

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

unintended changes to previous practice as a result of its Clarity Project.

Jul. 30, 2014

The Auditing Standards Board (ASB) has amended its Statement on Auditing Standards (SAS) No. 129, *Amendment to Statement on Auditing Standards No. 122 Section 920, Letters for Underwriters and Certain Other Requesting Parties*. The changes, which take effect December 15, 2014, are meant to address unintended changes to previous practice as a result of its Clarity Project.

AU-C section 920 addresses the auditor's responsibilities when engaged to issue letters (commonly referred to as *comfort letters*) to requesting parties in connection with a nonissuer entity's financial statements included in a registration statement or other securities offerings. This amendment

- Amends the requirement to inform the requesting party that the auditor cannot provide any assurance regarding the sufficiency of the procedures for the requesting party's purposes by changing "state in any discussion" to "communicate" so as to provide the auditor with more flexibility in making this required communication.
- Clarifies that the requirement for the auditor to read the comfort letter issued by component auditors whose report is included in the securities offering applies to each component auditor, not only those comfort letters related to significant components.
- Amends the requirement to attach the review report when the auditor states in the comfort letter that the auditor has performed a review of unaudited interim financial information to a requirement to attach the review report when the auditor states in the comfort letter that the auditor has issued a review report on unaudited interim financial information.

- Amends application material to indicate that attaching the review report on

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

information as to compliance with pro forma rules as discussed in the pro forma financial information.

- Amends example O to include wording to address procedures performed with regard to pro forma information and subsequent change period not previously carried forward from AU section 634, *Letters for Underwriters and Certain Other Requesting Parties*.
- Makes additional editorial changes for clarity and consistency.

Accounting • AICPA • Auditing

CPA Practice Advisor is registered with the National Association of State Boards of Accountancy (NASBA) as a sponsor of continuing professional education on the National Registry of CPE Sponsors.

© 2024 Firmworks, LLC. All rights reserved