



COMMONWEALTH of VIRGINIA

Auditor of Public Accounts

Martha S. Mavredes, CPA
Auditor of Public Accounts

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November 1, 2017

Mr. Mike Glynn
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AICPA Audit and Attest Standards Team
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To Whom It May Concern,

We appreciate the opportunity to respond to the AICPA Accounting and Review Services Committee's exposure draft on the *Proposed Statement on Standards for Attestation Engagements – Selected Procedures*. Overall, we agree with the Committee's efforts to expand a practitioner's ability to perform procedures and report in a procedures and findings format beyond that currently provided by AT-C section 215, *Agreed-Upon Procedures Engagements*. We have included responses on Specific Request for Comment No. 1A – 4B below.

Specific Request for Comment 1A

- We believe the expansion of the practitioner's ability to perform and report on procedures in a format beyond that prescribed in AT-C section 215 is needed and within the public interest. While we believe it will be beneficial to have a selected procedures engagement as an option, we believe the circumstances in which our office would use it are limited.

Specific Request for Comment 1B

- We agree the proposed standard appropriately addresses the objective of providing flexibility regarding the development of the procedures to be performed by the practitioner and the nature and extent of the responsibilities of the parties to the engagement.

Specific Request for Comments 1C and 2A

- We agree with the proposal that no party is required to take responsibility for the sufficiency of the procedures in a selected procedures engagement and with the report

being general-use, as long as the current requirements in the proposed standard to explicitly communicate these items within the report language remains.

Specific Request for Comment 2B

- We do not believe additional language is needed if general-use procedures reports are permitted, as included in the proposed standard, since the absence of a restriction on use clearly implies the report is not restricted to specific parties. Further, the identification of subject matter and procedures within the report should clearly demonstrate to users the procedures performed and resulting findings. We believe the required transparency in reporting procedures in combination with the reporting requirement in paragraph 53(f.) satisfactorily reduce the risk that general users may draw inappropriate conclusions from the report.

Specific Request for Comment 3A and 3B

- We agree there should not be a requirement for the responsible party in a selected procedures engagement to provide written representation to the practitioner as this is more appropriately applicable for the engaging party to provide.

Specific Request for Comment 4A

- We agree the proposed standard should be market driven, allowing the practitioner to apply professional judgment in determining when the performance of a selected procedures engagement would be appropriate. Keeping this open to auditor judgement is in alignment with providing practitioners flexibility in performing and reporting outside of what is currently included in AT-C section 215.

Specific Request for Comment 4B

- We believe the proposed standard should be a stand-alone AT-C section to avoid confusion with what is required based on engagement type. While we understand some portions of the standards may be duplicative, we believe there are enough distinctions to warrant it being a stand-alone AT-C section.

In addition to our responses to the Committee's specifically requested comments, we have an additional item for consideration. Paragraph 31 of the proposed standard requires signature of the practitioner and engaging party in agreeing to the terms of the engagement. This requirement differs from AT-C Section 215 paragraph .A7, which requires written agreement but does not require signature. We believe the requirement for agreeing to the terms of the engagement in the proposed standard should be consistent with the requirements of AT-C Section 215.

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We appreciate the efforts of the AICPA Accounting and Review Services Committee and the opportunity to provide our comments. Should you have any questions or need additional information concerning our response, please contact Zach Borgerding or me at (804) 225-3350.

Sincerely,

A handwritten signature in black ink that reads "Martha S. Mavredes". The signature is written in a cursive style with a large initial 'M'.

Martha S. Mavredes
Auditor of Public Accounts