



July 29, 2017

AICPA Auditing Standards Board
Sherry Hazel at Sherry.Hazel@aicpa-cima.com

This letter is in reply to the AICPA's Proposed Statement on Auditing Standards, *Forming an Opinion and Reporting on Financial Statements of Employee Benefit Plans Subject to ERISA*.

I do not agree, and do not understand, why the AICPA is writing procedural and required steps for how to form an opinion on financial statements that are specific for the use of a federal agency, in this case the DOL. This is in the opposite direction of what I have understood the AICPA to be working towards; namely, principle based financial auditing standards, where the auditor's risk assessment serves as the foundation that guides the auditor in the nature, timing and extent of the audit procedures designed and performed to obtain sufficient appropriate evidence to support the auditor's opinion.

In my review of this proposed standard, it in many cases felt more akin to an Agreed Upon Procedure type of engagement. And then in other cases, felt more akin to a full-scope audit (in cases where a Certification Letter is provided, allowing for a Limited Scope audit).

In my experience with financial statements that are used by the Department of Education and the U.S. Department of Housing and Urban Development, there are audit guides that have been written by those respective government bodies, to address their specific needs and requirements. Who better to write an audit guide, then the entity who is requesting the audit? I strongly suggest the ASB reconsider their role in the DOL's endeavor to obtain better performed audits. I recommend the AICPA continue their good efforts in the educational and peer review arenas. I would also recommend the ASB offer to assist the DOL in a possible Audit Guide that is written and issued by the DOL. But that in the end, the AICPA continue to assist and support their constituency, the CPAs in this country, and not let the tail wag the dog, or the DOL push the AICPA into endeavors that are not in-line with the AICPA's mission.

Thank you for your consideration.

A handwritten signature in blue ink that reads "Jesse Sabey". The signature is fluid and cursive.

Jesse Sabey, CPA