

LEGISLATIVE AUDIT DIVISION

Scott A. Seacat, Legislative Auditor
Tori Hunthausen,
Chief Deputy Legislative Auditor



Deputy Legislative Auditors:
James Gillett
Angie Grove

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Sherry Hazel
Audit and Attest Standards
AICPA
1211 Avenue of the Americas
New York, NY 10036-8775
shazel@aicpa.org

Several members of our staff have read the Discussion Paper – Improving the Clarity of ASB Standards. We appreciate the opportunity to participate in this due process. Our responses to the questions for respondents follows.

1. Do you agree that the use of objectives, as proposed, will enhance the clarity of standards and how professional judgment should be exercised in applying them? Please explain why or why not.

We feel the use of objectives within the statement of auditing standards (SAS) is the first step needed to clarify the standards. The objective will state why the proposed standard is necessary and provide the auditor a framework of sound principles. The SAS objective should also be included in the codification sections of the Codification of Statements on Auditing Standards.

2. Which presentation do you believe will help you better understand and implement the standard? Please explain why.

Appendix I is easier to read since all the information is addressed within each section. Appendix I is very clear in distinguishing the “should” versus the explanatory material. The auditor has little chance of missing a requirement when it is so visually apparent. Also, consider the translation to the codification if either appendix format is adopted for the standards.

3. Will inclusion of these special considerations throughout the SASs be helpful? Please explain why or why not.

The inclusion of special considerations would be helpful in providing additional guidance when needed in working with small entities.

4. Will inclusion of a glossary of terms in the Codification of the Statements on Auditing Standards be helpful? Please explain why or why not.

We feel a glossary of terms will allow the auditor to easily identify the definition of terms and ensure consistency of definitions within the SASs.

If you have any questions related to our response please contact me at 406-444-3122.

Sincerely,

/s/ Geri Hoffman
Geri Hoffman,
Audit Manager

E-mailed

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