



October 8, 2012

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Mr. James Gunn
Technical Director
International Auditing and Assurance Standards Board
545 Fifth Avenue, 14th Floor
New York, New York 10017 USA

Re: Invitation to Comment on Improving the Auditor's Report

Dear Mr. Gunn,

The Center for Audit Quality (CAQ) is an autonomous public policy organization dedicated to enhancing investor confidence and public trust in the global capital markets. The CAQ fosters high quality performance by public company auditors, convenes and collaborates with other stakeholders to advance the discussion of critical issues requiring action and intervention, and advocates policies and standards that promote public company auditors' objectivity, effectiveness and responsiveness to dynamic market conditions. Based in Washington, D.C., the CAQ is affiliated with the American Institute of Certified Public Accountants.

The CAQ welcomes the opportunity to comment on the International Auditing and Assurance Standards Board's (IAASB) Invitation to Comment, *Improving the Auditor's Report* (Invitation to Comment). This letter represents the observations of the CAQ, but not necessarily the views of any specific firm, individual, or CAQ Governing Board member.

The IAASB's consideration of improvements to the auditor's report coincides with similar efforts underway in the United States. The CAQ believes that the views set forth in this letter are generally applicable to changes to the auditor's reporting model being contemplated in the United States by the Public Company Accounting Oversight Board (PCAOB) as well as standard setters in other jurisdictions. We encourage continued coordination to pursue potential changes that are broadly consistent globally.

The CAQ appreciates the thoughtful content put forth by the IAASB in the Invitation to Comment and the related outreach to financial statement users (users), management, those charged with governance, the auditing profession, and other stakeholders to further inform its thinking in this important area.

As noted in past comment letters¹ to the IAASB and the PCAOB, we support the ongoing evaluation of potential improvements to the auditor's reporting model and financial reporting more broadly. As described more fully below, we support a number of the proposed improvements described in the Invitation to Comment, including clarifying certain language within the auditor's report and expanding auditor reporting in the form of emphasis paragraphs to highlight certain disclosures in the financial statements.

I. Holistic Approach Necessary for Responsible Change

To elicit meaningful change that best serves the information needs of financial statement users, the CAQ encourages a holistic examination of opportunities for improvement in the roles and responsibilities of all members of the financial reporting supply chain, including entity management, the independent auditor, those charged with governance, regulators, and standard setters. The CAQ recognizes that changes to the auditor's reporting model are warranted to respond to the evolving needs of users, and is committed to responsible change. However, for changes in auditor reporting to be most meaningful, we believe improvements in the following areas also should be further explored: (i) whether changes are necessary to reduce financial reporting complexity and allow for financial statements to more effectively communicate the most important matters that face the entity and underlie the preparation of the financial statements; (ii) whether those charged with governance could provide further information about their oversight of the entity's financial reporting processes and external audit; and (iii) whether enhanced compliance efforts by regulators are necessary to help provide that financial statements convey the information intended under the relevant financial reporting framework.

II. CAQ Commitment to Responsible Change

The CAQ has dedicated significant effort to evaluating possible changes to the auditor's reporting model. In 2010, the CAQ established the overarching principles below to guide thoughtful consideration of potential recommendations for change. These principles have guided the CAQ's views on possible changes to the auditor's reporting model set forth in past comment letters² to the IAASB and the PCAOB, as well as the views shared herein:

- a. Auditors should not be the original source of information about the entity; management's responsibility should be preserved in this regard.
- b. Any changes to the reporting model need to enhance, or at least maintain, audit quality.
- c. Any changes to the reporting model should narrow, or at least not expand, the expectations gap.
- d. Any changes to the reporting model should add value and not lead to financial statement user misunderstanding.
- e. Auditor reporting should focus on the objective rather than the subjective. Financial reporting matters assessed by the auditor can be highly subjective; however it is important that auditor communications provide objective information about these matters.

III. General Comments on Changes to Auditor's Reporting Model

Consistent with past comment letters³ to the IAASB and the PCAOB on the auditor's reporting model, the CAQ supports retaining the pass/fail model for the auditor's report, as well as the following changes to enhance the information provided by the auditor to financial statements users:

¹ Refer to CAQ comment letter to the IAASB dated September 15, 2011. Available at:

<http://www.thecaq.org/publicpolicy/CommentLetter/CAQCommentLetter-IAASBConsultationPaperonValueofAuditorReporting.pdf>

Refer to CAQ comment letter to the PCAOB dated September 30, 2011. Available at:

<http://www.thecaq.org/newsroom/pdfs/CAQCommentLetter-AuditorsReportingModel.pdf>

² Ibid.

³ Ibid.

- Clarifying certain language within the auditor’s report to enhance financial statement users’ understanding of the auditor’s role and responsibilities, the audit process in general, and the responsibilities of others in the financial reporting supply chain.
- Expanding auditor reporting in the form of required emphasis of matter paragraphs to highlight disclosures in the financial statements that the auditor judges are likely to be most important in the context of a user’s understanding of the financial statements taken as a whole.
- Supporting auditor attestation on certain elements of management’s commentary located outside of the financial statements (e.g., areas of significant management judgment, such as critical accounting policies and estimates) that are of particular importance to financial statement users, to the extent user demand exists.

The CAQ appreciates the outreach that the IAASB has conducted through its Invitation to Comment and the related roundtables. We believe that additional outreach will be critical in considering proposed modifications to the auditor’s report and developing the framework(s) necessary to support any proposed changes. For example, the IAASB could pursue field testing with auditors, reporting entities, and financial statement users to assess whether the changes contemplated, including proposed criteria within the applicable framework, are responsive to the evolving needs of users, and to identify any practical challenges that should be addressed. Additionally, the IAASB could create and socialize examples of how the proposed approach could be implemented in practice, considering the most commonly used accounting frameworks. Developing and sharing such examples could foster a better understanding of how the proposed changes may work in practice, and also assist in identifying possible implementation challenges.

IV. Views on Auditor Commentary

The Auditor Commentary approach presented in the Invitation to Comment includes a number of potential changes to auditor reporting, including the required use of emphasis of matter paragraphs. As discussed more fully below, the CAQ is supportive of highlighting matters that, in the auditor’s judgment, are likely to be most important in the context of a user’s understanding of the financial statements taken as a whole. Consistent with the CAQ’s overarching principles, we believe that emphasis paragraphs should provide a brief, factual and objective description of the matter, drawn from management’s disclosure within the audited financial statements, and should refer the reader to where the matter has been disclosed by management. Emphasis paragraphs should not refer to other information communicated by management outside of the audited financial statements and should not describe the following types of information:

- a. Audit procedures and/or auditor judgments (e.g., related to audit scope, strategy, procedures, or results), and/or
- b. Auditor impressions or perspectives on subjective financial reporting matters assessed during the audit (e.g., the quality of the entity’s accounting policies or whether the entity’s estimates or judgments are conservative or aggressive).

While we recognize that some stakeholders have requested additional information unique to the audit and the auditor’s views on areas of the financial statements, public reporting by auditors of such information runs contrary to the CAQ’s overarching principles and could result in significant unintended consequences. For these reasons, we do not believe that communicating such information would be appropriate as we discuss in more detail below.

Public reporting of unique information with respect to the audit, including complex audit procedures and the auditor’s impressions on subjective financial reporting matters could be misleading and widen the expectations gap, given that financial statement users do not possess - nor do they have the opportunity to obtain - the appropriate context necessary to consider this information. Those charged with governance have the benefit of robust, periodic communications with the auditor throughout the year to explore often complex matters at an appropriate level of detail. Those charged with governance also leverage information derived through their oversight of the financial reporting process to provide further context for such communications. Attempts to

succinctly describe significant and often complex audit procedures and/or the auditor's impressions of subjective financial reporting matters in emphasis paragraphs would not provide an adequate description or convey appropriate context to financial statement users. Further, efforts to provide users with appropriate context through more thorough descriptions could contribute to "disclosure overload" and detract from the purpose of providing more useful information.

It also would be very difficult for audit firms to provide consistency in the form and content of emphasis paragraphs that describe the auditor's impressions of subjective financial reporting matters. One auditor's impression of a subjective matter may differ from that of another. Such inconsistency could diminish the comparability of financial statements between different entities, including those in similar industries, potentially to the detriment of an entity in comparison to its peers.

The CAQ also is concerned that public reporting of such information would undermine the role of those charged with governance. While the auditor routinely communicates information related to audit procedures and the auditor's impressions of subjective financial reporting matters to those charged with governance, public reporting of this information could result in less robust discussions between the auditor, management and those charged with governance for fear that such information would result in required communications in the auditor's report. Any breakdown in such communication would negatively impact the effectiveness of those charged with governance in overseeing the financial reporting process and the external auditor, to the detriment of audit quality. In the United States, any such breakdown could erode the significant improvements in the oversight of the financial reporting process and external audit by the audit committee, which is independent of management and charged with these responsibilities since the passage of the Sarbanes-Oxley Act of 2002.

Additionally, public reporting of information such as the auditor's impressions of subjective financial reporting matters could result in the auditor communicating original information about the entity, resulting in a fundamental shift from the auditor attesting to information disclosed by management to providing original information about the entity. The auditor communicating original information about the entity could result in information that competes with management's disclosures, for example in instances where the auditor's discussion on risks differs from that of management, possibly resulting in misinterpretation. Further, the auditor communicating original information about the entity could lead financial statement users to incorrectly infer that the auditor has some degree of responsibility for the preparation of the financial statements. These concerns are consistent with those shared by participants at the CAQ's role of the auditor events.⁴ In particular, these individuals strongly believed that the auditor should not communicate original information about the entity; rather, the auditor's established role of attesting to information provided by management should be retained.

V. Possible Emphasis of Matter Framework

According to outreach conducted by the IAASB, the PCAOB and the CAQ,⁵ some users find that it is often difficult to identify the matters that have or could have the most significant effect on an entity's financial position or results. Some users believe that the auditor could assist by providing a "roadmap" to help users better navigate complex financial statements.

The CAQ believes that an appropriately designed emphasis of matter framework could be responsive to the evolving information needs of financial statement users. Such an approach would utilize emphasis paragraphs to highlight disclosures within the financial statements that the auditor judges likely to be "most important" in the

⁴ During 2011 and 2012 the CAQ convened a series of roundtables and a workshop, with the full range of financial reporting stakeholders, to explore how the auditor's role could evolve to better meet the needs of financial statement users, in a manner consistent with audit quality and investor protection. Observations from these events are summarized in the following reports:

Refer to *CAQ Observations on the Evolving Role of the Auditor: A Summary of Stakeholder Discussions*.

Available at: <http://www.thecaq.org/publications/EvolvingRoleoftheAuditor.pdf>

Refer to *CAQ Summary of Workshop on the Evolving Role of the Auditor*.

Available at: <http://www.thecaq.org/publications/WorkshopEvolvingRoleoftheAuditor.pdf>

⁵ Ibid.

context of a user's understanding of the financial statements taken as a whole, and direct financial statement users to where those matters are disclosed in the audited financial statements.

The effectiveness of an emphasis of matter framework will depend upon the extent to which it appropriately guides the auditor's assessment of (i) what matters should be emphasized in the audit report, and (ii) the form and content of such emphasis paragraphs. The CAQ has developed a potential framework, included in Appendix A to this letter, which is designed to guide the auditor in making these important judgments. Under this framework, it is critical that financial statement users recognize that the matters emphasized should be not be considered in isolation, rather users should consider such matters in the context of the financial statements taken as a whole, and continue to carefully read the audited financial statements in their entirety. While our suggested framework reflects preliminary thinking and may require further modification, we believe this approach could lead to meaningful improvements in the information provided to financial statement users.

The framework includes a two-step process to guide the auditor's judgment in identifying the matters to emphasize in the auditor's report. The first step of the process would require the auditor to identify and consider matters included in the audited financial statements that could warrant emphasis. Similar to the criteria described in the Invitation to Comment, the auditor could consider those areas requiring significant management judgment, for example, highly subjective estimates, significant unusual transactions, or other material risks and uncertainties. The second step in the framework includes criteria that are intended to guide the determination of which matters would likely be most appropriate for emphasis, through the auditor's consideration of those matters identified in step one that were the subject of significant engagement with those charged with governance and/or considered the most significant or challenging from an audit perspective.

We believe this framework has several benefits in addition to being responsive to needs of financial statement users. First, it would result in an objective, factual communication from the auditor that directs the user to where important matters are disclosed in the audited financial statements. It retains the established role of the auditor attesting to information provided by management, avoiding many of the unintended consequences discussed in Section IV above. Second, it could enhance management's focus on these disclosures, improving the quality of information provided to financial statement users. Third, it could further enhance the dialogue between the auditor and those charged with governance on these important areas in the financial statements; this dialogue would be a valuable component of the process for determining which matters to emphasize. Lastly, it is respectful of the unique roles and responsibilities that management, auditors, and those charged with governance play in the financial reporting process.

VI. Views on the Addition of Clarifying Language to the Auditor's Report

The CAQ supports the addition of clarifying language to the auditor's report to narrow the expectations gap and enhance the financial statement user's understanding of the auditor's role and responsibilities, the audit process generally, and the roles and responsibilities of other critical stakeholders in the financial reporting supply chain. In particular, we support clarifying the following, as contemplated in the Invitation to Comment: (i) the auditor's responsibility for financial statement disclosures; (ii) the responsibilities of those charged with governance; (iii) the auditor's responsibility for fraud; (iv) the meaning of the term "reasonable assurance;" (v) the meaning of the term "material misstatement;" and (vi) the auditor's responsibility with respect to other information (discussed more fully below).

We also suggest that the IAASB consider additional clarifying language related to: (i) management's responsibility for the preparation and presentation of the annual report and information outside the financial statements in accordance with applicable rules and regulations by jurisdiction (e.g., management commentary); and (ii) the auditor's responsibility in the event that financial statements are not presented in accordance with the applicable financial reporting framework, or where audit scope is limited.

Views on Other Information

The CAQ supports the addition of clarifications to the auditor's report regarding the auditor's responsibility with respect to other information. However, we do believe there is a risk that such clarifications may be misinterpreted by financial statement users as conveying an opinion or some other level of assurance on this other information. To mitigate this risk, the CAQ suggests that the IAASB consider expanding the standard language in this section of the auditor's report to more fully describe the responsibility of the auditor with respect to other information. This could include, for example, a description of the auditor's obligation under professional standards to:

- Read other information to identify material inconsistencies with the audited financial statements, if any.
- Discuss with management and/or those charged with governance any material inconsistencies identified and determine whether the audited financial statements or other information needs to be revised.
- Identify in the audit report any material inconsistencies that are not addressed to the auditor's satisfaction.

Further, in addition to stating that the other information is not audited and that no opinion is expressed on it, we suggest that the standard auditor's report language clearly indicate that the auditor is not providing any other form of assurance (i.e., negative assurance) on such information.

VII. Views on Transparency

The Invitation to Comment contemplates changes to the auditor's report to identify the engagement partner and provide information regarding other audit participants.

Identification of the Engagement Partner

As noted in the CAQ's January 9, 2012 comment letter⁶ to the PCAOB on its transparency proposal, the CAQ does not believe identification of the engagement partner in the auditor's report, or elsewhere, would result in any incremental engagement partner accountability due to existing engagement partner accountability to the firm, partners within the firm, those charged with governance, regulators, and financial statement users. We also believe that identification of the engagement partner could present unique challenges in certain jurisdictions under local law. For example, there are liability considerations that could result from engagement partner identification in the auditor's report in the United States due to requirements in federal securities laws as well as state and local laws. Should the IAASB determine that providing such information might be appropriate, we suggest that any such requirement be established by national standard-setters who can do so in the context of their own unique jurisdictional environment.

Involvement of Other Audit Participants

Consistent with past comment letters⁷ to the PCAOB, the CAQ supports providing a description in the auditor's report of the role and responsibilities of both the principal auditor and other auditor(s) as well as information regarding the participation of others in the audit. Accordingly, we support the IAASB's ongoing consideration of whether financial statement users would find additional information on the extent of participation of other auditors in the audit meaningful, or whether providing such information could detract from the "sole responsibility" principle. Should the IAASB determine that financial statement users would find such information useful, we believe that information related to the involvement of other auditors would be more appropriately reported in a stand-alone section of the auditor's report, rather than as a possible matter to emphasize in Auditor Commentary as contemplated in the Invitation to Comment.

⁶ Refer to CAQ comment letter to the PCAOB dated January 9, 2012. Available at: <http://www.thecaq.org/newsroom/pdfs/CAQCommentLetter-ImprovingTransparencyofAudits.pdf>

⁷ Refer to CAQ comment letter to the PCAOB dated January 9, 2012. Available at: <http://www.thecaq.org/newsroom/pdfs/CAQCommentLetter-ImprovingTransparencyofAudits.pdf>

Refer to CAQ comment letter to the PCAOB dated September 30, 2011. Available at: <http://www.thecaq.org/newsroom/pdfs/CAQCommentLetter-AuditorsReportingModel.pdf>

VIII. Views on Going Concern

As noted in the Invitation to Comment, going concern is a financial reporting and auditing issue that has been the subject of much discussion following the onset of the global financial crisis. The CAQ is supportive of efforts by the IAASB, PCAOB and others to consider possible improvements to the auditor's reporting model in this critical area; however, we believe a holistic approach will elicit the most meaningful change in the information provided to users. Therefore, we encourage the IAASB and the International Accounting Standards Board (IASB) to evaluate in concert, opportunities to enhance management's financial reporting obligations, as well as the information communicated in the auditor's report. Importantly, we believe that any ultimate change should not run contrary to the overarching principles outlined in Section II of this letter, including that the auditor should not be the original source of information about the entity under audit.

The Invitation to Comment contemplates the auditor concluding in a stand-alone section of the auditor's report whether management's going concern assumption is appropriate, and whether the auditor identified material uncertainties related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. However, depending upon jurisdictional requirements, there may not be a similar disclosure obligation for management. Consistent with our overarching principles, the CAQ is not supportive of requiring the auditor to report this original information; rather management's responsibility should be preserved in this regard.

We believe that improved management disclosures, coupled with the expanded use of emphasis paragraphs could be responsive to users' calls for earlier warning related to risks that could affect the entity's ability to continue as a going concern. Paragraph 19 of ISA 570, *Going Concern*, requires the auditor to include an emphasis paragraph in the auditor's report should the auditor conclude that significant doubt may exist related to an entity's ability to continue as a going concern (assuming the related management disclosure is adequate). The CAQ believes that an opportunity exists for the auditor to emphasize risks that could affect the entity's ability to continue as a going concern that do *not* give rise to significant doubt, and direct the user to where such risks are disclosed by management. We believe this approach could be responsive to the evolving needs of financial statement users by highlighting matters that may eventually challenge an entity's ability to continue as a going concern. Additionally, it retains the benefits of the emphasis of matter framework described in Section V and Appendix A of this letter and avoids the unintended consequences associated with the auditor providing original information about the entity.

The CAQ is committed to embracing calls for responsible change to the auditor's report. We continue to believe that a holistic approach examining opportunities for improvement in the roles and responsibilities of all members of the financial reporting supply chain - entity management, the independent auditor, those charged with governance, regulators, and standard setters - will best serve the interests of financial statement users.

The CAQ appreciates the IAASB's consideration of the views set forth herein. We welcome the opportunity to respond to any questions regarding the views expressed in this letter.

Sincerely,



Cynthia M. Fornelli
Executive Director
Center for Audit Quality

cc:

Arnold Schilder, Chairman, IAASB

Hans Hoogervorst, Chairman, IASB

Leslie Seidman, Chairman, Financial Accounting Standards Board

PCAOB

James R. Doty, Chairman

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Jeanette M. Franzel, Board Member

Jay D. Hanson, Board Member

Steven B. Harris, Board Member

Martin F. Baumann, Chief Auditor

SEC

Paul Beswick, Acting Chief Accountant

Brian Croteau, Deputy Chief Accountant

Appendix A

As detailed within the body of our letter, we believe an appropriately designed emphasis of matter framework will be responsive to the evolving information needs of financial statement users. The effectiveness of an emphasis of matter framework will depend upon the extent to which it appropriately guides the auditor's assessment of (i) what matters should be emphasized in the audit report, and (ii) the form and content of such emphasis paragraphs. We are pleased to share the CAQ's preliminary thinking on an emphasis of matter framework that could assist the auditor in making these important judgments.

1. Emphasis paragraphs should highlight matters that, in the auditor's judgment, are viewed as likely to be "most important" in the context of a user's understanding of the financial statements taken as a whole. Under this framework, it is critical that financial statement users recognize that the matters emphasized should not be considered in isolation; rather users should consider such matters in the context of the financial statements taken as a whole, and continue to carefully read the audited financial statements in their entirety.

The CAQ believes that a two-step process could inform the auditor's judgment as to which matters are likely to be most important in the context of a user's understanding of the financial statements taken as a whole and therefore warrant specific emphasis.

Step 1 – The auditor would identify matters in management's financial statement disclosures that could warrant emphasis using the following criteria:

- Areas of significant management judgment, in relation to an entity's accounting practices, including accounting policies, accounting estimates, and financial statement disclosures; in particular, those judgments that could be considered controversial, where guidance is lacking, or where there is unique industry-specific guidance.
- Highly subjective estimates.
- Material risks and uncertainties.
- Significant unusual transactions.
- Information about the structure of the entity and its related parties that is significant to understanding assertions made in the financial statements.
- Other matters not covered above, but included based on the auditor's judgment (e.g., new or emerging accounting matters or policies).

Step 2 – The auditor would then refine the list of matters identified in Step 1, to isolate those matters that, in the auditor's judgment, are likely to be most important in the context of a user's understanding of the financial statements taken as a whole, and therefore warrant an emphasis paragraph. Step 2 criteria would include:

- The degree of interaction with those charged with governance on a particular matter. Importantly, not all matters discussed with those charged with governance would be appropriate for emphasis, as there are a number of required communications that are likely not most important in the context of a user's understanding of the financial statements taken as a whole.
- Matters of audit significance, as indicated by the level of audit effort related to the matter or considered by the auditor to be difficult or contentious.
- Other matters that in the auditor's judgment are likely to be most important in the context of a user's understanding of the financial statements taken as a whole.

2. The framework should mitigate the possibility that too many matters are emphasized. Emphasizing too many matters would detract from the objective of emphasizing only the *most* important matters in the context of a user’s understanding of the financial statements taken as a whole.

Ultimately, the matters emphasized will be based on the auditor’s professional judgment, guided by appropriate criteria and guidance to facilitate the identification of those matters deemed to be most important. Therefore, emphasis paragraphs may not capture all matters that a particular user might believe are most important to their understanding of the financial statements. Facts and circumstances and the auditor’s professional judgment will dictate the number of matters the auditor emphasizes. However, in general, the auditor should challenge his/her reporting decisions when emphasizing, for example, more than five to seven matters in the audit report.

3. Emphasis paragraphs should direct users to where management discloses information related to the matter being emphasized in the audited financial statements – consistent with the CAQ’s overarching principles that: (i) the auditor should not communicate original information about the entity and (ii) auditor reporting should focus on the objective rather than the subjective.

For those matters the auditor judges appropriate for emphasis, the following could be communicated, consistent with the examples⁸ provided to the PCAOB in the CAQ’s September 30, 2011 comment letter on the auditor’s reporting model:

- a. A brief, factual and objective description of the matter, which should not include audit procedures and/or auditor judgments, auditor impressions or perspectives on subjective financial reporting matters, or other information that is not otherwise reflected in the entity’s audited financial statements and related disclosures.
- b. The identification of where the matter has been disclosed in the audited financial statements. Referring to other information communicated by management outside of the audited financial statements could worsen the expectations gap by leading to financial statement user misunderstanding as to whether this other information has been audited.

4. Other considerations.

While the CAQ is supportive of an emphasis of matter approach similar to that described above, we recognize the possibility that certain unintended consequences could result. The CAQ agrees with the IAASB that standardized language (as included in the Invitation to Comment’s illustrative report) should be included in the auditor’s report to mitigate the possibility that financial statement users may inappropriately interpret the inclusion of emphasis paragraphs as: (i) providing separate assurance on individual accounts or disclosures, and/or (ii) as a modification to the auditor’s opinion on the financial statements taken as a whole. For example, the IAASB could consider including standardized language in the auditor’s report to indicate that the audit procedures associated with the individual emphasis matters were designed in the context of the audit of the financial statements taken as a whole and not to obtain reasonable assurance on individual accounts or disclosures.

We also suggest that standardized language be included in the auditor’s report to acknowledge that while the auditor has exercised judgment in determining those matters likely to be most important in the context of a user’s understanding of the financial statements taken as a whole, those matters emphasized may not necessarily represent all matters that: (i) may be most important to particular users of financial statements; (ii) may be material to the financial statements; (iii) have been the subject of significant audit effort; or (iv) have involved the use of judgment in reaching accounting conclusions.

⁸ Refer to Example A in Attachment A to the CAQ’s comment letter. Available at: <http://www.thecaq.org/newsroom/pdfs/CAQCommentLetter-AuditorsReportingModel.pdf>