Paragraphs 2–9 of the proposed SAS are helpful in describing the key concepts of the proposed SAS and do adequately explain the interplay between the proposed SAS and other AU-C Sections. Specifically, paragraphs 2 and 3 clearly describe the nature of accounting estimates and how the proposed SAS applies to all estimates. Paragraphs 4 – 8 identify the key concepts of the proposed change and how individual sections will be impacted. Specifically, paragraph four identifies what standards are used to assess inherent and control risk in reference to the overall risk of material misstatement as well as how the proposed change will simplify assessing inherent risk. Paragraph five identifies the relevant requirements that will be modified as well as emphasizes the importance of accounting estimates. Paragraph six emphasizes what the proposed change will mean when the auditor’s further procedures need to be responsive to the risk of material misstatement at the relevant assertion level. Paragraph seven explains how professional skepticism should still be implemented with the proposed standard update. Paragraph nine clearly identifies the interplay between the proposed updated and the impacted AU-C sections and paragraph nine explicitly states the date said proposed change will become effective if approved.

As a whole, paragraphs 2 – 9 of the proposed SAS updated are helpful in describing the concepts being proposed and do adequately explain the interplay between the proposed SAS and AU-C sections. Thank you for the opportunity to submit my opinion on section 2 of the request for comment of the proposed SAS change.