

May 17, 2010

Sherry Hazel
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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, *Consistency of Financial Statements*

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 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.

On the whole, we agree with the proposed SAS and we feel that it addresses concerns over the clarity, length, and complexity of SAS No. 1, section 420 *Consistency of Application of Generally Accepted Accounting Principles* as amended.

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 that due to the fact that the scope, paragraph 1, and the requirements, paragraph 5, include the term “evaluation” or “evaluating” the consistency of the financial statements, then the objective should as well. Otherwise, it is awkward to read and interpret.

2. Are the revisions from the existing standard appropriate?

The committee believes the revisions are appropriate except as follows:

Paragraph A7 and A8 examples use the term “qualified” in the last sentence. The committee believes the term “modified” should be used to be consistent with the terminology in proposed SAS *Modifications to the opinion in the Independent Auditor’s Report*.

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.

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, reading "JoAnn Guattery".

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