

May 15, 2018

Mr. Mike Glynn  
American Institute of Certified Public Accountants (AICPA)

By email to: [Mike.Glynn@aicpa-cima.com](mailto:Mike.Glynn@aicpa-cima.com)

Dear Mr. Glynn:

We appreciate the opportunity to comment on the proposed Statement of Auditing Standards, *The Auditor's Responsibilities Relating to Other Information Included in Annual Reports* (the "proposed SAS"). We recognize the proposed SAS was developed to converge standards with those of the International Auditing and Assurance Standards Board (IAASB) and avoid unnecessary differences with those of the Public Company Accounting Oversight Board (PCAOB).

Respondents are asked to provide their views on the following:

**Question 1:** *Do the proposed revisions clarify the scope of documents required to be subjected to the auditor's procedures? If you believe additional revisions or guidance is necessary, please be specific and provide reasons why additional revisions or guidance is necessary.*

**Response:** We believe the definition of annual report included in paragraph 12 of the proposed SAS provides adequate clarification. In addition, we believe the application material is beneficial in clarifying the scope of documents included in the annual report.

**Question 2:** *Does the proposed requirement for the auditor to determine, through discussion with management, and obtain management's written acknowledgement regarding, which documents or documents make up the annual report, and the entity's planned manner and timing of the issuance of such documents appropriately achieve the intent of ensuring that both the auditor and management understand the documents that are considered to constitute the entity's annual report and therefore are subject to the auditors' procedures required by the proposed SAS?*

**Response:** Paragraph A17 of the proposed SAS indicates written acknowledgement of the documents that constitute the annual report may be included in the engagement letter, representation letter, or some other written form of communication. We agree written acknowledgment is necessary. It would be ideal to include this written communication in the engagement letter; however, we believe in practice the documents that constitute the annual report may not be fully known when agreeing upon the terms of the engagement. As such, we recommend the documents that constitute the annual report be a required management representation.

**Question 3:** *Will the work effort required by the proposed standard, in view of the proposed definitions, result in an improvement of the auditor's understanding of the auditor's responsibility for other information and, as a result, enable the auditor to perform a more thorough reading and challenging of statements included in (or omitted from) the other information that are inconsistent with the audited financial statements or the auditor's knowledge obtained as part of the audit?*

**Response:** We believe the proposed SAS will result in an improvement of the auditor's understanding of its responsibility.

**Question 3:** *Does the proposed SAS provide adequate guidance with respect to the auditor's consideration of omitted or obscured information?*

**Response:** The proposed SAS states the auditor is not responsible for searching for omitted information or for the completeness of the other information. We agree because we do not believe auditor's responsibilities should extend beyond the information presented. We suggest management be required to provide a written representation that management is responsible, and has fulfilled its responsibility, for the completeness of the other information included in the entity's annual report and the information provided to the auditor.

**Question 4:** *Does the proposed SAS provide adequate guidance for group auditors when a group auditor decides to make reference to a component auditor in the auditor's report on the group financial statements?*

**Response:** We believe the proposed SAS provides adequate guidance for group auditors when a group auditor decides to make reference to a component auditor in the auditor's report on the group financial statements.

**Question 5:** *Does the proposed requirement for the auditor to include a separate section in the auditor's report addressing other information appropriately convey the nature and extent of the auditor's consideration of other information without inappropriately implying that the auditor has obtained assurance on or is expressing an opinion or conclusion on the other information?*

**Response:** We believe the third paragraph should be expanded to indicate the auditor is not responsible for searching for omitted information or for the completeness of the other information.

We also believe further clarification is necessary regarding when the other information section in the auditor's report is required. Paragraph 22 in the proposed SAS indicates it should be included when, at the date of the auditor's report, the auditor has obtained some or all of the other information. Paragraph A59 then indicates the auditor may consider the identification in the auditor's report of other information that the auditor expects to obtain after the date of the auditor's report. This appears to indicate the auditor could include the other information section when none of the other information has been received prior to the auditor's report.

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CliftonLarsonAllen LLP appreciates the opportunity to review and offer our comments on this proposed SAS. We would be pleased to discuss any questions that you or your staff may have regarding our comments.

Respectfully submitted by

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**