May 27, 2011

The purpose of this letter is to request input from members and other stakeholders to help form the AICPA Auditing Standards Board’s comments on the consultation paper, *Enhancing the Value of Auditor Reporting: Exploring Options for Change* (Consultation Paper), issued by the International Auditing and Assurance Standards Board (IAASB).

On May 16, 2011, the IAASB released a Consultation Paper on auditor reporting. The IAASB is seeking input from a broad range of key users globally to determine whether there are common views about the usefulness of auditor reporting, and to obtain feedback on possible options to enhance the quality, relevance and value of auditor reporting on an international basis. In 2006, the ASB and the IAASB jointly commissioned four research studies with the broad aim of examining user perceptions about the standard auditor’s report around the world. The common research objective was to provide insights into the nature of user perceptions regarding the financial statement audit and the auditor’s report among various classes of financial statement and audit report users.

Although both boards determined that further information was needed, the research seems to indicate that user perceptions of the quality of auditor reporting are closely linked with their perceptions of the scope and quality of audits. Therefore, the evolution of auditor reporting has become a priority to both the ASB and IAASB to demonstrate to users the continued relevance of the financial statement audit and the important role of the independent auditor.

The IAASB Consultation Paper is aimed at gathering views from around the world to inform the IAASB as to whether there is consensus about the need to enhance auditor reporting and, if so, how an enhanced reporting model might be achieved. It describes issues with current financial reporting, including a perceived “information gap” identified by some stakeholders. The Consultation Paper also sets out possible options for change and seeks input as to whether such options might be effective in narrowing the “information gap” or enhancing the communicative value of the auditor’s report. The Consultation Paper can be viewed at [http://www.ifac.org/Guidance/EXD-Detail.php?EDID=0163](http://www.ifac.org/Guidance/EXD-Detail.php?EDID=0163).

**ASB Seeking Feedback Specific to United States Reporting**

The ASB, through this letter, is seeking feedback on the Consultation Paper’s questions as they relate specifically to users of audited financial statements of nonissuers and other stakeholders in the United States. This feedback will help the ASB to better provide views to the IAASB that are specific to the United States and to help shape the direction of the ASB as it decides how best to move forward with
possible options for changes to the auditor’s report in the United States and to continue to meet its objective of harmonization with the International Standards on Auditing.

Written comments on the Consultation Paper should be sent by August 16, 2011, to Sherry Hazel at shazel@aicpa.org or addressed to Sherry Hazel, Audit and Attest Standards, American Institute of Certified Public Accountants, 1211 Avenue of the Americas, 19th Floor, New York, NY 10036.