



June 22, 2007

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

Dear Ms. Hazel:

The Audit and Assurance Services Committee of the Illinois CPA Society (“Committee”) is pleased to comment on “The Discussion Paper on Improving the Clarity of ASB Standards” dated March 20, 2007.

The Committee is a voluntary group of CPAs from public practice, industry, education, and government. Our comments represent the collective views of the Committee members and not the individual views of the members or the organizations with which they are affiliated. The organization and operating procedures of our Committee are outlined in Appendix A to this letter.

Following is the Committee’s response to questions posed to respondents in the discussion paper:

1. The Committee agrees that the use of objectives, as proposed, would enhance the clarity of standards and how professional judgment should be exercised in applying them.

The Committee believes that the inclusion of an objective or objectives in each SAS would provide better linkage of each SAS to the overall objective of the audit, auditor and 10 standards.

2. The Committee believes that the presentation in Appendix 2 would be the best to assist in understanding and implementing the standard.

The Committee believes that this format more clearly communicates the requirements of the standard by providing a clear segregation of the requirements from the explanatory material. The presentation in Appendix 1 relies on the use of formatting to achieve this distinction. This reliance does not contemplate the potential for formatting losses or changes in the reproduction or reprinting of the standard. Also, the paragraph numbering format in Appendix 2 allows for clear citations to either an SAS requirement or explanatory paragraph. Furthermore, the presentation in

Appendix 2 is consistent with the ASB's plan to harmonize U.S. generally accepted auditing standards with the ISAs by the adoption of the same formatting structure.

The Committee also believes that a key component to the presentation in Appendix 2 is the inclusion of cross-references in the explanatory material to the related requirement(s). We believe that all explanatory material should have a reference to the requirements section or a notation that the explanatory material related to the requirements as a whole.

3. The Committee believes that the inclusion of special considerations to public sector entities and smaller entities would be helpful in the application of the requirements of the SASs. However, these considerations must be carefully constructed so as not to construe a separate set of standards (i.e., large GAAS versus small GAAS).

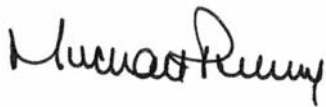
The Committee believes that, in certain circumstances, the inclusion of special considerations in the explanatory material of the standards would provide auditors with greater insight into the ASB's objective in enacting the standard as it relates to entities of differing size and structure.

4. The Committee believes that the inclusion of a glossary of terms in the Codification of the Statements on Auditing Standards would be helpful.

The Committee believes that the inclusion of a codified glossary reduces the potential for discrepancies in the interpretation of the same terms between the SASs. Also, a codified glossary would reduce redundancies created by the use of different terms in the standards for concepts sharing substantially similar meaning.

The Illinois CPA Society appreciates the opportunity to express its opinion on this matter. We would be pleased to discuss our comments in greater detail if requested.

Sincerely,



Michael J. Pierce, CPA
Chair, Audit & Assurance Services Committee



Jon R. Hoffmeister, CPA
Vice Chair, Audit & Assurance Services Committee

APPENDIX A
ILLINOIS CPA SOCIETY
AUDIT AND ASSURANCE SERVICES COMMITTEE
ORGANIZATION AND OPERATING PROCEDURES
2007 – 2008

The Audit and Assurance Services Committee of the Illinois CPA Society (Committee) is composed of the following technically qualified, experienced members appointed from industry, education and public accounting. These members have Committee service ranging from newly appointed to more than 20 years. The Committee is an appointed senior technical committee of the Society and has been delegated the authority to issue written positions representing the Society on matters regarding the setting of audit and attestation standards. The Committee's comments reflect solely the views of the Committee, and do not purport to represent the views of their business affiliations.

The Committee ordinarily operates by assigning Subcommittees of its members to study and discuss fully exposure documents proposing additions to or revisions of audit and attestation standards. The Subcommittee develops a proposed response that is considered, discussed and voted on by the full Committee. Support by the full Committee then results in the issuance of a formal response, which at times includes a minority viewpoint.

Current members of the Committee and their business affiliations are as follows:

Public Accounting Firms:

Large: (national & regional)

Matthew L. Brenner, CPA	PricewaterhouseCoopers LLP
Jeffrey A. Gordon, CPA	KPMG LLP
Neil F. Finn, CPA	Deloitte & Touche LLP
William P. Graf, CPA	Deloitte & Touche LLP
James P. McClanahan, CPA	McGladrey & Pullen LLP
Gary W. Mills, CPA	Virchow Krause & Company, LLP
Michael J. Pierce, CPA	McGladrey & Pullen LLP
Kevin V. Wydra, CPA	Crowe Chizek and Company LLC

Medium: (more than 40 employees)

Damitha N. Bandara, CPA	Blackman Kallick Bartelstein LLP
Sharon J. Gregor, CPA	Selden Fox, Ltd.
Jon R. Hoffmeister, CPA	Clifton Gunderson LLP
Stephen R. Panfil, CPA	Bansley & Kiener LLP
Jennifer E. Sanderson, CPA	Frost, Ruttenberg & Rothblatt, P.C.

Small: (less than 40 employees)

Scott P. Bailey, CPA	Bronner Group LLC
Loren B. Kramer, CPA	Kramer Consulting Services, Inc.
Andrea L. Krueger, CPA	Corbett, Duncan & Hubly P.C.
Ludella Lewis	Ludella Lewis & Company
Richard D. Spiegel, CPA	Steinberg Advisors, Ltd.

Industry:

James R. Adler, CPA	Adler Consulting Ltd.
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Educator:

Simon P. Petravick, CPA	Bradley University
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Staff Representative:

Paul E. Pierson, CPA	Illinois CPA Society
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