



California
Society
Certified
Public
Accountants

May 15, 2009

Sherry Hazel
Audit and Attest Standards
AICPA
1211 Avenue of the Americas
New York, NY 10036-8775

RE: Proposed Statement on Auditing Standards, *Planning an Audit* (Redrafted)

Dear Ms. Hazel:

The Accounting Principles and Auditing Standards Committee of the California Society of Certified Public Accountants (the Committee) has discussed the above-referenced exposure draft and is pleased to have the opportunity to provide comments on it.

The AP&AS Committee is the senior technical committee of CALCPA. CALCPA has approximately 32,000 members. The Committee is comprised of 50 members, of whom 67 percent are from local or regional firms, 23 percent are sole practitioners in public practice, 5 percent are in industry and 5 percent are in academia.

In response to the questions posed:

1. We believe the auditor's objectives are appropriate but that the statement of objective needs to be reworded. Although the SASs clearly indicate that there is an overall objective of the engagement and specific objectives for each component, of which this is one, it is too easy to be taken out of context.
2. We believe that revisions from the existing standards to converge with the ISAs seem appropriate.
3. We believe that, for the most part, the differences between the proposed SAS and the ISAs, as identified in Exhibit A, seem appropriate with the exception of certain wording in relation to the use of a specialist. We believe that the Other Explanatory Material implies that this section relates exclusively to the use of IT specialists and should be expanded to include a broader range of specialists.
4. We believe that considerations for audits of smaller, less complex entities and governmental entities seem to have been dealt with appropriately.

Specific edit recommendations are as follows:

In keeping with the response to question #1 above, we suggest the following modification to Paragraph 3:

“The objective of the auditor in relation to planning the engagement is to plan the audit so that it will be performed in an effective manner.”

In keeping with the response to question #3 above, we suggest the following be inserted as new Paragraph A19, changing current Paragraph A19 to A20, etc.:

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"A19. An auditor may decide to seek the assistance of a professional with specialized skills necessary to complete various aspects of the engagement. These may include valuation experts, appraisers, actuaries, tax specialists, and IT Professionals. Several factors will be considered in determining whether such a professional is needed.

A20. The use of professionals possessing IT skills, for example, to determine the effect of IT..."

In addition, we believe that the use of standard audit programs or audit checklists is common in the profession but the inclusion of such, by reference, may lead auditors to believe that these are required or, at least suggested. As a result, we believe the last sentence should be deleted from current paragraph A22 of the proposed standard so that it will end with "...approved prior to their performance."

We thank you for the opportunity to comment on this matter. We would be glad to discuss our opinions with you further should you have any questions or require additional information.

Very truly yours,



JoAnn Guattery, Chair
Accounting Principles and Auditing Standards Committee
California Society of Certified Public Accountants