

AUDITING STANDARDS BOARD (ASB)
Teleconference Meeting Highlights
December 16, 2015

MEETING ATTENDANCE

ASB Members

Bruce Webb, *Chair*
Hunter Cook
Gerry Boaz
Jack Fuchs
Liz Gantnier
Steve Glover
Jennifer Haskell
Sandra Johnigan
Ilene Kassman
Ryan Kaye
Don M. Pallais
Marc Panucci
Josh Partlow
Rick Reisig
Mike Santay
Catherine Schweigel
Chris Smith
Absent
Dan Hevia
David Miller

Incoming ASB Members

Marcia Marien
Richard Miller
Steven Morrison
Jere Shawver
Chad Singletary

AICPA Staff

Dave Arman, *Content Development*
Linda Delahanty, *Audit & Attest Standards*
Mike Glynn, *Audit & Attest Standards*
Ahava Goldman, *Audit & Attest Standards*
Hiram Hasty, *Audit & Attest Standards*
Chuck Landes, *Professional Standards*
Teighlor March, *Assistant General Counsel*
Judith Sherinsky, *Audit & Attest Standards*
Linda Volkert, *PCPS Technical Issues Committee*

Observers and Guests

Sally Ann Bailey, *Deloitte & Touche LLP*
Jim Dalkin, *GAO*
Allen DeLeon, *DeLeon & Stang*
Courtney Drake, *EY LLP*
Harrison Greene, Jr., *Federal Deposit Insurance Corporation*
Bridget Gyofri, *KPMG LLP*
Jan Herringer, *BDO*
Wes Kelly, *SEC*
Susan Jones, *KPMG LLP*
Sara Lord, *RSM*
Sharon Romere-Nix, *Thompson Reuters*
Laura Schuetze, *Grant Thornton*
Kevin Stout, *SEC*

1. Amendment to AU-C Section 700

The ASB voted unanimously to ballot for issuance as a final standard the proposed Statement on Auditing Standards, *Amendment to Statement on Auditing Standards No. 122 Section 700, Forming an Opinion and Reporting on Financial Statements*.

The ASB discussed the effective date and directed that the amendment be effective for audit of financial statements for periods ending on or after June 15, 2016. Publicity material will stress that early adoption is permitted.

The ASB directed that the following changes be made to the draft:

- In paragraphs .44, .A43, and .A45, insert “of the financial statements” after “audit”.
- Refer to the “audit” being within the jurisdiction of the PCAOB, not the “auditor”.
- Par. 1a, change “Clarifies” to “Reminds auditors”. Subsequently, additional edits were made to make the wording consistent with paragraph .44.
- Par. 1c, change “entities” to “audits”. Additional edits to be consistent with par. .A45 were made.
- Par. 1d, deleted “as Required by Paragraph .44”.
- Par. .44, change “of an entity that” to “the PCAOB and the audit”; insert “also” after “required to”; and delete “auditing” before “standards”. The same deletion was made in par. 1b and .A44.
- Par. .A43, delete “of the financial statements of those entities”, and move the last sentence to the end of par. .A44.
- Par. .44 and 1b, change “specified” to “required”.
- Par. .44, changed “all the PCAOB rules, auditing and related attestation standards, and quality control, ethics, and independence standards” to “the related professional practice standards of the PCAOB, including its independence rules”; deleted “of an entity whose audits are not within the jurisdiction of the PCAOB; and changed “In certain circumstances” to “Additionally”.
- Par. .A45, inserted “(or auditing standards)” after “standards”; and changed “audits of clearing agencies” to “audits for clearing agencies”.
- Illustration 6, first bullet, insert “of an entity whose audit is not within the jurisdiction of the PCAOB” after “comparative”. Make what followed a separate bullet. Delete “when” and “management’s assessment of the effectiveness of”.
- Illustration 6, penultimate bullet, delete “of an entity that is not within the jurisdiction of the PCAOB. As a result, the auditor”; insert “and”.
- Illustration 6, last bullet, end the sentence at “auditor’s report” and delete what follows.
- Illustrative report, reinstate footnote 1. Second paragraph, add a footnote to “auditing standards of the PCAOB” stating “When the audit is conducted in accordance with all professional practice standards of the PCAOB, omit the word “auditing”.”