

June 29, 2021

American Institute of Certified Public Accountants
1211 Avenue of the Americas
New York, NY 10036-8775

Submitted via e-mail to commentletters@aicpa-cima.com

Re: Proposed Statement on Auditing Standards, *Inquiries of the Predecessor Auditor Regarding Fraud and Noncompliance with Laws and Regulations*

The Virginia Society of CPAs (VSCPA) Accounting and Auditing Advisory Committee has reviewed the Proposed Statement on Auditing Standards, *Inquiries of the Predecessor Auditor Regarding Fraud and Noncompliance with Laws and Regulations*, issued Feb. 25, 2021. The VSCPA is a leading professional association in Virginia with more than 13,000 individual members dedicated to helping CPAs thrive by communicating information and vision, promoting professionalism and advocating members' interests. We appreciate the work the Accounting Standards Board has undertaken on this effort and the opportunity to respond to the Proposed Standard.

The VSCPA offers the following comments related to the "Request for Comment" section of the proposal:

Question 1: Does the respondent agree with the ASB's determination that it is appropriate to retain the requirement for the auditor, prior to accepting an initial audit, including a reaudit engagement, to request management to authorize the predecessor auditor to respond fully to the auditor's inquiries? If not, why not, and how would the respondent revise the requirement (for example, by making the procurement of management's agreement a precondition for the auditor to accept the engagement or requiring the auditor to communicate with the predecessor auditor without management's authorization)?

Yes. Such a requirement ensures compliance regarding client confidentiality.

Question 2: Are the proposed requirements appropriate and complete, including whether it is appropriate to continue to provide an exception that permits the predecessor auditor to decline to respond to the auditor's inquiries due to impending, threatened, or potential litigation; disciplinary proceedings; or other unusual circumstances? If not, please suggest specific revisions to the proposals.

Yes, the proposed requirements are appropriate and complete. The exception provided allows a predecessor auditor to decline to respond due to impending, threatened, or potential litigation, which is and should be allowable in such circumstances.

Question 3: Is the proposed requirement appropriate and complete? If not, please suggest specific revisions.

Yes, the proposed requirement is appropriate and complete.

Question 4: Are respondents supportive of the proposed effective date? If you are not supportive, please provide reasons for your response.

Yes, the proposed effective date is reasonable.

Again, the VSCPA appreciates the opportunity to respond to this proposal. Please direct any questions or concerns to VSCPA, Vice President of Advocacy Emily Walker at ewalker@vscpa.com or (804) 612-9428.

Sincerely,

Tamara Greear, CPA
2021-2022 Chair
VSCPA Accounting & Auditing Advisory Committee

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