

NEWS RELEASE

AUDITING STANDARDS BOARD REDRAFTING STANDARDS TO ACHIEVE GREATER CLARITY

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NEW YORK (October 11, 2007) –The Auditing Standards Board of the American Institute of Certified Public Accountants (AICPA) has commenced a large-scale “clarity” project to revise its auditing standards. The goal is to make the standards easier to read and understand, thereby improving their implementation.

The ASB estimates the project will take two to three years to complete, according to Charles Landes, AICPA Vice President – Professional Standards and Services.

“For the last several years, we have been considering ways to make the standards more understandable and, we hope, less complex,” said Landes. “The clarity project is all about making the format and language of the standards more consistent.”

The following will be the most significant changes:

- Requirement paragraphs will be separated from the application text, so the auditor can identify the requirements more easily;
- Each standard will contain an objective to help the auditor better understand what the standard is meant to accomplish;
- All “clarified” standards will carry the same effective date, which will be set far enough in the future to allow firms sufficient time to update their methodologies and training programs.

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In addition, the ASB will consider removing unnecessary differences with the International Standards on Auditing. “This is part of our plan to harmonize our standards with those of the International Auditing and Assurance Standards Board, which is undertaking a similar clarity rewrite,” said Harold Monk, ASB Chair.

The ASB does not plan to issue any new auditing standards in the old format except to complete projects that are already near conclusion or as necessary to address urgent issues.

The American Institute of Certified Public Accountants (www.aicpa.org) is the national, professional association of CPAs, with approximately 330,000 members, including CPAs in business and industry, public practice, government, and education. It sets ethical standards for the profession and U.S. auditing standards for audits of private companies; federal, state and local governments; and non-profit organizations. It also develops and grades the Uniform CPA Examination.

The AICPA is the sponsor of a national public-education effort called 360 Degrees of Financial Literacy (www.360financialliteracy.org), designed to improve the financial understanding of Americans at all age levels. A related campaign, Feed the Pig (www.feedthepig.org), co-sponsored with the Ad Council, is designed to help Americans 25 – 34 save for long-term financial security.

The AICPA maintains offices in New York; Washington, D.C.; Durham, N.C.; Ewing, NJ; and Lewisville, TX.

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