



1235 Radio Road
Redwood City CA 94065
(800) 922-5272
www.calcpa.org

December 31, 2009

Sherry Hazel
shazel@aicpa.org
Audit and Attest Standards
AICPA
1211 Avenue of the Americas
New York, NY 10036-8775

RE: Proposed Statement on Auditing Standards, Reporting on Financial Statements Prepared in Accordance With a Financial Reporting Framework Generally Accepted in Another Country

Dear Ms. Hazel:

The Accounting Principles and Auditing Standards Committee (the AP&AS Committee) of the California Society of Certified Public Accountants (CALCPA) is pleased to provide our comments to the Auditing Standards Board (the "Board") on the proposed standard.

The AP&AS Committee is the senior technical committee of the 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.

Following is a summary of the Committee's responses to the proposed SAS for your consideration.

On the whole, we agree with the proposed SAS and we feel that it results in a better document than the existing standard except as noted below. We are particularly supportive of converting the consideration of consulting with persons having expertise in auditing and accounting standards in another country to application material.

Specific Questions

1. Is the objective of the auditor appropriate?

The committee believes the objective is appropriate.

2. Are revisions from the existing standards to the clarified standard, appropriate?

The committee believes the revisions are appropriate.

3. Have considerations for audits of smaller, less complex entities and governmental entities been dealt with appropriately?

The committee believes that smaller less complex entities and governmental entities have been dealt with appropriately.

Following are points for your consideration:

A majority of committee members believes the use of the term “more than limited use” is difficult to interpret and apply. Requiring that an auditor’s report on financial statements prepared in accordance with a financial reporting framework generally accepted in another country that will have any use in the United States be restricted to use by specified parties is a viable option.

If the report in Appendix A is retained without restrictive language, the committee feels it would be appropriate in the explanatory paragraph to highlight significant departures from GAAP where applicable.

It would be helpful to provide clarity between Paragraph 12, paragraph A6 and Appendix A. Paragraph 12 refers to “more than limited use in the United States, paragraph A 6 refers to “more than limited use in the United States and use outside the United States, and appendix A refers to “more than limited use in the United States”. It appears that appendix A matches the description of the report format outlined in paragraph A6, b. Should the title for appendix A therefore include “and use outside the United States”?

Paragraph A5 reads: Statutes or professional literature describing auditing standards generally accepted in another country, “or”, may not be..... It appears that “or” is unnecessary.

Very truly yours,

A handwritten signature in cursive script, appearing to read "JoAnn Guattery".

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