



FLORIDA INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

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January 27, 2012

Ms. Sherry Hazel
Audit and Attest Standards
AICPA
1211 Avenue of the Americas
New York, NY 10036
Via email to: shazel@aicpa.org

Dear Ms. Hazel:

The Accounting Principles and Auditing Standards Committee ("we" or the "Committee") of the Florida Institute of Certified Public Accountants (the "FICPA") appreciates the opportunity to read and respond to the Exposure Draft *'Proposed Statements on Auditing Standards, The Auditor's Consideration of an Entity's Ability to Continue as a Going Concern.'* The Committee has reviewed and discussed the subject Exposure Draft, including the questions outlined in the "Guide for Respondents," and has the following responses:

1) Are the objectives of the auditor appropriate?

Yes, we agree to the objectives of the auditor as stated in the Exposure Draft.

2) Are the differences between the proposed SAS and SAS No. 59 identified in the supplement to the exposure draft, and other language changes, appropriate?

We make the following comments regarding the Auditing Standards Board's Proposed Statement on Auditing Standards *'The Auditor's Consideration of an Entity's Ability to Continue as a Going Concern'* dated November 11, 2011:

- a) We believe that if the definition of any 'reasonable period of time' for purposes of assessing there is substantial doubt about the entity's ability to continue as a going concern for a reasonable period of time is defined for purposes of management's assessment through a standard such as the previously Financial Accounting Standards Board Proposed Statement of Financial Accounting Standards File Reference 1650-100 Going Concern Dated October 9, 2008, that the definition of any 'reasonable period of time' be defined in a consistent manner for purposes of evaluation by the auditor and evaluation by management. For instance, the International Standard on Auditing 570 *Going Concern* specifically elicits that "the auditor shall cover the same period as that used by management to make its assessment as required by the applicable financial reporting framework, or by law or regulation if it specifies a longer period."
- b) In addition, we agree with the International Standard on Auditing 570 *Going Concern* Paragraph 24 which outlines additional incremental guidelines for the auditor in the event of the delay in

approval of the financial statements by management or those charged with governance after the date of the financial statements as follows:

"If there is significant delay in the approval of the financial statements by management or those charged with governance after the date of the financial statements, the auditor shall inquire as to the reasons for the delay. If the auditor believes that the delay could be related to events or conditions relating to the going concern assessment, the auditor shall perform those additional audit procedures necessary, as described in paragraph 16, as well as consider the effect on the auditor's conclusion regarding the existence of a material uncertainty, as described in paragraph 17."

3) *Have considerations for audits of smaller, less complex entities and governmental entities been dealt with appropriately?*

Yes, we do not believe that incremental guidance is warranted for audits of smaller, less complex entities and governmental entities beyond what has been proposed in the Proposed Statement on Auditing Standards *'The Auditor's Consideration of an Entity's Ability to Continue as a Going Concern'* dated November 11, 2011.

The Committee appreciates this opportunity to respond to this Exposure Draft and members of the Committee are available to discuss any questions or concerns raised by this response.

Respectfully submitted,

Robert P. Bedwell, CPA, Chair
FICPA Accounting Principles and Auditing Standards Committee

Committee members coordinating this response:

Brion L. Sharpe, CPA
Edward A. Eager, CPA