Upon Procedures Engagements," is amended as follows:

- a. The following note is added at the end of paragraph .01:

Note: In connection with an engagement performed in accordance with this attestation standard, whenever the practitioner is required to make reference in a report to attestation standards established by the American Institute of Certified Public Accountants, the practitioner must instead refer to "the standards of the Public Company Accounting Oversight Board (United States)." A practitioner must also include the city and state (or city and country, in the case of non-U.S. practitioners) from which the practitioner's report has been issued.

- b. In paragraph .02*b*, the reference to "AU section 623" is replaced with "AS 3305."
- c. In paragraph .02*c*, the reference to "AU section 801, *Compliance Auditing Considerations in Audits of Governmental Entities and Recipients of Governmental Financial Assistance*" is replaced with "AS 6110, *Compliance Auditing Considerations in Audits of Recipients of Governmental Financial Assistance*."

- d. In paragraph .02d, the reference to "AU section 324, *Service Organizations*, paragraph .58" is replaced with "paragraph .58 of AS 2601, *Consideration of an Entity's Use of a Service Organization*."
- e. In paragraph .02e, the reference to "AU section 634" is replaced with "AS 6101."
- f. In footnote 3 to paragraph .03, the reference to "AU section 623.11–.18" is replaced with "AS 3305.11–.18."
- g. In footnote 7 to paragraph .22, the reference to "AU section 322, *The Auditor's Consideration of the Internal Audit Function in an Audit of Financial Statements*" is replaced with "AS 2605, *Consideration of the Internal Audit Function*."
- h. In footnote 13 to paragraph .31k:
 - In the first sentence, the reference to "AU section 504, *Association With Financial Statements*" is replaced with "AS 3320, *Association with Financial Statements*."
 - In the second sentence:
 - The reference to "AU section 504.04" is replaced with "AS 3320.04."
 - The reference to "AU section 722, *Interim Financial Information*" is replaced with "AS 4105, *Reviews of Interim Financial Information*).".
 - The reference to "AU section 504.05" is replaced with "AS 3320.05."
- i. In footnote 16 to paragraph .36, the reference to "AU section 530, *Dating of the Independent Auditor's Report*, paragraphs .06 and .07" is replaced with "paragraphs .06 and .07 of AS 3110, *Dating of the Independent Auditor's Report*."
- j. In footnote 18 to paragraph .40, the bracketed reference to "AU section 508" is replaced with "AS 3101."



AT sec. 301, "Financial Forecasts and Projections"

AT sec. 301, "Financial Forecasts and Projections," is amended as follows:

- a. The following note is added at the end of paragraph .01:

Note: In connection with an engagement performed in accordance with this attestation standard, whenever the practitioner is required to make reference in a report to attestation standards established by the American Institute of Certified Public Accountants, the practitioner must instead refer to "the standards of the Public Company Accounting Oversight Board (United States)." A practitioner must also include the city and state (or city and country, in the case of non-U.S. practitioners) from which the practitioner's report has been issued.

- b. In footnote 4 to paragraph .08e, the reference to "AU section 623" is replaced with "AS 3305."
- c. In footnote 12 to paragraph .23, the parenthetical reference to "AU section 9504.19–.22" is replaced with "paragraphs .19–.22 of AI 25, *Association with Financial Statements: Auditing Interpretations of AS 3320*."
- d. In paragraph .24:
- In footnote 13, the reference to "AU section 504, *Association With Financial Statements*" is replaced with "AS 3320, *Association with Financial Statements*."
 - In footnote 14, the reference to "AU section 552" is replaced with "AS 3315."
- e. In paragraph .48:
- In footnote 23, the reference to "AU section 504" is replaced with "AS 3320."
 - In footnote 24, the reference to "AU section 552" is replaced with "AS 3315."
- f. In footnote 26 to paragraph .52, the reference to "AU section 634" is replaced with "AS 6101."
- g. In paragraph .60:
- In footnote 29:

- In the first sentence, the reference to "AU section 550" is replaced with "AS 2710."
- In the second sentence:
 - The reference to "AU section 550" is replaced with "AS 2710."
 - The bracketed reference to "AU section 711, *Filings Under Federal Securities Statutes*" is replaced with "AS 4101, *Responsibilities Regarding Filings Under Federal Securities Statutes*."
- In the last sentence, the reference to "AU section 550" is replaced with "AS 2710."
- h. In the first sentence of footnote 5 to item 11*d* of paragraph .70, Appendix C, the reference to "AU section 722, *Interim Financial Information*, paragraphs .13 through .19" is replaced with "paragraphs .13 through .19 of AS 4105, *Reviews of Interim Financial Information*."

AT sec. 401, "Reporting on Pro Forma Financial Information"

AT sec. 401, "Reporting on Pro Forma Financial Information," is amended as follows:

- a. In footnote 1 to paragraph .01:
 - In the first sentence, the reference to "AU section 634, *Letters for Underwriters and Certain Other Requesting Parties*, paragraphs .03 through .05" is replaced with "Paragraphs .03 through .05 of AS 6101, *Letters for Underwriters and Certain Other Requesting Parties*."
 - In the last sentence, the reference to "AU section 634.03" is replaced with "AS 6101.03."
- b. The following note is added at the end of paragraph .01:

Note: In connection with an engagement performed in accordance with this attestation standard, whenever the practitioner is required to make reference in a report to attestation standards established by the American Institute of Certified Public Accountants, the practitioner must instead refer to "the standards of the Public Company Accounting Oversight Board



(United States)." A practitioner must also include the city and state (or city and country, in the case of non-U.S. practitioners) from which the practitioner's report has been issued.

- c. In paragraph .02, the reference to "AU section 550, *Other Information in Documents Containing Audited Financial Statements*, and AU section 711, *Filings Under Federal Securities Statutes*" is replaced with "AS 2710, *Other Information in Documents Containing Audited Financial Statements*, and AS 4101, *Responsibilities Regarding Filings Under Federal Securities Statutes*."
- d. In footnote 2 to paragraph .03:
- In the second sentence, the reference to "AU section 560, *Subsequent Events*, paragraph .05" is replaced with "paragraph .05 of AS 2801, *Subsequent Events*."
 - In the last sentence, the reference to "AU section 508, *Reports on Audited Financial Statements*, paragraph .28" is replaced with "paragraph .28 of AS 3101, *Reports on Audited Financial Statements*."
- e. In the second sentence of footnote 5 to paragraph .07b, the reference to "AU section 722, *Interim Financial Information*" is replaced with "AS 4105, *Reviews of Interim Financial Information*."

AT sec. 601, "Compliance Attestation"

AT sec. 601, "Compliance Attestation," as amended, is amended as follows:

- a. The following note is added at the end of paragraph .01:

Note: In connection with an engagement performed in accordance with this attestation standard, whenever the practitioner is required to make reference in a report to attestation standards established by the American Institute of Certified Public Accountants, the practitioner must instead refer to "the standards of the Public Company Accounting Oversight Board (United States)." A practitioner must also include the city and state (or city and country, in the case of non-U.S. practitioners) from which the practitioner's report has been issued.

- b. In paragraph .02:
- In item *b*, the reference to "AU section 623, *Special Reports*, paragraphs .19 through .21" is replaced with "paragraphs .19 through .21 of AS 3305, *Special Reports*."
 - In item *c*, the reference to "AU section 801, *Compliance Auditing Considerations in Audits of Governmental Entities and Recipients of Governmental Financial Assistance*" is replaced with "AS 6110, *Compliance Auditing Considerations in Audits of Recipients of Governmental Financial Assistance*."
 - In item *d*, the reference to "AU section 634" is replaced with "AS 6101."
- c. In footnote 5 to paragraph .19, the reference to "AU section 322, *The Auditor's Consideration of the Internal Audit Function in an Audit of Financial Statements*" is replaced with "AS 2605, *Consideration of the Internal Audit Function*."
- d. In the second sentence of paragraph .33, the reference to "AU section 316A, *Consideration of Fraud in a Financial Statement Audit*, paragraphs .16 through .19" is replaced with "AS 2401, *Consideration of Fraud in a Financial Statement Audit*."
- e. In the last sentence of paragraph .43, the reference to "AU section 336" is replaced with "AS 1210."
- f. In the last sentence of paragraph .44, the reference to "AU section 322, *The Auditor's Consideration of the Internal Audit Function in an Audit of Financial Statements*" is replaced with "AS 2605, *Consideration of the Internal Audit Function*."
- g. In the second sentence of paragraph .47, the reference to "AU section 325, *Communication of Internal Control Related Matters Noted in an Audit*" is replaced with "AS 1305, *Communications About Control Deficiencies in an Audit of Financial Statements*."
- h. In the last sentence of paragraph .48, the reference to "AU section 350" is replaced with "AS 2315."
- i. In the first sentence of paragraph .50, the reference to "AU section 560" is replaced with "AS 2801."



- j. In footnote 22 to paragraph .68, the reference to "AU section 333, *Management Representations*, paragraph .09" is replaced with "Paragraph .09 of AS 2805, *Management Representations*."

AT sec. 701, "Management's Discussion and Analysis"

AT sec. 701, "Management's Discussion and Analysis," is amended as follows:

- a. The following note is added at the end of paragraph .01:

Note: In connection with an engagement performed in accordance with this attestation standard, whenever the practitioner is required to make reference in a report to attestation standards established by the American Institute of Certified Public Accountants or auditing standards generally accepted in the United States of America, the practitioner must instead refer to "the standards of the Public Company Accounting Oversight Board (United States)." A practitioner must also include the city and state (or city and country, in the case of non-U.S. practitioners) from which the practitioner's report has been issued.

- b. In the last sentence of footnote 6 to paragraph .02:

- The reference to "Statement on Auditing Standards (SAS) No. 71" is deleted.
- The parenthetical reference to "AU section 722, *Interim Financial Information*" is replaced with "AS 4105, *Reviews of Interim Financial Information*."

- c. In footnote 7 to paragraph .02, the reference to "AU section 634" is replaced with "AS 6101."

- d. In paragraph .11a, the reference to "AU section 722, *Interim Financial Information*," is replaced with "AS 4105."

- e. In item (2) of paragraph .14a, the reference to "AU section 722" is replaced with "AS 4105."

- f. In footnote 16 to paragraph .20:

- In the first sentence, the reference to "AU section 329, *Analytical Procedures*" is replaced with "AS 2305, *Substantive Analytical Procedures*."

- In the last sentence, the reference to "AU section 329" is replaced with "AS 2305."
- g. The first sentence of paragraph .39 is deleted.
- h. Footnote 18 to paragraph .44 is deleted.
- i. In paragraph .47:
 - In the third sentence, the reference to "AU section 336" is replaced with "AS 1210."
 - In the last sentence, the reference to "AU section 311, *Planning and Supervision*" is replaced with "AS 1201, *Supervision of the Audit Engagement*."
- j. In the last sentence of paragraph .48, the reference to "AU section 322, *The Auditor's Consideration of the Internal Audit Function in an Audit of Financial Statements*" is replaced with "AS 2605, *Consideration of the Internal Audit Function*."
- k. In the last sentence of paragraph .58:
 - The reference to "AU section 325, *Communication of Internal Control Related Matters Noted in an Audit*" is replaced with "AS 1305, *Communications About Control Deficiencies in an Audit of Financial Statements*."
 - The reference to "AU section 380, *Communication With Audit Committees*" is replaced with "AS 1301, *Communications with Audit Committees*."
- l. In footnote 24 to paragraph .66:
 - In the second sentence, the reference to "AU section 561" is replaced with "AS 2905."
 - In the last sentence, the reference to "AU section 711, *Filings Under Federal Securities Statutes*" is replaced with "AS 4101, *Responsibilities Regarding Filings Under Federal Securities Statutes*."
- m. In footnote 25 to paragraph .66c, the reference to "AU section 337" is replaced with "AS 2505."

- n. In the first sentence of paragraph .102, the reference to "AU section 315, *Communications Between Predecessor and Successor Audits*" is replaced with "AS 2610, *Initial Audits—Communications Between Predecessor and Successor Audits*."
- o. In paragraph .106:
- In the second sentence, the reference to "SAS No. 8" is replaced with "AS 2710."
 - In the last sentence, the reference to "AU section 711, *Filings Under Federal Securities Statutes*," is replaced with "AS 4101."
- p. In footnote 30 to paragraph .107, the reference to "AU section 550, *Information in Documents Containing Audited Financial Statements*," is replaced with "AS 2710."
- q. In the last sentence of paragraph .108, the reference to "AU section 317, *Illegal Acts*, paragraphs .17, .22, and .23)" is replaced with "paragraphs .17, .22, and .23 of AS 2405, *Illegal Acts by Clients*."
- r. In the last sentence of paragraph .109, the reference to "AU section 316" is replaced with "AS 2401."
- s. In footnote 31 to paragraph .110:
- In the first sentence, the reference to "AU section 333, *Management Representations*, paragraph .09" is replaced with "Paragraph .09 of AS 2805, *Management Representations*."
 - In the second sentence, the reference to "AU section 711.10" is replaced with "AS 4101.10."
- t. In the title of Appendix D:
- The reference to "SAS No. 8" is replaced with "AS 2710."
 - Footnote * is deleted.
- u. In the table in paragraph .117, the column heading "SAS No. 8" is replaced with "AS 2710."



Quality Control Standards

QC sec. 20, "System of Quality Control for a CPA Firm's Accounting and Auditing Practice"

QC section ("sec.") 20, "System of Quality Control for a CPA Firm's Accounting and Auditing Practice," is amended as follows:

- a. In the first sentence of paragraph .10, the reference to "AU section 220" is replaced with "AS 1005."
- b. In footnote 7 to paragraph .10, the reference to "AU section 220.02" is replaced with "AS 1005.02."
- c. In the last sentence of paragraph .18, the reference to "PCAOB Auditing Standard No. 7" is replaced with "AS 1220."

Ethics and Independence Standards

ET sec. 101, "Independence"

ET sec. 101, "Independence," is amended as follows:

- a. The note in paragraph .05 is deleted.

ET sec. 102, "Integrity and Objectivity"

ET sec. 102, "Integrity and Objectivity," is amended as follows:

- a. In footnote 1 to paragraph .05, the reference to "paragraph 5.b. of Auditing Standard No. 10, *Supervision of the Audit Engagement*, and paragraph 12.d. of Auditing Standard No. 3, *Audit Documentation*" is replaced with "paragraph .05b of AS 1201, *Supervision of the Audit Engagement*, and paragraph .12d of AS 1215, *Audit Documentation*."