



## **ASB Meeting, July 22-25, 2019**

The ASB met in Dallas, Texas on July 22-25, 2019. The ASB welcomed incoming members Brad Ames, Harry Cohen, Jeanne Dee, Jon Heath and Aaron Saito.

Below is a summary of the topics discussed.

### **Estimates**

The ASB voted unanimously to ballot proposed SAS *Auditing Accounting Estimates and Related Disclosures*, for issuance as an exposure draft with a 90-day comment period. The proposed SAS would supersede AU-C section 540, *Auditing Accounting Estimates, Including Fair Value Accounting Estimates, and Related Disclosures*.

### **Conforming Amendments**

The ASB discussed proposed amendments to conform the following AU-C sections to SAS No. 134, *Auditor Reporting and Amendments, Including Amendments Addressing Disclosures in the Audit of Statements*:

- AU-C section 800, *Special Considerations—Audits of Financial Statements Prepared in Accordance With Special Purpose Frameworks*
- AU-C section 805, *Special Considerations—Audits of Single Financial Statements and Specific Elements, Accounts, or Items of a Financial Statement*
- AU-C section 810, *Engagements to Report on Summary Financial Statements*

and voted to ballot for issuance as an exposure draft proposed SAS *Amendments to AU-C Sections 800, 805, and 810 to Incorporate Auditor Reporting Changes from SAS No. 134*.

The ASB separately discussed proposed conforming amendments, arising from the issuance of SAS No. 134, to the following AU-C sections:

- AU-C section 930, *Interim Financial Information*
- AU-C section 935, *Compliance Audits*
- AU-C section 940, *An Audit of Internal Control Over Financial Reporting That Is Integrated With an Audit of Financial Statements*

The ASB also discussed proposed amendments to conform the following AU-C sections to SAS No. 137, *The Auditor's Responsibilities Relating to Other Information Included in Annual Reports*:

- Section 725, *Supplementary Information in Relation to the Financial Statements as a Whole*
- Section 730, *Required Supplementary Information*

These proposed amendments will be brought back to the ASB at its October meeting for balloting to issue for exposure.

### **Attestation Standards**

The ASB discussed a draft of proposed AT-C section 215, *Agreed-Upon Procedures Engagements*, and proposed revisions to AT-C section 105, *Concepts Common to All Attestation Engagements*, specific to the revised agreed-upon procedures standard.

The significant feedback and conclusions reached were as follows:

- Because of issues regarding the practitioner's independence considerations resulting from proposed revised AT-C section 215, the ASB requested that the draft Q&A document that the Professional Ethics Executive Committee is considering for issuance simultaneously with the issuance of revised AT-C section 215 be included in the agenda materials for the October 2019 ASB meeting.
- Requirements and guidance with respect to adding specified parties to the practitioner's agreed-upon procedures report after the release of the practitioner's report should be added to the proposed revised AT-C section 215.
- The proposed requirement to communicate to the responsible party known and suspected fraud and noncompliance with laws and regulations should be reviewed to assure that the requirement is properly stated in accordance with the practitioner's responsibilities pursuant to the AICPA Code of Professional Conduct.

A revised draft of proposed revised AT-C section 215, and proposed amendments to AT-C section 105, will be brought to the ASB at its October 2019 meeting for a vote to ballot to issue proposed revised AT-C section 215 as a final standard, which will include related amendments to AT-C section 105.

The ASB will address issues remaining related to finalizing AT-C section 205, *Examination Engagements*, and AT-C section 210, *Review Engagements*, at future meetings.

### **Other Matters**

The ASB discussed IAASB projects on Risk Assessment, Quality Management and Group Audits, including a issues related convergence with the resultant IAASB standards.