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May 17, 2010

Mike Glynn

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Audit and Attest Standards

AICPA

1211 Avenue of the Americas

New York, NY 10036-8775

RE: Proposed Statement on Auditing Standards, *Analytical Procedures* (Redrafted)

Dear Mr. Glynn:

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 35,000 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.

We also encourage the ASB to continue to monitor changes in accounting and financial reporting standards being developed by the Financial Accounting Standards Board and the International Accounting Standards Board to insure auditing standards parallel these changes.

Specific Questions

1. Is the objective of the auditor appropriate?

The committee believes the auditor objectives are appropriate.

2. Are the revisions made to converge the existing standard with ISA 520 appropriate?

The committee believes the revisions are appropriate.

3. Are the differences between the proposed SAS and ISA 520 identified in the exhibit, and other language changes, appropriate?

The committee believes the differences identified are appropriate.

4. 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. Please see items for consideration listed below.

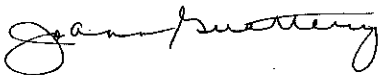
General comments for consideration:

Paragraph A15 identifies one possible example where governmental and business entities differ in developing and applying analytical procedures. A more common issue in the governmental arena compared to business is the difficulty in trending significant revenues. Also common with governmental entities is that they may make significant modifications to their budgets in order to maintain legal compliance, and therefore budget to actual comparisons may not be appropriate as a substantive procedure. It might be useful to address these issues in this paragraph. Although it is covered elsewhere in the standards, it might also add clarity to note that due to these issues, the auditor may need to perform other alternative substantive procedures.

Paragraph 7, A 25 and A26 – It is not clear at what point the auditor might revise expectations versus perform additional audit procedures. Given this would be a matter of auditors judgment, it might be helpful to note this in the application and other explanatory section.

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

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