

AICPA NEWS UPDATE

A weekly email newsletter to help AICPA members stay up to date with the business issues, events and changes in the accounting profession.

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ASB Issues Standards and Guidance on Communicating With those Responsible for Governance

The Auditing Standards Board (ASB) issued Statement on Auditing Standards (SAS) No. 114, [The Auditor's Communication With Those Charged With Governance](#), which replaces SAS No. 61, *Communication With Audit Committees*, as amended. The new SAS establishes standards and provides guidance to an auditor on matters to be communicated with those charged with governance. SAS No. 114 applies to audits of the financial statements of all nonissuers and establishes a requirement for the auditor to communicate with those charged with governance certain significant matters related to the audit, including the auditor's responsibilities under GAAS, an overview of the planned scope and timing of the audit, and significant findings from the audit. The SAS is effective for periods beginning on or after December 15, 2006. It can be ordered (product no. 060709) [online at www.cpa2biz.com](#).

CPA Firms Grow Despite Decrease in Mergers, 2006 National MAP Survey Shows

CPA firms are experiencing strong growth with 76 percent reporting an increase in firm size in the last year, according to benchmark data in the 2006 National Management of an Accounting Practice (MAP) Survey conducted by the Private Companies Practice Section (PCPS) of the AICPA and the Texas Society of Certified Public Accountants (TSCPA). The recently released 2006 National MAP Survey found that the average partner compensation jumped 16 percent to \$185,892 and the average billing rate for partners was up 5 percent to \$168 since 2004. Merger activity, on the other hand, decreased from 15.2 percent to only 7.8 percent of firms growing by merger in 2006. PCPS firms can download the 2006 National MAP Survey results as a free member benefit via the PCPS Web site. Non-PCPS firms can purchase a copy of the national report. For further information, please visit www.aicpa.org/pcps.

Report on Auditors' Implementation of PCAOB Fraud Standards

The PCAOB issued a report detailing important and recurring observations made during inspections on auditors' implementation of PCAOB interim standards regarding auditor responsibility with respect to fraud. The report addresses the auditor's overall approach to fraud detection; fraud-related inquiries and brainstorming sessions; auditor response to risk factors; financial statement misstatements; and fraud associated with management override of controls. [View the text of the report.](#)

New Online Workshop Helps Tax Exempt Organizations Remain in Compliance

The IRS has launched a new Internet-based version of its popular Exempt Organizations Workshop covering tax compliance issues confronted by small and mid-sized tax-exempt organizations, including charities and churches. The free online workshop, [Stay Exempt – Tax Basics for 501\(c\)\(3\)s](#), helps organizations that have no tax experts on staff or have limited contact with outside advisors on tax compliance issues.

AICPA Members Get Up to 35% from Office Depot

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To share your comments on the AICPA News Update, please send an email to scarr@aicpa.org.

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