

More new auditor reporting standards

What happened?

In March 2020, the AICPA Auditing Standards Board (ASB) issued Statement on Auditing Standards (SAS) No. 139, *Amendments to AU-C Sections 800, 805, and 810 to Incorporate Auditor Reporting Changes From SAS No. 134*. As indicated by its title, the SAS amends the following AU-C sections in AICPA *Professional Standards*:

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

What has changed?

SAS No. 139 aligns these three AU-C sections (the AU-C 800 series) with the [relevant auditor reporting standards in SAS No. 134](#), thereby updating the form and content of auditors' reports addressed in the AU-C 800 series to be more consistent with the standards of the International Auditing and Assurance Standards Board and recent updates to PCAOB standards. Following is a brief description of the types of financial statements and auditor reporting addressed in the AU-C 800 series and the changes to the AU-C 800 series included in SAS No. 139:

- **Section 800.** Requires that a statement be added to the auditor's report indicating that the financial statements may not be suitable for another purpose when a description of the purpose for which the financial statements are prepared or a reference to a note in the special purpose financial statements that contains that information is required. (This description is required when financial statements are prepared on a regulatory or contractual basis of accounting or an other basis of accounting, and the auditor is required to restrict use of the

SAS No. 139 is another step in finalizing our Auditor Reporting suite of standards. These revised auditor's reports involving special purpose accounting frameworks and other unique reporting scenarios provide additional transparency into the basis for the auditor's opinion and the responsibilities of both entity management and auditors.

auditor's report by paragraph .06a–b of section 905, *Alert That Restricts the Use of the Auditor's Written Communication*.)

- **Section 805.** Addresses factors to consider in determining whether a matter included in the auditor's report on the complete set of financial statements is relevant in the context of an engagement to report on a single financial statement or a specific element of a financial statement.
- **Section 810.** Adds application paragraphs to AU-C 810 indicating that although the auditor is required to include a statement in the auditor's report on the summary financial statements when the auditor's report on the audited financial statements includes communication of one or more key audit matters, the auditor is not required to describe the individual key audit matters or repeat the corresponding text in its entirety in the auditor's report on the summary financial statements

The amendments to the AU-C 800 series also reflect the recent issuance of the following SASs:

- [SAS No. 136](#), *Forming an Opinion and Reporting on Financial Statements of Employee Benefit Plans Subject to ERISA*
- [SAS No. 137](#), *The Auditor's Responsibilities Relating to Other Information Included in Annual Reports*

Next steps

SAS No. 139 is effective for periods ending on or after December 15, 2020. Early implementation is not permitted. [SAS No. 139 is available for auditors to read and consider in order to prepare for implementation.](#)