



Ms. Sherry Hazel
Audit and Attest Standards
American Institute of Certified Public Accountants
1211 Avenue of the Americas
New York, NY 10036-8775

September 30, 2015

RE: Proposed Statement on Auditing Standards, *Amendment to Statement on Auditing Standards No. 122 section 700, Forming an Opinion and Reporting on Financial Statements*

Dear Ms. Hazel:

We appreciate the opportunity to comment on the proposed Statement on Auditing Standards, *Amendment to Statement on Auditing Standards No. 122 section 700, Forming an Opinion and Reporting on Financial Statements* (the "Proposed SAS"). We support requiring the Public Company Accounting Oversight Board's (PCAOB) report layout and wording when the auditor plans to refer to the standards of the PCAOB in addition to generally accepted auditing standards (GAAS). We also believe the Proposed SAS clarifies that when an auditor conducts an audit in accordance with the standards of the PCAOB and the audit is not within the jurisdiction of the PCAOB, the AICPA Code of Professional Conduct requires the auditor to also comply with GAAS.

We offer the following suggestions for the Auditing Standards Board's (ASB) consideration in finalizing the Proposed SAS for issuance.

Inclusion of integrated audits

We recommend the phrase "of the financial statements" in paragraphs .A43 and .A44 be deleted, as we believe the requirement and application guidance would also apply in an integrated audit, not only an audit of the financial statements. Deleting this phrase would also be consistent with paragraph .44 of the Proposed SAS, which discusses an audit broadly; therefore, not limiting the audit to only an audit of the financial statements. We recognize AU-C 700, *Forming an Opinion and Reporting on Financial Statements*, relates to financial statement audits, but we believe the requirements and guidance in the Proposed SAS would also apply in an integrated audit. For example, in the *Proposed Statement on Auditing Standards, An Audit of Internal Control Over Financial Reporting That Is Integrated With an Audit of Financial Statements*, there is a proposed amendment to AU-C 200, *Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance With Generally Accepted Auditing Standards*, that clarifies GAAS are written in the context of an audit of financial statements but should be adapted as necessary in the circumstances when applied to audits of internal control over financial reporting that are integrated with audits of financial statements. To minimize confusion that the Proposed SAS only applies to the audit of financial statements, we believe it would be clearer to just refer to an "audit."

Editorials

We suggest the following editorial changes to specific paragraphs of the Proposed SAS.



- Par. 42: Italicize “International Standards on Auditing [ISAs]” to be consistent with other examples provided in this paragraph.
- Footnote 20: Add an “s” after “Question” and “Answer” to be consistent with the title used by the PCAOB.
- Par. A62 - Illustration 6 – Footnote 1: Capitalize the word “company” in the first and second sentence of the paragraph to be consistent with the use of the term in the rest of the audit report.

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We appreciate the opportunity to express our views and would be pleased to discuss our comments or answer any questions you may have. Please contact Marc Panucci (973-236-4885) regarding our submission.

Sincerely,

PricewaterhouseCoopers LLP