

Via "Submit a Comment" link at www.ifac.org/about-ifac/contact

September 11, 2014

IAASB Technical Director
Keesha Campbell, Staff Contact
International Auditing and Assurance Standards Board
529 Fifth Avenue, 6th Floor
New York, New York, 10017 USA

RE: Proposed Changes to the International Standards on Auditing (ISAs) – Addressing Disclosures in the Audit of Financial Statements

The Accounting Principles and Assurances Services Committee (the "Committee" or "We") of the California Society of Certified Public Accountants ("CalCPA") is pleased to provide our comments to the International Auditing and Assurance Standards Board (the "Board"). The Committee is the senior technical committee of the CalCPA. CalCPA has approximately 40,000 members. The Committee consists of 53 members, of whom 47 percent are from local or regional firms, 27 percent are from large multi-office firms, 12 percent are sole practitioners in public practice, 10 percent are in academia, and 4 percent are in international CPA 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.

Following is a summary of the Committee's responses to the Exposure Draft for your consideration.

Question 1. Whether, in your view, the proposed changes to the ISAs are appropriate and sufficient for purposes of enhancing the focus of the auditor on disclosures and, thereby, will further support the proper application of current requirements in the ISAs?

Yes.

Question 2. Are there any specific areas where, in your view, additional enhancement to either the requirements or guidance of the ISAs would be necessary for purposes of effective auditing of disclosures as part of a financial statement audit?

No.

Question 3. Whether, in your view, the proposed changes to the assertions will help appropriately integrate the work on disclosures with the audit work on the underlying amounts, thereby promoting an earlier and more effective audit of disclosures?

The Committee believes "presentation and disclosure" was and is still fine. The proposed modifications are not needed, but they are innocuous.

In addition to the request for specific comments above, the IAASB is also seeking comments on the general matters set out below:

(a) Preparers (including Small- and Medium-Sized Entities (SMEs)) and Other Users—The IAASB invites comments on the proposed changes to the ISAs particularly with respect to the practical impacts, if any, of the proposed changes to the ISAs.

The proposed modifications add emphasis regarding the importance of disclosures to the literature, but do not impose any significant new requirements. For practitioners that understood and took their responsibilities with regard to disclosures seriously, the proposed modifications will not change to any significant degree.

(b) Developing Nations—Recognizing that many developing nations have adopted or are in the process of adopting the ISAs, the IAASB invites respondents from these nations to comment on the proposed changes to the ISAs, in particular, on any foreseeable difficulties in applying these in a developing nation environment.

We have no comments.

(c) Translations—Recognizing that many respondents may intend to translate the final changes to the ISAs for adoption in their own environments, the IAASB welcomes comments on potential translation issues respondents may note in reviewing the proposed changes to the ISAs

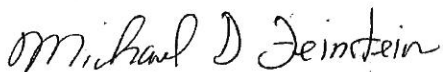
We have no comments.

Effective Date—Recognizing that the proposed changes to the ISAs affect some of the same ISAs as other IAASB projects currently being finalized, the IAASB believes that to the extent possible, the effective date should be aligned with these other projects, namely the IAASB's Auditor Reporting project and the project to revise ISA 720.21 Accordingly, the IAASB believes that an appropriate effective date for the standard would be 12–15 months after issuance of the final standards, but may be longer or shorter to align with the effective date of the revisions arising from the auditor reporting and ISA 720 projects. Earlier application would be permitted. The IAASB welcomes comment on whether this would provide a sufficient period to support effective implementation of the changes to the ISAs.

This proposed effective date is appropriate.

We would be glad to discuss our opinions with you further should you have any questions or require additional information.

Sincerely,



Michael D. Feinstein, Chair
Accounting Principles and Assurance Services Committee
California Society of Public Accountants