



Technical Questions and Answers

Section 9180, *Required Supplementary Information*



.01 Required Supplementary Information in Historical Prior Periods and Auditor Independence of the Entity

Inquiry—AU-C section 730, *Required Supplementary Information* (AICPA, *Professional Standards*), defines required supplementary information (RSI) and requires the auditor of an entity's basic financial statements to perform specified procedures on such RSI and report in accordance with that section.

If the RSI extends back to any historical prior period (back periods) in which the auditor did not perform an engagement that required independence, is the auditor required, for purposes of complying with AU-C section 730, to be independent of the entity in those back periods?

Reply—Generally accepted auditing standards require the auditor to be independent for any period being audited and covered by the auditor's opinion. In the absence of any separate requirement in the particular circumstances of the engagement, the auditor's opinion on the basic financial statements does not cover RSI. In accordance with AU-C section 730, RSI is not part of the basic financial statements. Furthermore, the specified procedures required to be performed on RSI are limited and do not provide the auditor with sufficient appropriate audit evidence to express an opinion or provide any assurance on the RSI.

Because of the characteristics of RSI and the limited nature of the specified procedures, the auditor is not required, for purposes of complying with AU-C section 730, to be independent of the entity in those back periods as long as the auditor's opinion does not cover RSI.

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