

February 3, 2021

AICPA Auditing Standards Board
CommentLetters@aicpa-cima.com

Re: **PROPOSED STATEMENT ON AUDITING STANDARDS
AMENDMENTS TO AU-C SECTIONS 501, 540, and 620 RELATED TO THE USE
OF SPECIALISTS AND THE USE OF PRICING INFORMATION OBTAINED
FROM EXTERNAL INFORMATION SOURCES**

The California Society of CPA's ("CalCPA") Accounting Principles and Assurance Services Committee (the "Committee") is the senior technical committee of CalCPA. CalCPA has approximately 42,600 members. The Committee consists of 54 members, of whom 45 percent are from local or regional firms, 32 percent are from large multi-office CPA firms, 12 percent are sole practitioners in public practice, 6 percent are in academia and 5 percent are in international firms. Members of the Committee are with CPA firms serving a large number of public and nonpublic business entities, as well as many non-business entities such as not-for-profits, pension plans and governmental organizations.

The Committee's Views on the Proposed Statement on Auditing Standards:

- 1. Do you agree that the proposed amendments to incorporate appendix A, "Special Topics," of AS 2501 as guidance to AU-C section 540 are appropriate? If not, why not?**

Yes, the Committee believes the information in Appendix A of Topic AS 2501 provides more specific guidance to auditors and therefore, believe it should be incorporated into AU-C Section 540.

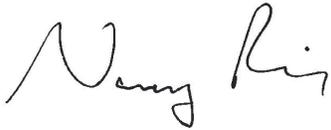
- 2. Do you believe the amendments to incorporate appendix A, "Special Topics," of AS 2501 into AU-C section 540 should include requirements? If so, please specify which paragraphs of appendix A, "Special Topics," of AS 2501 should be included as requirements.**

We agree with the ASB that incorporating additional requirements into AU-C would be redundant and inconsistent with a principles based auditing standard. As noted above, though, we do not take issue with any of the practice guidance in Appendix A and believe the inclusion of this material will provide helpful suggestions as to what is expected when auditing financial instruments.

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

Sincerely,

A handwritten signature in black ink that reads "Nancy Rix". The signature is written in a cursive style with a large initial "N" and a distinct "Rix" at the end.

Nancy A. Rix, Chair
Accounting Principles and Assurance Services Committee
California Society of Certified Public Accountants