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Public Company Accounting Oversight Board; Notice of Filing of Proposed Rules to Implement the Reorganization of PCAOB Auditing Standards and Related Changes to PCAOB Rules and Attestation, Quality Control, and Ethics and Independence Standards; Notice

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-75251; File No. PCAOB 2015-01]

### Public Company Accounting Oversight Board; Notice of Filing of Proposed Rules to Implement the Reorganization of PCAOB Auditing Standards and Related Changes to PCAOB Rules and Attestation, Quality Control, and Ethics and Independence Standards

June 19, 2015.

Pursuant to Section 107(b) of the Sarbanes-Oxley Act of 2002 (the "Act"), notice is hereby given that on June 17, 2015, the Public Company Accounting Oversight Board (the "Board" or the "PCAOB") filed with the Securities and Exchange Commission ("SEC" or "Commission") the proposed rules described in items I and II below, which items have been prepared by the Board. The Commission is publishing this notice to solicit comments on the proposed rules from interested persons.

#### I. Board's Statement of the Terms of Substance of the Proposed Rules

On March 31, 2015, the Board adopted amendments to implement the reorganization of PCAOB auditing standards and related changes to PCAOB rules and attestation, quality control, and ethics and independence standards (collectively referred to as, the "amendments" or the "proposed rules").

The text of the proposed rules is set out below.

#### *Amendments to Rules of the Board*

Rule 3101. Certain Terms Used in Auditing and Related Professional Practice Standards

Rule 3101. Certain Terms Used in Auditing and Related Professional Practice Standards, is amended as follows:

In paragraph (b), the phrase "adopted in Rules 3200T, 3300T, 3400T, 3500T, and 3600T" is deleted.

Rule 3200T. Interim Auditing Standards

Rule 3200T. Interim Auditing Standards, is amended as follows:

- The letter "T" is removed from the reference to Rule 3200T.
- The word "Interim" is removed from the title of the rule.
- The text of the rule is replaced with the following:

In connection with the preparation or issuance of any audit report, a registered public accounting firm and its associated persons shall comply with all applicable auditing standards adopted

by the Board and approved by the SEC, including, to the extent not superseded or amended by the Board, AICPA Statements on Auditing Standards as in existence on April 16, 2003.

#### *Amendments to PCAOB Standards*

Auditing Standards and Interpretations

*Auditing Standard No. 1, References in Auditors' Reports to the Standards of the Public Company Accounting Oversight Board*<sup>1</sup>

Auditing Standard No. 1, *References in Auditors' Reports to the Standards of the Public Company Accounting Oversight Board*, is superseded.

Auditing Standard No. 3, *Audit Documentation*

Auditing Standard No. 3, *Audit Documentation*, as amended, is amended as follows:

- a. The section number "Auditing Standard No. 3" is replaced with "AS 1215."
- b. In the references before paragraph 1, the phrase "[supersedes SAS No. 96, *Audit Documentation*]" is deleted.
- c. Paragraph numbers 1 through 21 are replaced with .01 through .21.
- d. In footnote 1 to paragraph 4, the reference to "paragraph 12" is replaced with "paragraph .12."
- e. In footnote 2 to paragraph 6, the reference to "paragraphs 28–33 of Auditing Standard No. 5" is replaced with "paragraphs .28–.33 of AS 2201."
- f. In paragraph 9:
  - The parenthetical reference to "paragraph 15" is replaced with "paragraph .15."
  - In the first bullet, the reference to "paragraph 16" is replaced with "paragraph .16."
  - In the second bullet, the reference to "AU sec. 390" is replaced with "AS 2901."
- g. In footnote 2A to paragraph 12a:
  - The reference to "paragraphs 12–13 of Auditing Standard No. 12" is replaced with "paragraphs .12–.13 of AS 2110."
  - The reference to "AU sec. 316" is replaced with "AS 2401."
- h. In footnote 2B to paragraph 12c, the reference to "paragraphs 10–23 of Auditing Standard No. 14" is replaced with "paragraphs .10–.23 of AS 2810."
- i. In footnote 2C to paragraph 12f:
  - The reference to "paragraph 74 of Auditing Standard No. 12, *Identifying and Assessing Risks of Material Misstatement*," is replaced with "AS 2110.74."
  - The reference to "paragraph 36 of Auditing Standard No. 14, *Evaluating*

*Audit Results*" is replaced with "AS 2810.36."

*Audit Results*" is replaced with "AS 2810.36."

j. In the second sentence of paragraph 17, the reference to "AU sec. 711, *Filings Under Federal Securities Statutes*" is replaced with "AS 4101, *Responsibilities Regarding Filings Under Federal Securities Statutes*."

k. In the first sentence of paragraph 18, the reference to "paragraphs 4–13" is replaced with "paragraphs .04–.13."

l. In paragraph 19a, the reference to "paragraphs 12 and 13" is replaced with "paragraphs .12 and .13."

m. In paragraph 19c, the reference to "paragraph 8" is replaced with "paragraph .08."

n. In the last sentence of paragraph 19, the reference to "AU sec. 543, *Part of Audit Performed by Other Independent Auditors*," is replaced with "AS 1205, *Part of the Audit Performed by Other Independent Auditors*."

Auditing Standard No. 4, *Reporting on Whether a Previously Reported Material Weakness Continues to Exist*

Auditing Standard No. 4, *Reporting on Whether a Previously Reported Material Weakness Continues to Exist*, as amended, is amended as follows:

- a. The section number "Auditing Standard No. 4" is replaced with "AS 6115."
- b. Paragraph numbers 1 through 65 are replaced with .01 through .65.
- c. In Note 1 to paragraph 1, the reference to "Auditing Standard No. 5" is replaced with "AS 2201."
- d. In paragraph 2:
  - In item (1), the reference to "Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*," is replaced with "AS 2201."
  - In item (2), the reference to "Auditing Standard No. 5" is replaced with "AS 2201."

e. The parenthetical reference to "paragraph 26" is replaced with "paragraph .26."

f. In the note, the reference to "Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*" is replaced with "AS 2201."

g. In the last sentence of paragraph 4, the reference to "Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*," is replaced with "AS 2201."

h. In paragraph 7e, the reference to "paragraph 48" is replaced with "paragraph .48."

i. In paragraph 8, the reference to "paragraph 7" is replaced with "paragraph .07."

<sup>1</sup>The captions in this section refer to the numbers and titles of existing PCAOB auditing standards and interpretations.

h. In paragraph 9, the reference to “Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*” is replaced with “AS 2201.”

i. In paragraph 10:

- In the first sentence, the reference to “Paragraph 5 of Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*,” is replaced with “AS 2201.05.”

- In the first sentence of the note, the reference to “Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*,” is replaced with “AS 2201.”

j. In paragraph 11, the reference to “Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*” is replaced with “AS 2201.”

k. In footnote 2 to paragraph 13, the reference to “paragraph 42 of Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*” is replaced with “AS 2201.42.”

l. In the last sentence of the note to paragraph 17, the reference to “Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*” is replaced with “AS 2201.”

m. In Note 2 to paragraph 18, the reference to “Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*” is replaced with “AS 2201.”

n. In the first sentence of paragraph 23, the reference to “paragraph 20 of Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*” is replaced with “AS 2201.20.”

o. In the last sentence of paragraph 24, the reference to “paragraph 9 of Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*” is replaced with “AS 2201.09.”

p. In paragraph 25:

- In the last sentence, the reference to “Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*,” is replaced with “AS 2201.”

- In the note:

- Each reference to “Auditing Standard No. 5, *An Audit of Internal*

*Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*,” is replaced with “AS 2201.”

- In the second sentence, the reference to “paragraphs 26a–b and 27” is replaced with “paragraphs .26a–b and .27.”

- In the last sentence, the reference to “paragraphs 26 and 27” is replaced with “paragraphs .26 and .27.”

q. In paragraph 26:

- In the first sentence, the reference to “paragraph 5” is replaced with “paragraph .05.”

- In footnote 3, the reference to “paragraph .02 of AU sec. 315, *Communications Between Predecessor and Successor Auditors*” is replaced with “paragraph .02 of AS 2610, *Initial Audits—Communications Between Predecessor and Successor Auditors*.”

r. In the first sentence of paragraph 26a, the reference to “paragraphs 22–27 of Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*” is replaced with “AS 2201.22–.27.”

s. In paragraph 26b, the reference to “paragraphs 34–38 of Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*,” is replaced with “AS 2201.34–.38.”

t. In the first sentence of paragraph 26c, the reference to “AU sec. 315, *Communications Between Predecessor and Successor Auditors*” is replaced with “AS 2610.”

u. In paragraph 27:

- In the first sentence, the reference to “paragraph 26” is replaced with “paragraph .26.”

- In the last sentence, the reference to “Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*” is replaced with “AS 2201.”

v. In the last sentence of paragraph 28, the reference to “paragraph 7” is replaced with “paragraph .07.”

w. In the last sentence of paragraph 31, the reference to “paragraphs 42–43 of Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*” is replaced with “AS 2201.42–.43.”

x. In paragraph 32:

- In the first sentence, the reference to “paragraphs 44–45 of Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*” is replaced with “AS 2201.44–.45.”

- In the last sentence, the reference to “paragraphs 50–54 of Auditing Standard

No. 5” is replaced with “AS 2201.50–.54.”

y. In the third sentence of paragraph 33, the reference to “paragraphs 22–24 of Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*” is replaced with “AS 2201.22–.24.”

z. In paragraph 35, the reference to “Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*,” is replaced with “AS 2201.”

aa. In the last sentence of paragraph 36, the reference to “paragraphs 16–19 of Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*” is replaced with “AS 2201.16–.19.”

bb. In the first sentence of paragraph 38, the reference to “Paragraphs 18–19 of Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*,” is replaced with “AS 2201.18–.19.”

cc. In the first sentence of paragraph 40, the reference to “AU sec. 543, *Part of Audit Performed by Other Independent Auditors*” is replaced with “AS 1205, *Part of the Audit Performed by Other Independent Auditors*.”

dd. In the first sentence of the note to paragraph 43, the reference to “paragraph 51” is replaced with “paragraph .51.”

ee. In the second sentence of paragraph 46, the reference to “paragraph 43” is replaced with “paragraph .43.”

ff. In paragraph 47:

- In the first sentence, the reference to “Auditing Standard No. 3” is replaced with “AS 1215.”

- In the second sentence, the reference to “Paragraph 14 of Auditing Standard No. 3” is replaced with “AS 1215.14.”

- In the third sentence, the reference to “paragraph 29” is replaced with “paragraph .29.”

- In the last sentence, the reference to “Auditing Standard No. 3” is replaced with “AS 1215.”

gg. In the first sentence of paragraph 48, the reference to “paragraph 7e” is replaced with “paragraph .07e.”

hh. In paragraph 50, the reference to “paragraph 48” is replaced with “paragraph .48.”

ii. In the first sentence of the note to paragraph 51b, the reference to “Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An*

*Audit of Financial Statements*” is replaced with “AS 2201.”

jj. In the note to paragraph 51g, the reference to “paragraph 31” is replaced with “paragraph .31.”

kk. In the first sentence of the note to paragraph 51l, the reference to “Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*” is replaced with “AS 2201.”

ll. In the note to paragraph 51o, the reference to “Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*” is replaced with “AS 2201.”

mm. In the first sentence of paragraph 52, the reference to “Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*,” is replaced with “AS 2201.”

nn. In paragraph 53:

- In the first sentence, the reference to “paragraph 3” is replaced with “paragraph .03.”

- In the last sentence, the reference to “paragraph 51” is replaced with “paragraph .51.”

oo. In paragraph 54a, the parenthetical reference to “paragraph 56” is replaced with “paragraph .56.”

pp. In paragraph 54b, the parenthetical reference to “paragraphs 57 and 58” is replaced with “paragraphs .57 and .58.”

qq. In paragraph 54c, the parenthetical reference to “paragraphs 59 through 60” is replaced with “paragraphs .59 through .60.”

rr. In the first sentence of paragraph 55, the reference to “paragraph 43” is replaced with “paragraph .43.”

ss. In the third sentence of paragraph 57, the reference to “paragraph 44” is replaced with “paragraph .44.”

tt. In the first sentence of paragraph 58, the reference to “paragraph 61” is replaced with “paragraph .61.”

uu. In the first sentence of paragraph 59, the reference to “paragraph 48” is replaced with “paragraph .48.”

vv. In the note to paragraph 60, each reference to “paragraph 59” is replaced with “paragraph .59.”

ww. In the first sentence of paragraph 62, the reference to “paragraph 55” is replaced with “paragraph .55.”

xx. In paragraph 63, the reference to “paragraphs 7 and 29–32 of AU sec. 722, *Interim Financial Information*” is replaced with “paragraphs .07 and .29–.32 of AS 4105, *Reviews of Interim Financial Information*.”

yy. In paragraph 64:

- In the second sentence, the reference to “paragraph 56” is replaced with “paragraph .56.”

- In the last sentence, the reference to “paragraphs 7 and 29–32 of AU 722, *Interim Financial Information*” is replaced with “AS 4105.07 and AS 4105.29–.32.”

zz. In Appendix A, in the first sentence of the first paragraph, the reference to “Paragraphs 51 through 60” is replaced with “Paragraphs .51 through .60.”

Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*

Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*, as amended, is amended as follows:

a. The section number “Auditing Standard No. 5” is replaced with “AS 2201.”

b. Paragraph numbers 1 through 98 are replaced with .01 through .98.

c. In footnote 3 to paragraph 2, the reference to “Paragraph A5” is replaced with “Paragraph .A5.”

d. In footnote 5 to paragraph 3, the reference to “AU sec. 230” is replaced with “AS 1015.”

e. In paragraph 4:

- In the first sentence, the phrase “The general standards” is replaced with the phrase “The standards, AS 1005, *Independence*, AS 1010, *Training and Proficiency of the Independent Auditor*, and AS 1015, *Due Professional Care in the Performance of Work*.”

- Footnote 6 is deleted.

f. In paragraph 14:

- In the second sentence:
- The reference to “paragraph 22” is replaced with “paragraph .22.”

- The reference to “paragraph 39” is replaced with “paragraph .39.”

- In footnote 10, the reference to “Auditing Standard No. 12” is replaced with “AS 2110.”

- In footnote 10A to the first bullet, the reference to “AU sec. 316” is replaced with “AS 2401.”

g. In paragraph 15, the reference to “paragraphs 65–69 of Auditing Standard No. 12, *Identifying and Assessing Risks of Material Misstatement*” is replaced with “AS 2110.65–.69.”

h. In the last sentence of paragraph 16, the reference to “AU sec. 322, *The Auditor’s Consideration of the Internal Audit Function in an Audit of Financial Statements*” is replaced with “AS 2605, *Consideration of the Internal Audit Function*.”

i. In the third sentence of paragraph 18, the reference to “paragraphs .09 through .11 of AU sec. 322” is replaced with “AS 2605.09 through .11.”

j. In footnote 11 to paragraph 20, the reference to “Auditing Standard No. 11” is replaced with “AS 2105.”

k. In footnote 12 to paragraph 28, the reference to “Auditing Standard No. 15” is replaced with “AS 1105.”

l. In footnote 13 to the note to paragraph 31:

- The first parenthetical reference to “paragraph 14 of Auditing Standard No. 14” is replaced with “paragraph .14 of AS 2810.”

- The second parenthetical reference to “paragraph 61 and paragraph 5 of Auditing Standard No. 13” is replaced with “paragraph .61 and paragraph .05 of AS 2301.”

m. In paragraph 35:

- The reference to “paragraph 34” is replaced with “paragraph .34.”

- The reference to “AU sec. 322” is replaced with “AS 2605.”

n. In the second sentence of paragraph 36:

- The reference to “paragraph 29” is replaced with “paragraph .29.”

- The reference to “Auditing Standard No. 12, *Identifying and Assessing Risks of Material Misstatement*” is replaced with “AS 2110.”

o. In the first sentence of paragraph 37, the reference to “paragraph 34” is replaced with “paragraph .34.”

p. In paragraph 53, the parenthetical reference to “paragraph B1” is replaced with “paragraph .B1.”

q. In the last sentence of paragraph 57, the reference to “paragraphs 46 through 56” is replaced with “paragraphs .46 through .56.”

r. In paragraph 58, the reference to “paragraph 47” is replaced with “paragraph .47.”

s. In the first sentence of paragraph 59, the reference to “paragraphs 47 and 58” is replaced with “paragraphs .47 and .58.”

t. In the last sentence of paragraph 60, the reference to “paragraph B28” is replaced with “paragraph .B28.”

u. In paragraph 73, the reference to “paragraph C2” is replaced with “paragraph .C2.”

v. In paragraph 74, the parenthetical reference to “paragraphs C3 through C7” is replaced with “paragraphs .C3 through .C7.”

w. In paragraph 75g, the reference to “paragraphs 78 and 80” is replaced with “paragraphs .78 and .80.”

x. In paragraph 76, the reference to “paragraph C3” is replaced with “paragraph .C3.”

y. In paragraph 77, the reference to “AU sec. 333” is replaced with “AS 2805.”

z. In the last sentence of paragraph 84:

- The reference to “AU sec. 316, *Consideration of Fraud in a Financial*

*Statement Audit*” is replaced with “AS 2401.”

- The reference to “AU sec. 317” is replaced with “AS 2405.”
- aa. In paragraph 85e, the reference to “paragraph A5” is replaced with “paragraph .A5.”
- bb. In paragraph 90:
  - In the first sentence, the reference to “Paragraphs 62 through 70” is replaced with “Paragraphs .62 through .70.”
  - In footnote 19, the reference to “paragraph C3” is replaced with “paragraph .C3.”
- cc. In the first bullet of paragraph 91, the reference to “paragraph A7” is replaced with “paragraph .A7.”
- dd. In the first sentence of the note to paragraph 92, the reference to “paragraphs 88 and 91” is replaced with “paragraphs .88 and .91.”
- ee. In the last sentence of paragraph 93, the reference to “paragraph 75h” is replaced with “paragraph .75h.”
- ff. In the second sentence of paragraph 95, the reference to “AU sec. 560” is replaced with “AS 2801.”
- gg. In paragraph 96:
  - The parenthetical reference to “paragraph C2” is replaced with “paragraph .C2.”
  - In the last sentence, the reference to “paragraph C13” is replaced with “paragraph .C13.”
- hh. In the last sentence of paragraph 98, the reference to “AU sec. 561” is replaced with “AS 2905.”
- ii. In Appendix A, paragraph numbers A1 through A11 are replaced with .A1 through .A11.
- jj. In Appendix B, paragraph numbers B1 through B33 are replaced with .B1 through .B33.
- kk. In the first sentence of paragraph B5, the reference to “paragraph B2” is replaced with “paragraph .B2.”
- ll. In paragraph B13, the reference to “paragraph 61” is replaced with “paragraph .61.”
- mm. In the fifth sentence of paragraph B16, the reference to “AU sec. 722, *Interim Financial Information*” is replaced with “AS 4105, *Reviews of Interim Financial Information*.”
- nn. In paragraph B17:
  - In the first sentence, the reference to “AU sec. 324, *Service Organizations*,” is replaced with “AS 2601, *Consideration of an Entity’s Use of a Service Organization*.”
  - In the last sentence, the reference to “AU sec. 324” is replaced with “AS 2601.”
- oo. In the first sentence of paragraph B18, the reference to “AU sec. 324.03” is replaced with “AS 2601.03.”
- pp. In the first sentence of paragraph B19, the reference to “AU sec. 324.07” is replaced with “AS 2601.07.”

qq. In the first sentence of paragraph B20, the reference to “AU sec. 324.12” is replaced with “AS 2601.12.”

- rr. In the note to paragraph B20a:
  - In the first sentence, the parenthetical reference to “AU sec. 324.24b” is replaced with “AS 2601.24b.”
  - In the second sentence, the parenthetical reference to “AU sec. 324.24a” is replaced with “AS 2601.24a.”
  - In the last sentence, the reference to “AU sec. 324” is replaced with “AS 2601.”
- ss. In the note to paragraph B21, the reference to “AU sec. 324.16” is replaced with “AS 2601.16.”
- tt. In the last sentence of paragraph B23, the reference to “AU sec. 543, *Part of Audit Performed by Other Independent Auditors*” is replaced with “AS 1205, *Part of the Audit Performed by Other Independent Auditors*.”
- uu. In Appendix C, paragraph numbers C1 through C17 are replaced with .C1 through .C17.
- vv. In the last sentence of paragraph C2, the reference to “paragraph 91” is replaced with “paragraph .91.”
- ww. In paragraph C4, the parenthetical reference to “paragraph 85” is replaced with “paragraph .85.”
- xx. In paragraph C5:
  - In the first bullet, the reference to “paragraph A7” is replaced with “paragraph .A7.”
  - In the last sentence of the second bullet, the reference to “paragraph 91” is replaced with “paragraph .91.”
- yy. In the note to paragraph C6, the reference to “paragraph 89” is replaced with “paragraph .89.”
- zz. In the second sentence of paragraph C8, the reference to “AU sec. 543, *Part of Audit Performed by Other Independent Auditors*” is replaced with “AS 1205, *Part of the Audit Performed by Other Independent Auditors*.”
- aaa. In the last sentence of paragraph C9, the reference to “AU sec. 543” is replaced with “AS 1205.”
- bbb. In footnote 1 to paragraph C10, the reference to “paragraph B15” is replaced with “paragraph .B15.”
- ccc. In paragraph C12, the reference to “paragraph 72” is replaced with “paragraph .72.”
- ddd. In paragraph C14:
  - In the last sentence, the reference to “AU sec. 317” is replaced with “AS 2405.”
  - In the first sentence of the note, the reference to “paragraph C12” is replaced with “paragraph .C12.”
- eee. In paragraph C15:
  - In the first sentence, the reference to “AU sec. 722, *Interim Financial Information*” is replaced with “AS 4105, *Reviews of Interim Financial Information*.”

- In the last sentence, the reference to “AU sec. 722” is replaced with “AS 4105.”

- fff. In paragraph C16:
  - In the first sentence, the reference to “AU sec. 711, *Filings Under Federal Securities Statutes*” is replaced with “AS 4101, *Responsibilities Regarding Filings Under Federal Securities Statutes*.”
  - In the second sentence, the reference to “AU sec. 711” is replaced with “AS 4101.”
  - In the last sentence, the reference to “AU sec. 711.10” is replaced with “AS 4101.10.”

Auditing Standard No. 6, Evaluating Consistency of Financial Statements

Auditing Standard No. 6, *Evaluating Consistency of Financial Statements*, as amended, is amended as follows:

- a. The section number “Auditing Standard No. 6” is replaced with “AS 2820.”
  - b. In the references before paragraph 1, the phrase “*Supersedes AU secs. 420 and 9420*” is deleted.
  - c. Paragraph numbers 1 through 11 are replaced with .01 through .11.
  - d. In paragraph 8:
    - In the second sentence, the reference to “paragraph 7” is replaced with “paragraph .07.”
    - Each reference to “AU sec. 508” is replaced with “AS 3101.”
    - In the last sentence of the note, the reference to “AU sec. 508” is replaced with “AS 3101.”
  - e. In paragraph 9, the reference to “AU sec. 508” is replaced with “AS 3101.”
  - f. In the last sentence of paragraph 10:
    - The reference to “paragraph 31” is replaced with “paragraph .31.”
    - The reference to “Auditing Standard No. 14” is replaced with “AS 2810.”
    - The reference to “AU sec. 508” is replaced with “AS 3101.”
  - g. In paragraph 11:
    - In the fifth sentence, the reference to “paragraphs 7 and 8 and AU sec. 508” is replaced with “paragraphs .07 and .08 and AS 3101.”
    - In the last sentence, the reference to “paragraphs 9 and 10 and AU sec. 508” is replaced with “paragraphs .09 and .10 and AS 3101.”
- Auditing Standard No. 7, Engagement Quality Review
- Auditing Standard No. 7, *Engagement Quality Review*, as amended, is amended as follows:
- a. The section number “Auditing Standard No. 7” is replaced with “AS 1220.”
  - b. In the references before paragraph 1, the phrase “*Supersedes SECPS*”

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§ 1000.08(f)” is deleted.

c. Paragraph numbers 1 through 21 are replaced with .01 through .21.

d. In paragraph 1, the phrase “a review interim financial information” is replaced with “a review of interim financial information.”

e. In the last sentence of footnote 1 to paragraph 2, the reference to “AU section (“sec.”) 722, *Interim Financial Information*” is replaced with “AS 4105, *Reviews of Interim Financial Information*.”

f. In the last sentence of paragraph 9, the reference to “paragraphs 10 and 11” is replaced with “paragraphs .10 and .11.”

g. In footnote 4 to paragraph 10e, the reference to “Paragraph 13 of PCAOB Auditing Standard No. 3” is replaced with “Paragraph .13 of AS 1215.”

h. In footnote 5 to paragraph 10g:

- The reference to “AU sec. 550” is replaced with “AS 2710.”

- The reference to “AU sec. 711, *Filings Under Federal Securities Statutes*” is replaced with “AS 4101, *Responsibilities Regarding Filings Under Federal Securities Statutes*.”

i. In the first sentence of paragraph 11, the reference to “paragraph 10” is replaced with “paragraph .10.”

j. In footnote 6 to paragraph 12, the reference to “AU sec. 230” is replaced with “AS 1015.”

k. In the last sentence of paragraph 14, the reference to “paragraphs 15 and 16” is replaced with “paragraphs .15 and .16.”

l. In paragraph 15c, the reference to “paragraphs 10.d and 10.e” are replaced with “paragraphs .10d and .10e.”

m. In footnote 8 to paragraph 15e:

- The reference to “AU sec. 722.18f” is replaced with “AS 4105.18f.”

- The reference to “AU sec. 711” is replaced with “AS 4101.”

n. In paragraph 15f, the reference to “paragraphs 10.h and 10.i” are replaced with “paragraphs .10h and .10i.”

o. In paragraph 16, the reference to “paragraph 15” is replaced with “paragraph .15.”

p. In paragraph 21, the reference to “PCAOB Auditing Standard No. 3, *Audit Documentation*,” is replaced with “AS 1215.”

## Auditing Standard No. 8, Audit Risk

Auditing Standard No. 8, *Audit Risk*, is amended as follows:

a. The section number “Auditing Standard No. 8” is replaced with “AS 1101.”

b. Paragraph numbers 1 through 11 are replaced with .01 through .11.

c. In the first sentence of footnote 1 to paragraph 1, the reference to

“Auditing Standard No. 5” is replaced with “AS 2201.”

d. In paragraph 3:

- In footnote 2, the reference to “Auditing Standard No. 14” is replaced with “AS 2810.”

- In footnote 3:

- The reference to “AU sec. 110” is replaced with “AS 1001.”

- The reference to “AU sec. 230” is replaced with “AS 1015.”

e. In paragraph 5:

- In the last sentence, the reference to “Auditing Standard No. 12” is replaced with “AS 2110.”

- In footnote 4, the reference to “Auditing Standard No. 15” is replaced with “AS 1105.”

- In footnote 5, the reference to “Paragraph 59 of Auditing Standard No. 12” is replaced with “AS 2110.59.”

f. In paragraph 8:

- In footnote 6, the reference to “Paragraph 59.a. of Auditing Standard No. 12” is replaced with “AS 2110.59a.”

- In footnote 7, the reference to “Paragraphs 32–34 of Auditing Standard No. 13” is replaced with “Paragraphs .32–.34 of AS 2301.”

g. In footnote 8 to paragraph 11, the reference to “Paragraph 37 of Auditing Standard No. 13” is replaced with “AS 2301.37.”

## Auditing Standard No. 9, Audit Planning

Auditing Standard No. 9, *Audit Planning*, as amended, is amended as follows:

a. The section number “Auditing Standard No. 9” is replaced with “AS 2101.”

b. Paragraph numbers 1 through 19 are replaced with .01 through .19.

c. In the second sentence of footnote 3 to paragraph 6a, the reference to “AU sec. 161, *The Relationship of Generally Accepted Auditing Standards to Quality Control Standards*” is replaced with “AS 1110, *Relationship of Auditing Standards to Quality Control Standards*.”

d. In paragraph 6c, the reference to “Auditing Standard No. 16” is replaced with “AS 1301.”

e. In paragraph 7:

- In the second sentence, the reference to “paragraphs 8–10” is replaced with “paragraphs .08–.10.”

- In footnote 5, the reference to “Auditing Standard No. 11” is replaced with “AS 2105.”

f. In the first sentence of footnote 7 to paragraph 9a, the reference to “Auditing Standard No. 16, *Communications with Audit Committees*” is replaced with “AS 1301.”

g. In footnote 8 to paragraph 9b, the reference to “paragraph 6 of Auditing

Standard No. 10” is replaced with “paragraph .06 of AS 1201.”

h. In paragraph 9c:

- The reference to “paragraph 7” is replaced with “paragraph .07.”

- In footnote 9, the reference to “Paragraph 6” is replaced with “Paragraph .06.”

i. In footnote 10 to paragraph 9d:

- The reference to “AU sec. 230” is replaced with “AS 1015.”

- The reference to “paragraph 16” is replaced with “paragraph .16.”

- The reference to “paragraph 5.a.” is replaced with “paragraph .05a.”

- The reference to “Auditing Standard No. 13” is replaced with “AS 2301.”

j. In footnote 11 to paragraph 10a, the reference to “Auditing Standard No. 12” is replaced with “AS 2110.”

k. In footnote 12 to paragraph 10b:

- The reference to “Auditing Standard No. 13” is replaced with “AS 2301.”

- The reference to “Auditing Standard No. 5” is replaced with “AS 2201.”

l. In footnote 14 to paragraph 12a, the reference to “AU sec. 316” is replaced with “AS 2401.”

m. In footnote 15 to paragraph 12b, the reference to “Paragraph 10 of Auditing Standard No. 11” is replaced with “AS 2105.10.”

n. In the note to paragraph 12g:

- The reference to “Auditing Standard No. 5” is replaced with “AS 2201.”

- In footnote 17, the reference to “Paragraphs B10–B16 of Auditing Standard No. 5” is replaced with “AS 2201.B10–.B16.”

o. In paragraph 13:

- In the first sentence:
- The reference to “AU sec. 322, *The Auditor’s Consideration of the Internal Audit Function in an Audit of Financial Statements*” is replaced with “AS 2605, *Consideration of the Internal Audit Function*.”

- The reference to “Auditing Standard No. 5” is replaced with “AS 2201.”

- In the last sentence:

- The reference to “AU sec. 322” is replaced with “AS 2605.”

- The reference to “Auditing Standard No. 5” is replaced with “AS 2201.”

p. In paragraph 14:

- In the first sentence, the reference to “AU sec. 543, *Part of Audit Performed by Other Independent Auditors*” is replaced with “AS 1205, *Part of the Audit Performed by Other Independent Auditors*.”

- In the last sentence, the reference to “paragraphs 11–13” is replaced with “paragraphs .11–.13.”

- In footnote 18, the reference to “paragraphs C8–C11 of Auditing Standard No. 5” is replaced with “AS 2201.C8–.C11.”

- q. In paragraph 18b, the reference to “AU sec. 315, *Communications Between Predecessor and Successor Auditors*” is replaced with “AS 2610, *Initial Audits—Communications Between Predecessor and Successor Auditors*.”

- r. In footnote 19 to paragraph 19, the reference to “paragraph 3 of Auditing Standard No. 6” is replaced with “paragraph .03 of AS 2820.”

- s. In Appendix A, paragraph numbers A1 through A2 are replaced with .A1 through .A2.

Auditing Standard No. 10, Supervision of the Audit Engagement

Auditing Standard No. 10, *Supervision of the Audit Engagement*, is amended as follows:

- a. The section number “Auditing Standard No. 10” is replaced with “AS 1201.”

- b. Paragraph numbers 1 through 6 are replaced with .01 through .06.

- c. In paragraph 3:

- In the last sentence, the reference to “Paragraphs 5–6” is replaced with “Paragraphs .05–.06.”

- In footnote 2, the reference to “AU sec. 336” is replaced with “AS 1210.”

- In footnote 3, the reference to “AU sec. 543, *Part of Audit Performed by Other Independent Auditors*” is replaced with “AS 1205, *Part of the Audit Performed by Other Independent Auditors*.”

- In footnote 4, the reference to “AU sec. 322, *The Auditor’s Consideration of the Internal Audit Function in an Audit of Financial Statements*” is replaced with “AS 2605, *Consideration of the Internal Audit Function*.”

- In footnote 5, the reference to “Paragraphs 16–19 of Auditing Standard No. 5” is replaced with “Paragraphs .16–.19 of AS 2201.”

- In footnote 6, the reference to “AU sec. 230” is replaced with “AS 1015.”

- d. In paragraph 5a:

- In footnote 7 to paragraph 5a:

- The reference to “AU sec. 230.06” is replaced with “AS 1015.06.”

- The reference to “paragraph 5 of Auditing Standard No. 13” is replaced with “paragraph .05 of AS 2301.”

- In footnote 8 to item (3), the reference to “Auditing Standard No. 12” is replaced with “AS 2110.”

- e. In footnote 9 to paragraph 5b:

- The reference to “paragraph 15 of Auditing Standard No. 9” is replaced with “paragraph .15 of AS 2101.”

- The reference to “paragraph 74 of Auditing Standard No. 12” is replaced with “AS 2110.74.”

- The reference to “paragraphs 20–23 and 35–36 of Auditing Standard No. 14” is replaced with “paragraphs .20–.23 and .35–.36 of AS 2810.”

- f. In the note to paragraph 5, the reference to “AU sec. 230” is replaced with “AS 1015.”

- g. In footnote 10 to item (3) of paragraph 5c:

- The reference to “Auditing Standard No. 14” is replaced with “AS 2810.”

- The reference to “Auditing Standard No. 3” is replaced with “AS 1215.”

- h. In footnote 11 to paragraph 6a, the reference to “Paragraph 10 of Auditing Standard No. 12” is replaced with “AS 2110.10.”

- i. In footnote 12 to paragraph 6d:

- The reference to “paragraph 5.a. of Auditing Standard No. 13” is replaced with “AS 2301.05a.”

- The reference to “AU sec. 230.06” is replaced with “AS 1015.06.”

- j. In the note to paragraph 6:

- The reference to “paragraph 5 of Auditing Standard No. 13, *The Auditor’s Responses to the Risks of Material Misstatement*,” is replaced with “AS 2301.05.”

- In footnote 13, the reference to “Paragraph 5.b. of Auditing Standard No. 13” is replaced with “AS 2301.05b.”

- k. In Appendix A, paragraph numbers A1 and A2 are replaced with .A1 and .A2.

Auditing Standard No. 11, Consideration of Materiality in Planning and Performing an Audit

Auditing Standard No. 11, *Consideration of Materiality in Planning and Performing an Audit*, is amended as follows:

- a. The section number “Auditing Standard No. 11” is replaced with “AS 2105.”

- b. Paragraph numbers 1 through 12 are replaced with .01 through .12.

- c. In footnote 1 to paragraph 1, the reference to “Auditing Standard No. 14” is replaced with “AS 2810.”

- d. In paragraph 3:

- In the third sentence, the reference to “Auditing Standard No. 14” is replaced with “AS 2810.”

- In footnote 4, the reference to “Auditing Standard No. 14” is replaced with “AS 2810.”

- e. In paragraph 4:

- The reference to “Auditing Standard No. 5” is replaced with “AS 2201.”

- In footnote 5, the reference to “Paragraph 20 of Auditing Standard No. 5” is replaced with “AS 2201.20.”

- f. In paragraph 12:

- In the note, the reference to “Auditing Standard No. 14” is replaced with “AS 2810.”

- In footnote 6 to the note, the reference to “Paragraph 17 of Auditing Standard No. 14” is replaced with “AS 2810.17.”

Auditing Standard No. 12, Identifying and Assessing Risks of Material Misstatement

Auditing Standard No. 12, *Identifying and Assessing Risks of Material Misstatement*, is amended as follows:

- a. The section number “Auditing Standard No. 12” is replaced with “AS 2110.”

- b. Paragraph numbers 1 through 74 are replaced with .01 through .74.

- c. In footnote 1 to paragraph 1, the reference to “Paragraphs 5–8 of Auditing Standard No. 8” is replaced with “Paragraphs .05–.08 of AS 1101.”

- d. In paragraph 2:

- In the first sentence, the reference to “Paragraphs 4–58” is replaced with “Paragraphs .04–.58.”

- In the last sentence, the reference to “Paragraphs 59–73” is replaced with “Paragraphs .59–.73.”

- e. In paragraph 4:

- In footnote 3:

- In the first sentence, the reference to “AU sec. 316” is replaced with “AS 2401.”

- In the last sentence, the reference to “Auditing Standard No. 18” is replaced with “AS 2410.”

- In footnote 4, the reference to “Auditing Standard No. 15” is replaced with “AS 1105.”

- f. In paragraph 5a, the parenthetical reference to “paragraphs 7–17” is replaced with “paragraphs .07–.17.”

- g. In paragraph 5b, the parenthetical reference to “paragraphs 18–40” is replaced with “paragraphs .18–.40.”

- h. In paragraph 5c, the parenthetical reference to “paragraphs 41–45” is replaced with “paragraphs .41–.45.”

- i. In paragraph 5d, the parenthetical reference to “paragraphs 46–48” is replaced with “paragraphs .46–.48.”

- j. In paragraph 5e, the parenthetical reference to “paragraphs 49–53” is replaced with “paragraphs .49–.53.”

- k. In paragraph 5f:

- The parenthetical reference to “paragraphs 54–58” is replaced with “paragraphs .54–.58.”

- In footnote 5 to the note, the reference to “Paragraph 11 of Auditing Standard No. 15” is replaced with “AS 1105.11.”

- l. In footnote 7 to paragraph 9, the reference to “AU sec. 317” is replaced with “AS 2405.”

- m. In paragraph 11:

- The reference to “paragraph 7” is replaced with “paragraph .07.”

- In the third bullet, the reference to “paragraph 10A” is replaced with “paragraph .10A.”
- n. In footnote 7A to the fifth bullet in paragraph 13, the reference to “AU secs. 316.66–.67A” is replaced with “AS 2401.66–.67A.”
- o. In footnote 8 to paragraph 18, the reference to “Paragraphs 21–22” is replaced with “Paragraphs .21–.22.”
- p. In paragraph 19:
  - In footnote 9, the reference to “Paragraph 13 of Auditing Standard No. 5” is replaced with “Paragraph .13 of AS 2201.”
  - In footnote 10 to the note, the reference to “Paragraph 10 of Auditing Standard No. 15” is replaced with “AS 1105.10.”
- q. In paragraph 20:
  - In the last sentence of the first note, the reference to “paragraphs 37–38” is replaced with “paragraphs .37–.38.”
  - In the last sentence of the second note, the reference to “paragraphs 37–38” is replaced with “paragraphs .37–.38.”
- r. In paragraph 22:
  - In the third sentence, the reference to “Auditing Standard No. 5” is replaced with “AS 2201.”
  - In the last sentence, the reference to “paragraphs 23–36” is replaced with “paragraphs .23–.36.”
  - In footnote 13, the reference to “Paragraph 5 of Auditing Standard No. 5” is replaced with “AS 2201.05.”
- s. In the note to paragraph 24:
  - In the first sentence, the reference to “paragraph 23” is replaced with “paragraph .23.”
  - In the last sentence, the reference to “Auditing Standard No. 5” is replaced with “AS 2201.”
  - In footnote 14, the reference to “Paragraph 25 of Auditing Standard No. 5” is replaced with “AS 2201.25.”
- t. In paragraph 25:
  - The reference to “paragraphs 65–66” is replaced with “paragraphs .65–.66.”
  - In footnote 15, the reference to “Paragraph A3 of Auditing Standard No. 5” is replaced with “AS 2201.A3.”
- u. In paragraph 32:
  - The reference to “paragraph 28.e.” is replaced with “paragraph .28e.”
  - In footnote 17, the reference to “Paragraphs 12–13” is replaced with “Paragraphs .12–.13.”
- v. In paragraph 34:
  - In the first sentence, the reference to “paragraph 18” is replaced with “paragraph .18.”
  - In footnote 18, the reference to “paragraph B5” is replaced with “paragraph .B5.”
- w. In footnote 19 to paragraph 35, the reference to “AU sec. 322, *The Auditor’s*

*Consideration of the Internal Audit Function in an Audit of Financial Statements*” is replaced with “AS 2605, *Consideration of the Internal Audit Function.*”

- x. In paragraph 37:
  - In the first sentence, the reference to “paragraph 20” is replaced with “paragraph .20.”
  - In the first and last sentences of the note, the references to “Auditing Standard No. 5” are replaced with “AS 2201.”
  - In footnote 20 to the note, the reference to “paragraphs 34–38 of Auditing Standard No. 5” is replaced with “AS 2201.34–.38.”
- y. In paragraph 39:
  - In the first sentence, the reference to “paragraph 18” is replaced with “paragraph .18.”
  - In footnote 21, the reference to “Paragraphs 16–35 of Auditing Standard No. 13” is replaced with “Paragraphs .16–.35 of AS 2301.”
  - In footnote 22, the reference to “Paragraph B1 of Auditing Standard No. 5” is replaced with “AS 2201.B1.”
- z. In paragraph 40:
  - In the first sentence, the reference to “Auditing Standard No. 5” is replaced with “AS 2201.”
  - In footnote 23, the reference to “Paragraph 22 of Auditing Standard No. 5” is replaced with “AS 2201.22.”
  - In footnote 24, the reference to “paragraph 24 of Auditing Standard No. 5” is replaced with “AS 2201.24.”
- aa. In the last sentence of paragraph 41, the reference to “paragraph 59” is replaced with “paragraph .59.”
- bb. In paragraph 42, the reference to “paragraph 8” is replaced with “paragraph .08.”
- cc. In paragraph 44, the reference to “AU sec. 722, *Interim Financial Information*” is replaced with “AS 4105, *Reviews of Interim Financial Information.*”
- dd. In footnote 26 to paragraph 45, the reference to “Paragraph 7 of Auditing Standard No. 9” is replaced with “Paragraph .07 of AS 2101.”
- ee. In the last sentence of paragraph 47, the reference to “AU sec. 722” is replaced with “AS 4105.”
- ff. In paragraph 49:
  - In footnote 28 to the first note to paragraph 49, the reference to “Paragraphs 52–53” is replaced with “Paragraphs .52–.53.”
  - In the second note, the reference to “paragraph 67” is replaced with “paragraph .67.”
- gg. In footnote 29 to paragraph 51, the reference to “paragraph 29 of Auditing Standard No. 14” is replaced with “paragraph .29 of AS 2810.”
- hh. In paragraph 53:

- In the first bullet, the reference to “AU sec. 316” is replaced with “AS 2401.”
- In footnote 30 to the first bullet, the reference to “AU sec. 316.13” is replaced with “AS 2401.13.”
- In the second bullet, the parenthetical reference to “Auditing Standard No. 14” is replaced with “AS 2810.”
- In footnote 31 to the third bullet, the reference to “Paragraphs 20–23 of Auditing Standard No. 14” is replaced with “AS 2810.20–.23.”
- ii. In footnote 31A to Item a(8) of paragraph 56, the reference to “AU secs. 316.66–67A” is replaced with “AS 2401.66–.67A.”
- jj. In paragraph 59a:
  - The parenthetical reference to “paragraphs 4–58” is replaced with “paragraphs .04–.58.”
  - In the note, the reference to “paragraphs 65–69” is replaced with “paragraphs .65–.69.”
- kk. In footnote 32 to the note to paragraph 59d, the reference to “Paragraphs 16–35 of Auditing Standard No. 13” is replaced with “AS 2301.16–.35.”
- ll. In paragraph 59e:
  - The parenthetical reference to “paragraphs 60–64” is replaced with “paragraphs .60–.64.”
  - In footnote 33, the reference to “Paragraph A10 of Auditing Standard No. 5” is replaced with “AS 2201.A10.”
  - In footnote 34, the reference to “Paragraph A9 of Auditing Standard No. 5” is replaced with “AS 2201.A9.”
- mm. In paragraph 59f, the parenthetical reference to “paragraphs 70–71” is replaced with “paragraphs .70–.71.”
- nn. In the first sentence of paragraph 60, the reference to “paragraph 59.e.” is replaced with “paragraph .59e.”
- oo. In footnote 35 to the note to paragraph 62:
  - In the second sentence, the reference to “paragraphs 11, 14, and 25 of Auditing Standard No.14” is replaced with “AS 2810.11, .14, and .25.”
  - In the last sentence:
    - The reference to “paragraph 61 of Auditing Standard No. 5” is replaced with “AS 2201.61.”
    - The reference to “paragraph 5.c. of Auditing Standard No. 13” is replaced with “AS 2301.5c.”
- pp. In paragraph 65:
  - In the fourth sentence, the reference to “AU sec. 316.85” is replaced with “AS 2401.85.”
  - In the first sentence of the note, the reference to “AU sec. 316.85” is replaced with “AS 2401.85.”
- qq. In paragraph 67, the reference to “paragraph 65” is replaced with “paragraph .65.”



rr. In paragraph 71a, the reference to “paragraph 60” is replaced with “paragraph .60.”

ss. In paragraph 72:

- The reference to “paragraphs 18–40” is replaced with “paragraphs .18–.40.”

- In footnote 36, the reference to “Auditing Standard No. 13” is replaced with “AS 2301.”

tt. In footnote 37 to paragraph 73:

- The phrase “AU sec. 316.88 and” is deleted.

- The reference to “paragraph 14 of Auditing Standard No. 5” is replaced with “AS 2201.14,” and “present” is replaced with “presents.”

uu. In paragraph 73A, the reference to “paragraphs 18–40 and 72–73” is replaced with “paragraphs .18–.40 and .72–.73.”

vv. In footnote 38 to paragraph 74, the reference to “paragraph 46 of Auditing Standard No. 13” is replaced with “AS 2301.46.”

ww. In Appendix A, paragraph numbers A1 through A5 are replaced with .A1 through .A5.

xx. In Appendix B, paragraph numbers B1 through B6 are replaced with .B1 through .B6.

yy. In paragraph B1:

- In footnote 1, the reference to “AU sec. 324, *Service Organizations*” is replaced with “AS 2601, *Consideration of an Entity’s Use of a Service Organization*.”

- In footnote 2, the reference to “paragraphs 16–17 of Auditing Standard No. 9” is replaced with “paragraphs .16–.17 of AS 2101.”

Auditing Standard No. 13, *The Auditor’s Responses to the Risks of Material Misstatement*

Auditing Standard No. 13, *The Auditor’s Responses to the Risks of Material Misstatement*, is amended as follows:

a. The section number “Auditing Standard No. 13” is replaced with “AS 2301.”

b. Paragraph numbers 1 through 47 are replaced with .01 through .47.

c. In paragraph 3, the reference to “Auditing Standard No. 12” is replaced with “AS 2110.”

d. In paragraph 4a, the reference to “paragraphs 5–7” is replaced with “paragraphs .05–.07.”

e. In paragraph 4b, the reference to “paragraphs 8–46” is replaced with “paragraphs .08–.46.”

f. In footnote 1 to paragraph 5a, the reference to “AU sec. 230” is replaced with “AS 1015.”

g. In paragraph 5b, the parenthetical reference to “paragraphs 5–6 of Auditing Standard No. 10” is replaced with “paragraphs .05–.06 of AS 1201.”

h. In footnote 2 to item (5) of paragraph 5c, the reference to “paragraphs 61 and B13 of Auditing Standard No. 5” is replaced with “paragraphs .61 and .B13 of AS 2201.”

i. In footnote 3 to paragraph 5d:

- In the first sentence, the reference to “Paragraphs 12–13 of Auditing Standard No. 12” is replaced with “AS 2110.12–.13.”

- In the last sentence:

- The reference to “AU sec. 316” is replaced with “AS 2401.”

- The reference to “AU sec. 411, *The Meaning of Present Fairly in Conformity With Generally Accepted Accounting Principles*” is replaced with “AS 2815, *The Meaning of Present Fairly in Conformity with Generally Accepted Accounting Principles*.”

j. In footnote 4 to paragraph 7, the reference to “AU secs. 230.07–.09” is replaced with “AS 1015.07–.09.”

k. In footnote 5 to paragraph 7, the reference to “AU secs. 316.13” is replaced with “AS 2401.13.”

l. In paragraph 9c:

- In footnote 7 to item (1), the reference to “paragraph 7.b. of Auditing Standard No. 8” is replaced with “paragraph .07b of AS 1101.”

- In the note to item (2), the reference to “Auditing Standard No. 5” is replaced with “AS 2201.”

m. In paragraph 10:

- In the last sentence:
- The reference to “Paragraphs 16–35” is replaced with “Paragraphs .16–.35.”

- The reference to “paragraphs 36–46” is replaced with “paragraphs .36–.46.”

- In the first sentence of the note, the reference to “Paragraphs 16–17” is replaced with “Paragraphs .16–.17.”

n. In paragraph 11:

- In the note, the reference to “Auditing Standard No. 12” is replaced with “AS 2110.”

- In footnote 10 to the note, the reference to “paragraph 71 of Auditing Standard No. 12” is replaced with “AS 2110.71.”

o. In paragraph 11A:

- In the first sentence, the reference to “Paragraph 71.g. of Auditing Standard No. 12” is replaced with “AS 2110.71g.”

- In the second sentence, the reference to “AU sec. 316.66–.67A” is replaced with “AS 2401.66–.67A.”

- In the last sentence, the reference to “AU sec. 316.66–.67A” is replaced with “AS 2401.66–.67A.”

p. In paragraph 12:

- In the second note, the reference to “Auditing Standard No. 5” is replaced with “AS 2201.”

- In footnote 11 to the second note, the reference to “Paragraphs 14–15 of

Auditing Standard No. 5” is replaced with “AS 2201.14–.15.”

q. In the last sentence of paragraph 13, the reference to “paragraphs 16–17” is replaced with “paragraphs .16–.17.”

r. In the note to paragraph 14, the reference to “AU secs. 316.54–.67” is replaced with “AS 2401.54–.67.”

s. In paragraph 15, the reference to “AU sec. 316” is replaced with “AS 2401.”

t. In paragraph 15a, the parenthetical reference to “AU secs. 316.58–.62” is replaced with “AS 2401.58–.62.”

u. In paragraph 15b, the parenthetical reference to “AU secs. 316.63–.65” is replaced with “AS 2401.63–.65.”

v. In paragraph 15c, the parenthetical reference to “AU secs. 316.66–.67A” is replaced with “AS 2401.66–.67A.”

w. In footnote 14 to paragraph 17:

- The reference to “Paragraph 10 of Auditing Standard No. 15” is replaced with “Paragraph .10 of AS 1105.”

- The reference to “AU sec. 329” is replaced with “AS 2305.”

x. In footnote 15 to paragraph 20, the reference to “Paragraphs 37–38 of Auditing Standard No. 12” is replaced with “AS 2110.37–.38.”

y. In the note to paragraph 27, the reference to “AU sec. 350” is replaced with “AS 2315.”

z. In the last sentence of paragraph 28, the reference to “Paragraph 16” is replaced with “Paragraph .16.”

aa. In the last sentence of footnote 16 to the ninth bullet of paragraph 31, the reference to “paragraph B28 of Auditing Standard No. 5” is replaced with “AS 2201.B28.”

bb. In the note to paragraph 34:

- In the first sentence, the reference to “Auditing Standard No. 5” is replaced with “AS 2201.”

- In the last sentence, the reference to “AU sec. 325” is replaced with “AS 1305.”

cc. In paragraph 35:

- Each reference to “Auditing Standard No. 5” is replaced with “AS 2201.”

- In footnote 17, the reference to “Paragraph B1 of Auditing Standard No. 5” is replaced with “AS 2201.B1.”

dd. In paragraph 38:

- In footnote 18, the reference to “Paragraph A5 of Auditing Standard No. 5” is replaced with “AS 2201.A5.”

- In footnote 19, the reference to “AU sec. 328” is replaced with “AS 2502.”

ee. In the note to paragraph 39, the reference to “Auditing Standard No. 15” is replaced with “AS 1105.”

ff. In paragraph 40, the reference to “paragraph 9.b.” is replaced with “paragraph .09b.”

gg. In the note to paragraph 41b, the reference to “AU secs. 316.58–.62” is replaced with “AS 2401.58–.62.”

hh. In item (1) of paragraph 44a, the reference to “paragraphs 32–34” is replaced with “paragraphs .32–.34.”

ii. In footnote 20 to paragraph 47, the reference to “Paragraph .44 of AU sec. 350” is replaced with “AS 2315.44.”

jj. In Appendix A, paragraph numbers A1 through A3 are replaced with .A1 through .A3.

#### Auditing Standard No. 14, Evaluating Audit Results

Auditing Standard No. 14, *Evaluating Audit Results*, is amended as follows:

a. The section number “Auditing Standard No. 14” is replaced with “AS 2810.”

b. Paragraph numbers 1 through 37 are replaced with .01 through .37.

c. In footnote 3 to paragraph 6b:

- The reference to “Paragraphs 46–48 of Auditing Standard No. 12” is replaced with “Paragraphs .46–.48 of AS 2110.”

- The reference to “AU sec. 329” is replaced with “AS 2305.”

d. In the note to paragraph 6, the reference to “paragraph 36” is replaced with “paragraph .36.”

e. In footnote 4 to paragraph 7, the reference to “Paragraph 47 of Auditing Standard No. 12” is replaced with “AS 2110.47.”

f. In the first sentence of paragraph 9, the reference to “paragraph 6.b.” is replaced with “paragraph .06b.”

g. In the second sentence of the note to paragraph 10, the reference to “Auditing Standard No. 11” is replaced with “AS 2105.”

h. In paragraph 12:

- In the last sentence:
- The reference to “paragraph 13” is replaced with “paragraph .13.”

- The reference to “AU sec. 350” is replaced with “AS 2315.”

- In footnote 5, the reference to “AU sec. 350.26” is replaced with “AS 2315.26.”

i. In the last sentence of the note to paragraph 13, the reference to “Paragraph 27” is replaced with “Paragraph .27.”

j. In footnote 6 to paragraph 14b, the reference to “Auditing Standard No. 11” is replaced with “AS 2105.”

k. In paragraph 17:

- In footnote 7:
- In the first sentence, the reference to “AU sec. 508” is replaced with “AS 3101.”

- In the last sentence, the reference to “AU sec. 508.35” is replaced with “AS 3101.35.”

- In footnote 11 to the second note, the reference to “AU sec. 317” is replaced with “AS 2405.”

- In the third note, the reference to “Auditing Standard No. 11” is replaced with “AS 2105.”

- In footnote 12 to the third note, the reference to “Paragraphs 11–12 of Auditing Standard No. 11” is replaced with “AS 2105.11–.12.”

l. In paragraph 18, the reference to “paragraph 17” is replaced with “paragraph .17.”

m. In the last sentence of paragraph 19, the reference to “paragraph 36” is replaced with “paragraph .36.”

n. In the last sentence of paragraph 20, the reference to “AU sec. 316” is replaced with “AS 2401.”

o. In footnote 14 to paragraph 20, the reference to “AU sec. 316.05” is replaced with “AS 2401.05.”

p. In paragraph 23, the reference to “AU secs. 316.79–.82A, AU sec. 317” is replaced with “AS 2401.79–.82A, AS 2405.”

q. In the note to paragraph 25a, the reference to “paragraph 15” is replaced with “paragraph .15.”

r. In footnote 15 to paragraph 25c, the reference to “Paragraph 5.d. of Auditing Standard No. 13” is replaced with “Paragraph .05d of AS 2301.”

s. In footnote 16 to paragraph 25d, the reference to “Paragraph 27” is replaced with “Paragraph .27.”

t. In the note to paragraph 27, the reference to “AU secs. 316.64–.65” is replaced with “AS 2401.64–.65.”

u. In footnote 17 to paragraph 28:

- The first parenthetical reference to “paragraph 9” is replaced with “paragraph .09.”

- The second parenthetical reference to “paragraphs 20–23” is replaced with “paragraphs .20–.23.”

- The third parenthetical reference to “paragraphs 24–27” is replaced with “paragraphs .24–.27.”

v. In the note to paragraph 29, the parenthetical reference to “paragraphs 49–51 of Auditing Standard No. 12” is replaced with “AS 2110.49–.51.”

w. In the first note to paragraph 30:

- In the first sentence, the reference to “AU sec. 411, *The Meaning of Present Fairly in Conformity With Generally Accepted Accounting Principles*” is replaced with “AS 2815, *The Meaning of Present Fairly in Conformity with Generally Accepted Accounting Principles.*”

- In the last sentence, the reference to “Auditing Standard No. 6” is replaced with “AS 2820.”

x. In paragraph 31:

- In the note, the reference to “AU sec. 508” is replaced with “AS 3101.”

- In footnote 18 to the note, the reference to “AU secs. 508.41–.44” is replaced with “AS 3101.41–.44.”

y. In paragraph 32:

- The reference to “Auditing Standard No. 8” is replaced with “AS 1101.”

- In footnote 19, the reference to “Paragraph 3 of Auditing Standard No. 8” is replaced with “AS 1101.03.”

z. In paragraph 34a, the parenthetical reference to “paragraphs 14 and 17–19” is replaced with “paragraphs .14 and .17–.19.”

aa. In paragraph 34b, the parenthetical reference to “paragraphs 20–23 and 28–29” is replaced with “paragraphs .20–.23 and .28–.29.”

bb. In paragraph 34c, the parenthetical reference to “paragraph 36” is replaced with “paragraph .36.”

cc. In footnote 20 to paragraph 34e, the reference to “Paragraphs 7–9 of Auditing Standard No. 15” is replaced with “Paragraphs .07–.09 of AS 1105.”

dd. In paragraph 35:

- In the last sentence, the reference to “AU sec. 508” is replaced with “AS 3101.”

- In footnote 21, the reference to “AU sec 508.22–.34” is replaced with “AS 3101.22–.34.”

ee. In the note to paragraph 36:

- In the first sentence, the reference to “Auditing Standard No. 12” is replaced with “AS 2110.”

- In footnote 22, the reference to

- “Paragraph 74 of Auditing Standard No.12” is replaced with “AS 2110.74.”

- In the last sentence, the reference to “Auditing Standard No. 13” is replaced with “AS 2301.”

- In footnote 23, the reference to “Paragraphs 32–34 of Auditing Standard No. 13” is replaced with “AS 2301.32–.34.”

ff. In paragraph 37:

- Each reference to “Auditing Standard No. 5” is replaced with “AS 2201.”

- In footnote 24:

- The reference to “Paragraphs 62–70 of Auditing Standard No. 5” is replaced with “AS 2201.62–.70.”

- The reference to “paragraphs 71–73 of Auditing Standard No. 5” is replaced with “AS 2201.71–.73.”

gg. In Appendix A, paragraph numbers A1 through A3 are replaced with .A1 through .A3.

hh. In footnote 2 to paragraph A2, the reference to “AU sec. 316” is replaced with “AS 2401.”

ii. In footnote 3 to paragraph A3, the reference to “Paragraph 10” is replaced with “Paragraph .10.”

jj. In Appendix B, paragraph numbers B1 through B2 are replaced with .B1 through .B2.

kk. In paragraph B1:

- The reference to “Paragraph 17” is replaced with “Paragraph .17.”

- In footnote 1:

- In the first sentence, the reference to “AU sec. 508” is replaced with “AS 3101.”

• In the last sentence, the reference to “AU sec. 508.35” is replaced with “AS 3101.35.”

• In footnote 5 to the second note, the reference to “AU sec. 317” is replaced with “AS 2405.”

ll. In the last sentence of paragraph B2.o, the reference to “paragraph B2.l” is replaced with “paragraph .B2l.”

mm. In Appendix C, paragraph number C1 is replaced with .C1.

nn. In paragraph C1, the reference to “paragraph 28” is replaced with “paragraph .28.”

oo. In footnote 1 to item (2) of paragraph C1b, the reference to “Paragraph 9 of Auditing Standard No. 15” is replaced with “Paragraph .09 of AS 1105.”

pp. In the parenthetical reference of footnote 2 to item (1) of paragraph C1c:

- The reference to “Auditing Standard No. 5” is replaced with “AS 2201.”

- The reference to “AU sec. 508” is replaced with “AS 3101.”

Auditing Standard No. 15, Audit Evidence

Auditing Standard No. 15, *Audit Evidence*, is amended as follows:

a. The section number “Auditing Standard No. 15” is replaced with “AS 1105.”

b. Paragraph numbers 1 through 29 are replaced with .01 through .29.

c. In footnote 1 to paragraph 3:

- In the first sentence, the reference to “Auditing Standard No. 14” is replaced with “AS 2810.”

- In the second sentence, the reference to “Auditing Standard No. 3” is replaced with “AS 1215.”

d. In footnote 2 to the first bullet of paragraph 5, the reference to “Paragraph A5 of Auditing Standard No. 12” is replaced with “Paragraph .A5 of AS 2110.”

e. In footnote 3 to paragraph 10:

- In the first sentence, the reference to “AU sec. 336” is replaced with “AS 1210.”

- In the last sentence:

- The reference to “AU sec. 324, *Service Organizations*” is replaced with “AS 2601, *Consideration of an Entity’s Use of a Service Organization.*”

- The reference to “Auditing Standard No. 5” is replaced with “AS 2201.”

f. In footnote 5 to paragraph 12, the reference to “paragraph 28 of Auditing Standard No. 5” is replaced with “AS 2201.28.”

g. In footnote 6 to paragraph 13a, the reference to “Auditing Standard No.12” is replaced with “AS 2110.”

h. In footnote 7 to paragraph 13b, the reference to “Auditing Standard No. 13” is replaced with “AS 2301.”

i. In the first sentence of paragraph 14, the reference to “Paragraphs 15–21” is replaced with “Paragraphs .15–.21.”

j. In footnote 8 to paragraph 16, the reference to “AU sec. 331, *Inventories*” is replaced with “AS 2510, *Auditing Inventories.*”

k. In footnote 9 to paragraph 17, the reference to “AU sec. 333” is replaced with “AS 2805.”

l. In footnote 10 to paragraph 18, the reference to “AU sec. 330” is replaced with “AS 2310.”

m. In footnote 11 to paragraph 21, the reference to “AU sec. 329” is replaced with “AS 2305.”

n. In paragraph 27, the reference to “paragraphs 25–26” is replaced with “paragraphs .25–.26.”

o. In footnote 12 to paragraph 27, the reference to “paragraphs 12–13 and paragraphs 17–19 of Auditing Standard No. 14” is replaced with “AS 2810.12–.13 and AS 2810.17–.19.”

p. In footnote 13 to paragraph 28, the reference to “AU sec. 350” is replaced with “AS 2315.”

Auditing Standard No. 16, Communications with Audit Committees

Auditing Standard No. 16, *Communications with Audit Committees*, is amended as follows:

a. The section number “Auditing Standard No. 16” is replaced with “AS 1301.”

b. Paragraph numbers 1 through 26 are replaced with .01 through .26.

c. In the first sentence of footnote 5 to paragraph 8, the reference to “paragraphs 5.f. and 54–57 of Auditing Standard No. 12” is replaced with “paragraphs .05f and .54–.57 of AS 2110.”

d. In the first sentence of footnote 6 to paragraph 8, the reference to “AU sec. 317” is replaced with “AS 2405.”

e. In paragraph 9:

- In footnote 7, the reference to “paragraphs 8–9 of Auditing Standard No. 9” is replaced with “paragraphs .08–.09 of AS 2101.”

- In the first sentence of footnote 8, the reference to “Auditing Standard No. 12” is replaced with “AS 2110.”

f. In footnote 9 to paragraph 10a, the reference to “paragraph 16 of Auditing Standard No. 9” is replaced with “AS 2101.16.”

g. In footnote 10 to paragraph 10b, the reference to “AU sec. 322, *The Auditor’s Consideration of the Internal Audit Function in an Audit of Financial Statements*” is replaced with “AS 2605, *Consideration of the Internal Audit Function.*”

h. In footnote 11 to paragraph 10c, the reference to “paragraphs 16–19 of

Auditing Standard No. 5” is replaced with “paragraphs .16–.19 of AS 2201.”

i. In footnote 12 to paragraph 10d, the reference to “paragraphs 8–14 of Auditing Standard No. 9” is replaced with “AS 2101.08–.14.”

j. In footnote 13 to paragraph 10e, the reference to “AU sec. 543, *Part of Audit Performed by Other Independent Auditors*” is replaced with “AS 1205, *Part of the Audit Performed by Other Independent Auditors.*”

k. In footnote 14 to paragraph 11, the reference to “paragraph 15 of Auditing Standard No. 9” is replaced with “AS 2101.15.”

l. In footnote 17 to item (1) of paragraph 12c, the reference to “AU sec. 342” is replaced with “AS 2501.”

m. In footnote 20 to item (1) of paragraph 12d, the reference to “paragraph 71.g. of Auditing Standard No. 12” is replaced with “AS 2110.71g.”

n. In the first sentence of the note to paragraph 12, the reference to “paragraph 12” is replaced with “paragraph .12.”

o. In footnote 21 to item (1) of paragraph 13a, the reference to “paragraphs 24–27 of Auditing Standard No. 14” is replaced with “paragraphs .24–.27 of AS 2810.”

p. In footnote 22 to item (2) of paragraph 13a, the reference to “paragraph 27 of Auditing Standard No. 14” is replaced with “AS 2810.27.”

q. In footnote 23 to paragraph 13c, the reference to “AU sec. 342” is replaced with “AS 2501.”

r. In footnote 24 to paragraph 13d, the reference to “AU sec. 316” is replaced with “AS 2401.”

s. In footnote 25 to paragraph 13e:

- In the first sentence, the reference to “paragraphs 30–31 of Auditing Standard No. 14” is replaced with “AS 2810.30–.31.”

- In the last sentence:

- The reference to “Auditing Standard No. 18” is replaced with “AS 2410.”

- The reference to “AU sec. 341, *The Auditor’s Consideration of an Entity’s Ability to Continue as a Going Concern*” is replaced with “AS 2415, *Consideration of an Entity’s Ability to Continue as a Going Concern.*”

t. In footnote 27 to paragraph 14:

- In the first sentence, the reference to “AU sec. 550” is replaced with “AS 2710.”

- In the last sentence:

- The reference to “AU sec. 550” is replaced with “AS 2710.”

- The reference to “Auditing Standard No. 17” is replaced with “AS 2701.”

- The reference to “AU sec. 558” is replaced with “AS 2705.”

- The reference to “AU sec. 711, *Filings Under Federal Securities Statutes*” is replaced with “AS 4101, *Responsibilities Regarding Filings Under Federal Securities Statutes*.”
- u. In footnote 28 to paragraph 17:
  - In the first sentence, the reference to “AU sec. 341” is replaced with “AS 2415.”
  - In the last sentence, the reference to “AU secs. 341.03a–c” is replaced with “AS 2415.03a–c.”
- v. In footnote 29 of paragraph 17a:
  - The reference to “AU sec. 341.06” is replaced with “AS 2415.06.”
  - The reference to “AU sec 341.07” is replaced with “AS 2415.07.”
- w. In footnote 30 to paragraph 17b, the reference to “AU sec. 341.08” is replaced with “AS 2415.08.”
- x. In footnote 31 to paragraph 17c:
  - In the first sentence, the reference to “AU sec. 341.12” is replaced with “AS 2415.12.”
  - In the last sentence, the reference to “AU sec. 341.03c” is replaced with “AS 2415.03c.”
- y. In footnote 32 to item (1) of paragraph 17c, the reference to “AU sec. 341.10” is replaced with “AS 2415.10.”
- z. In footnote 33 to item (2) of paragraph 17c, the reference to “AU sec. 341.12–.16” is replaced with “AS 2415.12–.16.”
- aa. In footnote 34 to paragraph 18, the reference to “paragraph 20 of Auditing Standard No. 14” is replaced with “paragraph .20 of AS 2810.”
- bb. In footnote 36 to paragraph 18, the reference to “Auditing Standard No. 14” is replaced with “AS 2810.”
- cc. In footnote 37 to paragraph 19, the reference to “paragraph 10 of Auditing Standard No. 14” is replaced with “AS 2810.10.”
- dd. In footnote 39 to the note to paragraph 23, the reference to “AU sec. 508” is replaced with “AS 3101.”
- ee. In footnote 40 to paragraph 24:
  - The reference to “AU sec. 316.79–.81” is replaced with “AS 2401.79–.81.”
  - The reference to “AU sec. 317.17” is replaced with “AS 2405.17.”
- ff. In paragraph 25:
  - Footnote 41 is deleted.
  - In footnote 42, the reference to “Auditing Standard No. 3” is replaced with “AS 1215.”
  - In the note, the reference to “paragraphs 12 or 18” is replaced with “paragraphs .12 or .18.”
- gg. In Appendix A, paragraph numbers A1 through A4 are replaced with .A1 through .A4.
- hh. Appendix B of Auditing Standard No. 16 is replaced with the following: This appendix identifies other PCAOB rules and standards related to the audit that require communication of specific

matters between the auditor and the audit committee.

- AS 6115, *Reporting on Whether a Previously Reported Material Weakness Continues to Exist*, paragraphs .60, .62, and .64
- AS 2201, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*, paragraphs .78–.81, .91, .C7, and .C14
- AS 2110, *Identifying and Assessing Risks of Material Misstatement*, paragraphs .05f and .54–.57
- AS 2410, *Related Parties*, paragraphs .07 and .19
- Attestation Standard No. 1, *Examination Engagements Regarding Compliance Reports of Brokers and Dealers*, paragraphs 34 and 35
- Attestation Standard No. 2, *Review Engagements Regarding Exemption Reports of Brokers and Dealers*, paragraph 15
- PCAOB Rule 3524, *Audit Committee Pre-approval of Certain Tax Services*
- PCAOB Rule 3525, *Audit Committee Pre-approval of Non-audit Services Related to Internal Control Over Financial Reporting*
- PCAOB Rule 3526, *Communication with Audit Committees Concerning Independence*
- AS 2401, *Consideration of Fraud in a Financial Statement Audit*, paragraphs .79–.81
- AS 2405, *Illegal Acts by Clients*, paragraphs .08, .17, and .20
- AS 1305, *Communications About Control Deficiencies in an Audit of Financial Statements*, paragraphs .04–.07 and .09
- AS 2502, *Auditing Fair Value Measurements and Disclosures*, paragraph .50
- AS 2805, *Management Representations*, paragraph .05
- AS 2710, *Other Information in Documents Containing Audited Financial Statements*, paragraphs .04 and .06
- AS 4101, *Responsibilities Regarding Filings Under Federal Securities Statutes*, paragraph .13
- AS 4105, *Reviews of Interim Financial Information*, paragraphs .08–.09, .30–.31, and .33–.36
- ii. In Appendix C, paragraph numbers C1 through C2 are replaced with .C1 through .C2.
- jj. In footnote 2 to item 2b of paragraph C1b, the reference to “AU sec. 325” is replaced with “AS 1305.”
- kk. In footnote 3 to item (b) of paragraph C2, the reference to “AU sec. 722, *Interim Financial Information*” is replaced with “AS 4105, *Reviews of Interim Financial Information*.”

Auditing Standard No. 17, *Auditing Supplemental Information Accompanying Audited Financial Statements*

Auditing Standard No. 17, *Auditing Supplemental Information Accompanying Audited Financial Statements*, is amended as follows:

- a. The section number “Auditing Standard No. 17” is replaced with “AS 2701.”
- b. Paragraph numbers 1 through 15 are replaced with .01 through .15.
- c. In footnote 3 to the note to paragraph 3b, the reference to “Auditing Standard No. 11” is replaced with “AS 2105.”
- d. In footnote 6 to paragraph 7, the reference to “paragraph 10 of Auditing Standard No. 14” is replaced with “paragraph .10 of AS 2810.”
- e. In footnote 7 to the note to paragraph 8, the reference to “paragraph 17 of Auditing Standard No. 14” is replaced with “AS 2810.17.”
- f. In footnote 8 to paragraph 12b:
  - In the first sentence, the reference to “AU sec. 561” is replaced with “AS 2905.”
  - In the second sentence, the reference to “AU sec. 561” is replaced with “AS 2905.”
- g. In Appendix A, paragraph numbers A1 and A2 are replaced with .A1 and .A2.

Auditing Standard No. 18, *Related Parties*

Auditing Standard No. 18, *Related Parties*, is amended as follows:

- a. The section number “Auditing Standard No. 18” is replaced with “AS 2410.”
- b. Paragraph numbers 1 through 19 are replaced with .01 through .19.
- c. In footnote 2 to paragraph 2:
  - In the first sentence, the reference to “paragraphs 30–31 of Auditing Standard No. 14” is replaced with “paragraphs .30–.31 of AS 2810.”
  - In the last sentence, the reference to “AU sec. 411, *The Meaning of Present Fairly in Conformity With Generally Accepted Accounting Principles*” is replaced with “AS 2815, *The Meaning of Present Fairly in Conformity with Generally Accepted Accounting Principles*.”
- d. In paragraph 3:
  - In the first sentence, the reference to “Auditing Standard No. 12” is replaced with “AS 2110.”
  - In item a, the parenthetical reference to “paragraph 4” is replaced with “paragraph .04.”
  - In item b, the parenthetical reference to “paragraphs 5–7” is replaced with “paragraphs .05–.07.”

- In item c, the parenthetical reference to “paragraphs 8–9” is replaced with “paragraphs .08–.09.”
  - In the second note:
    - The reference to “paragraphs 4–9” is replaced with “paragraphs .04–.09.”
    - The reference to “Auditing Standard No. 12” is replaced with “AS 2110.”
  - e. In footnote 3 to paragraph 4:
    - In the first sentence, the reference to “paragraph 18 of Auditing Standard No. 12” is replaced with “AS 2110.18.”
    - In the last sentence, the reference to “paragraph 20 of Auditing Standard No. 12” is replaced with “AS 2110.20.”
  - f. In footnote 4 to paragraph 5:
    - In the first sentence, the reference to “AU sec. 333” is replaced with “AS 2805.”
    - In the last sentence, the reference to “paragraph 5” is replaced with “paragraph .05.”
  - g. In paragraph 6, the reference to “paragraph 5” is replaced with “paragraph .05.”
  - h. In footnote 7 to paragraph 7, the reference to “Auditing Standard No. 16” is replaced with “AS 1301.”
  - i. In footnote 8 to paragraph 8:
    - In the first sentence, the reference to “paragraph 49 of Auditing Standard No. 12” is replaced with “AS 2110.49.”
    - In the last sentence, the reference to “paragraph 5 of Auditing Standard No. 10” is replaced with “paragraph .05 of AS 1201.”
  - j. In footnote 9 to paragraph 9, the reference to “AU sec. 543, *Part of Audit Performed by Other Independent Auditors*” is replaced with “AS 1205, *Part of the Audit Performed by Other Independent Auditors*.”
  - k. In paragraph 10:
    - In footnote 10, the reference to “paragraph 59 of Auditing Standard No. 12” is replaced with “AS 2110.59.”
    - In the note:
      - The reference to “paragraphs 4–9” is replaced with “paragraphs .04–.09.”
      - The reference to “Auditing Standard No. 12” is replaced with “AS 2110.”
  - l. In paragraph 11:
    - In footnote 11, the reference to “paragraph 3 of Auditing Standard No. 13” is replaced with “paragraph .03 of AS 2301.”
    - In footnote 12:
      - The reference to “Auditing Standard No. 13” is replaced with “AS 2301.”
      - The reference to “paragraph 17 of Auditing Standard No. 15” is replaced with “paragraph .17 of AS 1105.”
    - In the note:
      - In the first sentence, the reference to “AU sec. 316” is replaced with “AS 2401.”
  - In the last sentence, the reference to “AU sec. 316.67” is replaced with “AS 2401.67.”
  - m. In the last sentence of the note to paragraph 12, the reference to “paragraph 12” is replaced with “paragraph .12.”
  - n. In footnote 16 to paragraph 15, the reference to “paragraph 29 of Auditing Standard No. 15” is replaced with “AS 1105.29.”
  - o. In paragraph 16:
    - In footnote 17 to item b, the reference to “AU sec. 333.04” is replaced with “AS 2805.04.”
    - In item e, the reference to “paragraph 12” is replaced with “paragraph .12.”
    - In item f:
      - In footnote 18 to item ii, the reference to “paragraph 74 of Auditing Standard No. 12” is replaced with “AS 2110.74.”
      - In the last sentence of item iii:
        - The reference to “AU secs. 316.79–.82” is replaced with “AS 2401.79–.82.”
        - The reference to “AU sec. 317” is replaced with “AS 2405.”
  - p. In footnote 19 to paragraph 17, the reference to “paragraphs 30–31 of Auditing Standard No. 14” is replaced with “AS 2810.30–.31.”
  - q. In footnote 20 to paragraph 18:
    - In the first sentence, the reference to “paragraph .06.l. of AU sec. 333” is replaced with “AS 2805.06l.”
    - In the last sentence, the reference to “AU sec. 508” is replaced with “AS 3101.”
  - r. In footnote 21 to paragraph 19, the reference to “Auditing Standard No. 16” is replaced with “AS 1301.”
  - s. In Appendix A, paragraph numbers A1 through A3 are replaced with .A1 through .A3.
  - t. In paragraph A1:
    - In the second sentence, the reference to “paragraph A2.” is replaced with “paragraph .A2.”
    - In the third sentence, the reference to “paragraph A3.” is replaced with “paragraph .A3.”
- AU sec. 110, “Responsibilities and Functions of the Independent Auditor”
- SAS No. 1, “Codification of Auditing Standards and Procedures,” section 110, “Responsibilities and Functions of the Independent Auditor” (AU sec. 110, “Responsibilities and Functions of the Independent Auditor”), as amended, is amended as follows:
- a. The section number “AU Section 110” is replaced with “AS 1001.”
  - b. In the third sentence of paragraph .01, the phrase “generally accepted auditing standards” is replaced with “the standards of the PCAOB.”
  - c. In paragraph 02:
    - In footnote 1:
      - In the first sentence, the reference to “Auditing Standard No. 11” is replaced with “AS 2105.”
      - In the second sentence, the reference to “section 317” is replaced with “AS 2405.”
      - In footnote 2, the phrase “section 230, *Due Professional Care in the Performance of Work*, paragraphs .10 through .13” is replaced with “paragraphs .10 through .13 of AS 1015, *Due Professional Care in the Performance of Work*.”
    - d. In the first sentence of paragraph .05, the phrase “generally accepted auditing standards” is replaced with “the standards of the PCAOB.”
    - e. Paragraph .10 is deleted.
    - f. Paragraph .11 and its following note is added:
 

The auditor should be aware of and consider auditing interpretations applicable to his or her audit. If the auditor does not apply the auditing guidance included in an applicable auditing interpretation, the auditor should be prepared to explain how he or she complied with the provisions of the auditing standard addressed by such auditing guidance.

Note: The term “auditing interpretations,” as used in this paragraph, refers to the publications entitled “Auditing Interpretation” issued by the American Institute of Certified Public Accountants’ Auditing Standards Board as in existence on April 16, 2003, and in effect.
- AU sec. 150, “Generally Accepted Auditing Standards”
- SAS No. 95, “Generally Accepted Auditing Standards” (AU sec. 150, “Generally Accepted Auditing Standards”), as amended, is rescinded.
- AU sec. 161, “The Relationship of Generally Accepted Auditing Standards to Quality Control Standards”
- SAS No. 25, “The Relationship of Generally Accepted Auditing Standards to Quality Control Standards,” (AU sec. 161, “The Relationship of Generally Accepted Auditing Standards to Quality Control Standards”), as amended, is amended as follows:
- a. The section number “AU Section 161” is replaced with “AS 1110.”
  - b. The title “The Relationship of Generally Accepted Auditing Standards to Quality Control Standards” is replaced with “Relationship of Auditing Standards to Quality Control Standards.”
  - c. In the references before paragraph .01, the phrase “(Supersedes SAS No. 4)” is deleted.
  - d. In paragraph .01:

- In the first sentence, the phrase “generally accepted auditing standards” is replaced with “the standards of the PCAOB.”

- The last sentence is deleted.

e. In the second sentence of paragraph .02, the phrase “generally accepted auditing standards” is replaced with “the standards of the PCAOB.”

f. In paragraph .03:

- In the first sentence, the phrase “Generally accepted auditing standards” is replaced with “Auditing standards.”

- In the second sentence, the phrase “generally accepted auditing standards” is replaced with “auditing standards.”

- In the last sentence, the phrase “generally accepted auditing standards” is replaced with “the auditing standards.”

AU sec. 201, “Nature of the General Standards”

SAS No. 1, “Codification of Auditing Standards and Procedures” (AU sec. 201, “Nature of the General Standards”), is rescinded.

AU sec. 210, “Training and Proficiency of the Independent Auditor”

SAS No. 1, “Codification of Auditing Standards and Procedures” section 210 “Training and Proficiency of the Independent Auditor” (AU sec. 210, “Training and Proficiency of the Independent Auditor”), as amended, is amended as follows:

a. The section number “AU Section 210” is replaced with “AS 1010.”

b. In paragraph .01, the introductory phrase “The first general standard is:” is deleted.

c. In paragraph .02, the phrase “This standard” is replaced with the phrase “The statement in the preceding paragraph.”

AU sec. 220, “Independence”

SAS No. 1, “Codification of Auditing Standards and Procedures” section 220 “Independence” (AU sec. 220, “Independence”), as amended, is amended as follows:

a. The section number “AU Section 220” is replaced with “AS 1005.”

b. In paragraph .01, the introductory phrase “The second general standard is:” is deleted.

c. In the first sentence of paragraph .02, the phrase “This standard” is replaced with the phrase “The statement in the preceding paragraph.”

d. In paragraph .05, the phrase “that differ from the AICPA requirements in certain respects” is deleted.

AU sec. 230, “Due Professional Care in the Performance of Work”

SAS No. 1, “Codification of Auditing Standards and Procedures” section 230 “Due Professional Care in the Performance of Work” (AU sec. 230, “Due Professional Care in the Performance of Work”), as amended, is amended as follows:

a. The section number “AU Section 230” is replaced with “AS 1015.”

b. Footnote \* to the title of the standard is deleted.

c. In paragraph .01:

- The introductory phrase “The third general standard is:” is deleted.

- Footnote 1 is deleted.

d. In the first sentence of paragraph .02, the phrase “This standard” is replaced with “The statement in the preceding paragraph.”

e. In footnote 4 to paragraph .06, the reference to “Auditing Standard No. 10” is replaced with “AS 1201.”

f. In footnote 5 to paragraph .11, the reference to “section 342” is replaced with “AS 2501.”

g. In paragraph .12:

- In the fifth sentence, the phrase “generally accepted auditing standards” is replaced with “the standards of the PCAOB.”

- In the sixth sentence, the parenthetical reference to “paragraph 9 of Auditing Standard No. 15” is replaced with “paragraph .09 of AS 1105.”

AU sec. 315, “Communications Between Predecessor and Successor Auditors”

SAS No. 84, “Communications Between Predecessor and Successor Auditors” (AU sec. 315, “Communications Between Predecessor and Successor Auditors”), as amended, is amended as follows:

a. The section number “AU Section 315” is replaced with “AS 2610.”

b. The title “Communications Between Predecessor and Successor Auditors” is replaced with “Initial Audits—Communications Between Predecessor and Successor Auditors.”

c. In the references before paragraph .01, the phrase “(Supersedes SAS No. 7)” is deleted.

d. In last sentence of paragraph .01, the phrase “generally accepted auditing standards” is replaced with “the standards of the PCAOB.”

e. In paragraph .09:

- The sentence “The successor auditor may wish to consider other reasonable inquiries.” is moved to the end of the paragraph, after the fifth bullet.

- In footnote 5 to the third bullet:

- The reference to “section 316” is replaced with “AS 2401.”

- The reference to “section 317” is replaced with “AS 2405.”

- The reference to “section 325” is replaced with “AS 1305.”

- In footnote 5A to the last bullet, the reference to “Paragraph .66 of AU sec. 316, *Consideration of Fraud in a Financial Statement Audit*,” is replaced with “AS 2401.66.”

f. In the last sentence of footnote 8 to paragraph .12, the reference to “section 543, *Part of Audit Performed by Other Independent Auditors*, paragraph 10a” is replaced with “paragraph .10a of AS 1205, *Part of the Audit Performed by Other Independent Auditors*.”

g. In paragraph .16:

- In the first sentence, the phrase “generally accepted auditing standards” is replaced with “the standards of the PCAOB.”

- In the second sentence, the reference to “section 543, *Part of Audit Performed by Other Independent Auditors*” is replaced with “AS 1205.”

- In the last sentence:

- The reference to “AU sec. 336” is replaced with “AS 1210.”

- The reference to “AU sec. 322, *The Auditor’s Consideration of the Internal Audit Function in an Audit of Financial Statements*,” is replaced with “AS 2605, *Consideration of the Internal Audit Function*.”

- The reference to “paragraphs 16–19 of PCAOB Auditing Standard No. 5” is replaced with “paragraphs .16–.19 of AS 2201.”

h. In the first sentence of paragraph .20, the reference to “section 331, *Inventories*” is replaced with “AS 2510, *Auditing Inventories*.”

i. In paragraph .21:

- In the last sentence, the reference to “section 561” is replaced with “AS 2905.”

- In footnote 9, the reference to “section 508, *Reports on Audited Financial Statements*, paragraphs .70 through .74” is replaced with “paragraphs .70 through .74 of AS 3101, *Reports on Audited Financial Statements*.”

j. Under item 1 of paragraph 25:

- In the first sentence of the illustrative letter’s first paragraph, the phrase “auditing standards generally accepted in the United States of America” is replaced with “the standards of the Public Company Accounting Oversight Board (United States).”

- In the first bullet, the phrase “generally accepted auditing standards” is replaced with “the standards of the PCAOB.”

- In item (2) of the illustrative paragraph, the phrase “generally accepted auditing standards” is

replaced with “the standards of the PCAOB.”

AU sec. 316, “Consideration of Fraud in a Financial Statement Audit”

SAS No. 99, “Consideration of Fraud in a Financial Statement Audit” (AU sec. 316, “Consideration of Fraud in a Financial Statement Audit”), as amended, is amended as follows:

- a. The section number “AU Section 316” is replaced with “AS 2401.”
- b. In the references before paragraph .01, the phrase “(Supersedes SAS No. 82)” is deleted.
- c. In paragraph .01:
  - In the first sentence, the reference to “Section 110, *Responsibilities and Functions of the Independent Auditor*, paragraph .02” is replaced with “Paragraph .02 of AS 1001, *Responsibilities and Functions of the Independent Auditor*.”
  - In the note, the reference to “paragraphs 14–15 of PCAOB Auditing Standard No. 5” is replaced with “paragraphs .14–.15 of AS 2201.”
  - In the first sentence of footnote 1, the reference to “section 317” is replaced with “AS 2405.”
- d. In paragraph .01A:
  - In the first sentence, the reference to “Auditing Standard No. 12” is replaced with “AS 2110.”
  - In the second sentence, the reference to “Auditing Standard No. 13” is replaced with “AS 2301.”
  - In the last sentence, the reference to “Auditing Standard No. 14” is replaced with “AS 2810.”
- e. In the second sentence of paragraph .04, the reference to “section 110.03” is replaced with “AS 1001.03.”
- f. In the fifth sentence of paragraph .09, the term “GAAS” is replaced with “the standards of the PCAOB.”
- g. In footnote 7 to paragraph .12, the reference to “section 230, *Due Professional Care in the Performance of Work*, paragraphs .10 through .13” is replaced with “paragraphs .10 through .13 of AS 1015, *Due Professional Care in the Performance of Work*.”
- h. In the second sentence of paragraph .13, the phrase “section 230, *Due Professional Care in the Performance of Work*, paragraphs .07 through .09” is replaced with “AS 1015.07 through .09.”
- i. In paragraph .52:
  - In the first sentence, the reference to “Paragraph 8 of Auditing Standard No. 13, *The Auditor’s Responses to the Risks of Material Misstatement*,” is replaced with “AS 2301.08.”
  - In the last sentence, the reference to “Paragraph 12 of Auditing Standard No. 13” is replaced with “AS 2301.12.”
  - In the note, the reference to “Paragraph 71.b. of Auditing Standard

No. 12, *Identifying and Assessing Risks of Material Misstatement*,” is replaced with “AS 2110.71b.”

- j. In paragraph .53:
  - In footnote 20 to the fourth bullet, the reference to “AU sec. 329” is replaced with “AS 2305.”
  - In the fifth bullet, the parenthetical reference to “paragraph 54 of Auditing Standard No. 12, *Identifying and Assessing Risks of Material Misstatement*” is replaced with “AS 2110.54.”
- k. In paragraph .54:
  - In footnote 21 to the second sub-bullet of the first bullet, the reference to “AU sec. 330” is replaced with “AS 2310.”
  - In footnote 22 to the second bullet, the reference to “AU sec. 336” is replaced with “AS 1210.”
  - In the third bullet:
    - In the fourth sentence, the reference to “section 342” replaced with “AS 2501.”
    - In the fifth sentence, the parenthetical reference to “section 342.09 through .14” is replaced with “AS 2501.09 through .14.”
  - l. In the second sentence of paragraph .56, the reference to “paragraphs 8 through 15 of Auditing Standard No. 13, *The Auditor’s Responses to the Risks of Material Misstatement*,” is replaced with “AS 2301.08 through .15.”
  - m. In footnote 23 to item 1 of paragraph .58, the reference to “paragraphs 28 through 32 of Auditing Standard No. 12, *Identifying and Assessing Risks of Material Misstatement*” is replaced with “AS 2110.28 through .32.”
  - n. In the last sentence of the fifth bullet of paragraph .61, the reference to “paragraphs 11 through 14 of Auditing Standard No. 9” is replaced with “paragraphs .11 through .14 of AS 2101.”
  - o. In the last sentence of paragraph .63, the reference to “Paragraphs 24 through 27 of Auditing Standard No. 14, *Evaluating Audit Results*” is replaced with “AS 2810.24 through .27.”
  - p. In footnote 24 to paragraph .63, the reference to “section 342, *Auditing Accounting Estimates*, paragraphs .02 and .16,” is replaced with “AS 2501.02 and .16.”
  - q. In paragraph .66:
    - In the first note, the reference to “Auditing Standard No. 12, *Identifying and Assessing Risks of Material Misstatement*” is replaced with “AS 2110.”
    - In the second note:
      - In the second sentence, the reference to “paragraphs 14–16 of Auditing Standard No. 18” is replaced with “paragraphs .14–.16 of AS 2410.”

- In the last sentence, the reference to “Auditing Standard No. 18, *Related Parties*,” is replaced with “AS 2410.”

- r. In the note to paragraph .66A, the reference to “Paragraph 11A of Auditing Standard No. 13” is replaced with “AS 2301.11A.”

- s. In paragraph 67:
  - In the note, the reference to “Paragraphs 20–23 of Auditing Standard No. 14, *Evaluating Audit Results*,” is replaced with “AS 2810.20–.23.”
  - In the second sentence of footnote 25A to the third bullet, the reference to “Auditing Standard No. 18, *Related Parties*,” is replaced with “AS 2410.”
- t. In paragraph 67A:
  - In the note, the reference to “AU sec. 550” is replaced with “AS 2710.”
  - In footnote 25B, the reference to “paragraphs 30–31 of Auditing Standard No. 14” is replaced with “AS 2810.30–.31.”
- u. In paragraph .80:
  - In the second sentence, the parenthetical reference to “section 325, ‘Communications About Control Deficiencies in An Audit of Financial Statements,’ paragraph 4” is replaced with “paragraph .04 of AS 1305, *Communications About Control Deficiencies in an Audit of Financial Statements*.”
  - In the third sentence, the parenthetical reference to “paragraphs 72–73 of Auditing Standard No. 12, *Identifying and Assessing Risks of Material Misstatement*” is replaced with “AS 2110.72–.73.”
- v. In the second sentence of paragraph .81, the parenthetical reference to “paragraphs 12–13 of Auditing Standard No. 16” is replaced with “paragraphs .12–.13 of AS 1301.”
- w. In paragraph .82:
  - In item a, the reference to “AU sec. 315, *Communications Between Predecessor and Successor Auditors*” is replaced with “AS 2610, *Initial Audits—Communications Between Predecessor and Successor Auditors*.”
  - In footnote 40, the reference to “Section 315” is replaced with “AS 2610.”
- x. In paragraph .83:
  - In the first bullet, the parenthetical reference to “paragraphs 52 and 53 of Auditing Standard No. 12, *Identifying and Assessing Risks of Material Misstatement*” is replaced with “AS 2110.52 and .53.”
  - In the second bullet, the parenthetical reference to “paragraph 47, paragraphs 56 through 58, and paragraphs 65 through 69 of Auditing Standard No. 12, *Identifying and Assessing Risks of Material Misstatement*” is replaced with “AS 2110.47, AS 2110.56 through .58, and AS 2110.65 through .69.”

- In the third bullet:
- The first parenthetical reference to “(paragraphs 59 through 69 of Auditing Standard No. 12, *Identifying and Assessing Risks of Material Misstatement*)” is replaced with “(AS 2110.59 through .69).”
- The second parenthetical reference to “(paragraphs 5 through 15 of Auditing Standard No. 13, *The Auditor’s Response to the Risks of Material Misstatement*)” is replaced with “(AS 2301.05 through .15).”
- In the fourth bullet, the parenthetical reference to “paragraph 68 of Auditing Standard No. 12, *Identifying and Assessing Risks of Material Misstatement*” is replaced with “AS 2110.68.”
- In the fifth bullet, the parenthetical reference to “paragraph 15 of Auditing Standard No. 13, *The Auditor’s Responses to the Risks of Material Misstatements*” is replaced with “AS 2301.15.”
- In the sixth bullet, the parenthetical reference to “paragraphs 5 through 9 of Auditing Standard No. 14, *Evaluating Audit Results*” is replaced with “AS 2810.05 through .09.”
- y. In the first sentence of item A.1 of paragraph .85, the reference to “paragraphs 65 through 69 of Auditing Standard No. 12, *Identifying and Assessing Risks of Material Misstatement*” is replaced with “AS 2110.65 through .69.”
- z. Paragraphs .86 through .88 are deleted.
- aa. Footnotes 5 and 6 to paragraph .86 are deleted.
- bb. Footnote 8 to paragraph .87 is deleted.
- cc. Footnotes 1 through 11 to paragraph .88 are deleted.

AU sec. 317, “Illegal Acts by Clients”

SAS No. 54, “Illegal Acts by Clients” (AU sec. 317, “Illegal Acts by Clients”), as amended, is amended as follows:

- a. The section number “AU Section 317” is replaced with “AS 2405.”
- b. In the references before paragraph .01, the phrase “(Supersedes section 328)” is deleted.
- c. In the first sentence of paragraph .01, the phrase “generally accepted auditing standards” is replaced with “the standards of the PCAOB.”
- d. In the last sentence of paragraph .05, the reference to “section 110” is replaced with “AS 1001.”
- e. In the last sentence of paragraph .07, the phrase “generally accepted auditing standards” is replaced with “PCAOB auditing standards.”
- f. In paragraph .08:
  - In the first sentence, the phrase “generally accepted auditing standards”

is replaced with “PCAOB auditing standards.”

- The parenthetical reference to “section 333” is replaced with “AS 2805.”
- g. In footnote 2 to paragraph .21, the reference to “section 508” is replaced with “AS 3101.”
- h. In the subtitle before paragraph .22, the phrase “in Accordance With Generally Accepted Auditing Standards” is deleted.
- i. In paragraph .23b:
  - The reference to “section 315, *Communications Between Predecessor and Successor Auditors*” is replaced with “AS 2610, *Initial Audits—Communications Between Predecessor and Successor Auditors*.”
  - In footnote 5, the reference to “section 315” is replaced with “AS 2610.”

AU sec. 9317, “Illegal Acts by Clients: Auditing Interpretations of Section 317”

AU sec. 9317, “Illegal Acts by Clients: Auditing Interpretations of Section 317,” is amended as follows:

- a. The section number “AU Section 9317” is replaced with “AI 13.”
- b. The title “Illegal Acts by Clients: Auditing Interpretations of Section 317” is replaced with “Illegal Acts by Clients: Auditing Interpretations of AS 2405.”
- c. In paragraph .01:
  - In the first sentence, the phrase “The second standard of field work requires” is replaced with “The auditing standards require.”
  - In the last sentence:
    - The reference to “section 317” is replaced with “AS 2405, *Illegal Acts by Clients*.”
    - The phrase “the second standard of field work” is replaced with “AS 2110, *Identifying and Assessing Risks of Material Misstatement*.”
- d. In paragraph .03, the reference to “section 317” is replaced with “AS 2405.”
- e. In paragraph .05, the parenthetical reference to “section 317.22” is replaced with “AS 2405.22.”

AU sec. 322, “The Auditor’s Consideration of the Internal Audit Function in an Audit of Financial Statements”

SAS No. 54, “The Auditor’s Consideration of the Internal Audit Function in an Audit of Financial Statements” (AU sec. 322, “The Auditor’s Consideration of the Internal Audit Function in an Audit of Financial Statements”), as amended, is amended as follows:

- a. The section number “AU Section 322” is replaced with “AS 2605.”
- b. The title “The Auditor’s Consideration of the Internal Audit

Function in an Audit of Financial Statements” is replaced with “Consideration of the Internal Audit Function.”

c. In the references before paragraph .01, the phrase “(Supersedes SAS No. 9)” is deleted.

d. In the last sentence of paragraph .01, the phrase “generally accepted auditing standards” is replaced with “the standards of the PCAOB.”

e. In the note to paragraph .01, the reference to “paragraphs 16–19 of PCAOB Auditing Standard No. 5” is replaced with “paragraphs .16–.19 of AS 2201.”

f. In paragraph .02:

- In the first sentence, the phrase “generally accepted auditing standards” is replaced with “the standards of the PCAOB.”

- In footnote 2, the phrase “the AICPA Code of Professional Conduct” is replaced with “PCAOB Rule 3520, *Auditor Independence*.”

g. In footnote 3 to paragraph .04, the reference to “Auditing Standard No. 12” is replaced with “AS 2110.”

h. In footnote 5 to paragraph .18, the reference to “paragraph 8 of Auditing Standard No. 15” is replaced with “paragraph .08 of AS 1105.”

i. In footnote 6 to paragraph .19, the reference to “section 543, *Part of Audit Performed by Other Independent Auditors*” is replaced with “AS 1205, *Part of the Audit Performed by Other Independent Auditors*.”

j. In the note to paragraph .22, the reference to “paragraphs 18–19 of PCAOB Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*” is replaced with “AS 2201.18–.19.”

k. In footnote 8 to paragraph .27, the reference to “Auditing Standard No. 10” is replaced with “AS 1201.”

l. In the appendix, the title “The Auditor’s Consideration of the Internal Audit Function in an Audit of Financial Statements” is replaced with “Consideration of the Internal Audit Function.”

AU sec. 324, “Service Organizations”

SAS No. 70, “Service Organizations” (AU sec. 324, “Service Organizations”), as amended, is amended as follows:

- a. The section number “AU Section 324” is replaced with “AS 2601.”
- b. The title “Service Organizations” is replaced with “Consideration of an Entity’s Use of a Service Organization.”
- c. Footnote \* to the title of the standard is deleted.
- d. In the references before paragraph .01, the phrase “(Supersedes SAS No. 44)” is deleted.



e. In the note to paragraph .01, the reference to “paragraphs B17–B27 of Appendix B, *Special Topics*, of PCAOB Auditing Standard No. 5” is replaced with “paragraphs .B17–.B27 of Appendix B, *Special Topics*, of AS 2201.”

f. In paragraph .07:

- In the first sentence, the reference to “Auditing Standard No. 12” is replaced with “AS 2110.”

- In the third bullet, the second sentence is deleted.

g. In the first sentence of paragraph .16, the reference to “paragraph 18 and paragraphs 29 through 31 of Auditing Standard No. 13” is replaced with “paragraph .18 and paragraphs .29 through .31 of AS 2301.”

h. In the last sentence of paragraph .18, the reference to “section 543, *Part of Audit Performed by Other Independent Auditors*, paragraph .10a” is replaced with “paragraph .10a of AS 1205, *Part of the Audit Performed by Other Independent Auditors*.”

i. In the first sentence of paragraph 19, the reference to “section 543.12” is replaced with “AS 1205.12.”

j. In the last sentence of paragraph .20, the reference to “section 325” is replaced with “AS 1305.”

k. In the second sentence of paragraph .22:

- The phrase “generally accepted auditing standards” is replaced with “the standards of the PCAOB.”

- The phrase “general standards and with the relevant fieldwork and reporting standards” is replaced with “relevant PCAOB auditing standards.”

l. In the second sentence of paragraph .23:

- The reference to “Auditing Standard No. 14” is replaced with “AS 2810.”

- The reference to “section 317” is replaced with “AS 2405.”

m. In paragraph .38, in the last sentence of the first paragraph of the sample report on controls placed in operation at a service organization, the phrase “standards established by the American Institute of Certified Public Accountants” is replaced with “the standards of the Public Company Accounting Oversight Board (United States).”

n. In the last sentence of paragraph .41, the reference to “Section 350” is replaced with “AS 2315.”

o. In paragraph .54, in the last sentence of the first paragraph of the sample report on controls placed in operation at a service organization and tests of operating effectiveness, the phrase “standards established by the American Institute of Certified Public Accountants” is replaced with “the

standards of the Public Company Accounting Oversight Board (United States).”

AU sec. 9324, “Service Organizations: Auditing Interpretations of Section 324”

AU sec. 9324, “Service Organizations: Auditing Interpretations of Section 324,” as amended, is amended as follows:

a. The section number “AU Section 9324” is replaced with “AI 18.”

b. The title “Service Organizations: Auditing Interpretations of Section 324” is replaced with “Consideration of an Entity’s Use of a Service Organization: Auditing Interpretations of AS 2601.”

c. In paragraph .01:

- In the first sentence, the reference to “section 324, *Service Organizations*” is replaced with “AS 2601, *Consideration of an Entity’s Use of a Service Organization*.”

- In the second sentence, the reference to “Section 324.44f” is replaced with “AS 2601.44f.”

d. In the first sentence of paragraph .02, the reference to “section 324.44f” is replaced with “AS 2601.44f.”

e. In paragraph .05:

- In the third sentence, the reference to “Paragraphs .06 through .17 of section 324, *Service Organizations*,” is replaced with “AS 2601.06 through .17.”

- In the fourth sentence, the reference to “section 324.06–.17” is replaced with “AS 2601.06–.17.”

- In the last sentence, the reference to “section 324.06” is replaced with “AS 2601.06.”

f. In the second sentence of paragraph .07, the reference to “Section 324.11–.16” is replaced with “AS 2601.11–.16.”

g. Following paragraph .16, in the Sample Scope Paragraph of a Service Auditor’s Report Using the Carve-Out Method:

- The heading “Independent Service Auditor’s Report” above the example report is replaced with “Service Auditor’s Report of Independent Registered Public Accounting Firm.”

- In the last sentence of the report, the phrase “standards established by the American Institute of Certified Public Accountants” is replaced with “the standards of the Public Company Accounting Oversight Board (United States).”

- In the bracketed sentence, the reference to “section 324.38 and .54” is replaced with “AS 2601.38 and .54.”

h. In the first sentence of paragraph .17, the reference to “section 324.12” is replaced with “AS 2601.12.”

i. Following paragraph .18, in the Sample Service Auditor’s Report Using the Inclusive Method:

- The heading “Independent Service Auditor’s Report” above the example report is replaced with “Service Auditor’s Report of Independent Registered Public Accounting Firm.”

- In the last sentence of the first paragraph of the report, the phrase “standards established by the American Institute of Certified Public Accountants” is replaced with “the standards of the Public Company Accounting Oversight Board (United States).”

j. In paragraph .35, each reference to “Section 324.32” or “section 324.32” is replaced with “AS 2601.32.”

k. In paragraph .36:

- Each reference to “Section 324.32” or “section 324.32” is replaced with “AS 2601.32.”

- Footnote 2 is deleted.

l. In the first sentence of paragraph .37, the reference to “section 550” is replaced with “AS 2710.”

m. In paragraph .38:

- In the first sentence, the reference to “Section 324.29g and .44f” is replaced with “AS 2601.29g and .44f.”

- In the second sentence, the reference to “Section 324.44f” is replaced with “AS 2601.44f.”

- In the third sentence, the reference to “section 324.38 and .54” is replaced with “AS 2601.38 and .54.”

- In the fourth sentence, the reference to “section 324.54” is replaced with “AS 2601.54.”

n. In the first sentence of paragraph .39, the reference to “section 324.38 and .54” is replaced with “AS 2601.38 and .54.”

o. In the first sentence of paragraph .40, the reference to “section 324.38 and .54” is replaced with “AS 2601.38 and .54.”

AU sec. 325, “Communications About Control Deficiencies in an Audit of Financial Statements”

AU sec. 325, “Communications About Control Deficiencies in an Audit of Financial Statements,” as amended, is amended as follows:

a. The section number “AU Section 325” is replaced with “AS 1305.”

b. Paragraph numbers 1 through 9 are replaced with .01 through .09.

c. The directions before paragraph 1 are replaced with the following:

*Note: For an integrated audit of financial statements and internal control over financial reporting, see paragraphs .78–.84 of AS 2201, An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements.*

*Note: The following paragraphs apply in an audit of financial statements only:*

d. In the second note to paragraph 3, the reference to “paragraphs 62–70 of

PCAOB Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*” is replaced with “AS 2201.62–.70.”

e. In the last sentence of paragraph 4, the reference to “paragraphs 2 and 3” is replaced with “paragraphs .02 and .03.”

f. In the last sentence of paragraph 9:

- The reference to “AU sec. 325” is replaced with “AS 1305.”
- The reference to “paragraph 2” is replaced with “paragraph .02.”

AU sec. 9325, “Communication of Internal Control Related Matters Noted in an Audit: Auditing Interpretations of Section 325”

AU sec. 9325, “Communication of Internal Control Related Matters Noted in an Audit: Auditing Interpretations of Section 325,” as amended, is amended as follows:

a. The section number “AU Section 9325” is replaced with “AI 12.”

b. The title “Communication of Internal Control Related Matters Noted in an Audit: Auditing Interpretations of Section 325” is replaced with “Communications About Control Deficiencies in an Audit of Financial Statements: Auditing Interpretations of AS 1305.”

c. In the note before paragraph .01:

- In the first sentence:
- The reference to “AU sec. 325” is replaced with “AS 1305, *Communications About Control Deficiencies in an Audit of Financial Statements*.”

• The reference to “paragraph 2” is replaced with “paragraph .02.”

• In the last sentence, the reference to “paragraph A7 of Appendix A, *Definitions*, of PCAOB Auditing Standard No. 5” is replaced with “paragraph .A7 of Appendix A, *Definitions*, of AS 2201.”

d. In the first sentence of paragraph .01, the reference to “Section 325” is replaced with “AS 1305.”

e. In the second sentence of paragraph .02, the reference to “Section 325” is replaced with “AS 1305.”

f. In the first sentence of paragraph .03, the reference to “Section 325” is replaced with “AS 1305.”

g. In the example report below paragraph .04, in the second sentence, the phrase “standards established by the American Institute of Certified Public Accountants” is replaced with “the standards of the Public Company Accounting Oversight Board (United States).”

AU sec. 9326, “Evidential Matter: Auditing Interpretations of Section 326”

AU sec. 9326, “Evidential Matter: Auditing Interpretations of Section

326,” as amended, is amended as follows:

a. The section number “AU Section 9326” is replaced with “AI 28.”

b. The title “Evidential Matter: Auditing Interpretations of Section 326” is replaced with “Evidential Matter Relating to Income Tax Accruals: Auditing Interpretations.”

c. In paragraph .10:

• In the first sentence, the phrase “third standard of field work requires” is replaced with “auditing standards require.”

• In the second sentence, the reference to “Paragraph 35 of Auditing Standard No. 14” is replaced with “Paragraph .35 of AS 2810.”

• In the third sentence, the reference to “Section 508, *Reports on Audited Financial Statements*, paragraph .24” is replaced with “Paragraph .24 of AS 3101, *Reports on Audited Financial Statements*.”

• In the fourth sentence, the reference to “section 333 on *Management Representations*” is replaced with “AS 2805, *Management Representations*.”

• In the fifth sentence:

• The reference to “Section 333.06” is replaced with “AS 2805.06.”

• The reference to “section 333.08” is replaced with “AS 2805.08.”

• In the last sentence, the reference to “section 333.13” is replaced with “AS 2805.13.”

d. In the first sentence of paragraph .12, the phrase “Section 339, *Audit Documentation*, states that audit documentation is the principal record” is replaced with “Audit documentation is the written record.”

e. In paragraph .16, the reference to “section 336” is replaced with “AS 1210.”

f. In the first sentence of paragraph .18, the reference to “Section 336.01” is replaced with “AS 1210.01.”

g. In the first sentence of paragraph .19, the reference to “section 337” is replaced with “AS 2505.”

AU sec. 328, “Auditing Fair Value Measurements and Disclosures”

SAS No. 101, “Auditing Fair Value Measurements and Disclosures” (AU sec. 328, “Auditing Fair Value Measurements and Disclosures”), as amended, is amended as follows:

a. The section number “AU Section 328” is replaced with “AS 2502.”

b. In paragraph .06 each reference to “Section 342” or “section 342” is replaced with “AS 2501.”

c. In footnote 3 to paragraph .07, the reference to “section 332” is replaced with “AS 2503.”

d. In the first sentence of paragraph .11, the reference to “Auditing Standard No. 12” is replaced with “AS 2110.”

e. In the last sentence of the fifth bullet of paragraph .12, the reference to “section 324, *Service Organizations*” is replaced with “AS 2601, *Consideration of an Entity’s Use of a Service Organization*.”

f. In the first sentence of paragraph .14, the reference to “Paragraph A5, second note of Auditing Standard No. 5” is replaced with “Paragraph .A5, second note of AS 2201.”

g. In the last sentence of paragraph .20, the reference to “section 336” is replaced with “AS 1210.”

h. In paragraph .22, the reference to “Section 336” or “section 336” is replaced with “AS 1210.”

i. In footnote 6 to paragraph .40, the reference to “section 329, *Analytical Procedures*” is replaced with “AS 2305, *Substantive Analytical Procedures*.”

j. In footnote 7 to paragraph .41, the reference to “section 560” is replaced with “AS 2801.”

k. In footnote 8 to paragraph .43, the reference to “paragraph 31 of Auditing Standard No. 14” is replaced with “paragraph .31 of AS 2810.”

l. In the last sentence of paragraph .47, the parenthetical reference to “paragraphs 12 through 18 and 24 through 27 of Auditing Standard No. 14, *Evaluating Audit Results*” is replaced with “AS 2810.12 through .18 and AS 2810.24 through .27.”

m. In the first sentence of paragraph .48:

• The reference to “Section 333” is replaced with “AS 2805.”

• The reference to “generally accepted auditing standards” is replaced with “the standards of the PCAOB.”

n. In paragraph .50, the reference to “Paragraphs 12–13 of Auditing Standard No. 16” is replaced with “Paragraphs .12–.13 of AS 1301.”

AU sec. 329, “Substantive Analytical Procedures”

SAS No. 56, “Analytical Procedures” (AU sec. 329, “Substantive Analytical Procedures”), as amended, is amended as follows:

a. The section number “AU Section 329” is replaced with “AS 2305.”

b. In the references before paragraph .01, the phrase “(Supersedes section 318)” is deleted.

c. In paragraph .01:

• In the first note, the reference to “Auditing Standard No. 12” is replaced with “AS 2110.”

• In the second note, the reference to “Auditing Standard No. 14” is replaced with “AS 2810.”

d. In the last sentence of paragraph .09, the parenthetical reference to “paragraph 11 of Auditing Standard No.

13” is replaced with “paragraph .11 of AS 2301.”

e. In footnote 1 to paragraph .09, the reference to “Auditing Standard No. 15” is replaced with “AS 1105.”

f. In the last sentence of paragraph .21, the parenthetical reference to “Auditing Standard No. 14, *Evaluating Audit Results*” is replaced with “AS 2810.”

AU sec. 330, “The Confirmation Process”

SAS No. 67, “The Confirmation Process” (AU sec. 330, “The Confirmation Process”), as amended, is amended as follows:

a. The section number “AU Section 330” is replaced with “AS 2310.”

b. In the references before paragraph .01, the phrase “(Supersedes section 331.03–.08)” is deleted.

c. In paragraph .01:

- In the first sentence, the phrase “generally accepted auditing standards” is replaced with “the standards of the PCAOB.”

- In the last bullet:

- In the first sentence, the reference to “section 331, *Inventories*, paragraphs .03–.08” is replaced with “paragraphs .03–.08 of AS 2510, *Auditing Inventories*.”

- Each reference to “section 331.01” is replaced with “AS 2510.01.”

d. In paragraph .02:

- In the second sentence:
- The reference to “section 350” is replaced with “AS 2315.”
- The reference to “Auditing Standard No. 13” is replaced with “AS 2301.”

- In the last sentence, the reference to “Auditing Standard No. 13, *The Auditor’s Responses to the Risks of Material Misstatement*” is replaced with “AS 2301.”

e. In paragraph .03:

- The reference to “section 336” is replaced with “AS 1210.”
- The reference to “section 337” is replaced with “AS 2505.”

f. In the first sentence of paragraph .05, the reference to “Auditing Standard No. 8” is replaced with “AS 1101.”

g. In the last sentence of paragraph .06, the reference to “paragraph 8 of Auditing Standard No. 15” is replaced with “paragraph .08 of AS 1105.”

h. In the last sentence of paragraph .11, the reference to “Auditing Standard No. 15, *Audit Evidence*,” is replaced with “AS 1105.”

i. In paragraph .15, the parenthetical reference to “section 230” is replaced with “AS 1015.”

j. In footnote 2 to paragraph .27, the reference to “Auditing Standard No. 18” is replaced with “AS 2410.”

k. In the last sentence of footnote 3 to paragraph .28, the reference to “Section 322, *The Auditor’s Consideration of the Internal Audit Function in an Audit of Financial Statements*” is replaced with “AS 2605, *Consideration of the Internal Audit Function*.”

AU sec. 331, “Inventories”

SAS No. 1, “Codification of Auditing Standards and Procedures” section 331 “Inventories” (AU sec. 331, “Inventories”), as amended, is amended as follows:

a. The section number “AU Section 331” is replaced with “AS 2510.”

b. The title “Inventories” is replaced with “Auditing Inventories.”

c. Footnote \* to the title of the standard is deleted.

d. Footnote 3 to the subtitle before paragraph .14, “Inventories Held in Public Warehouses,” is deleted.

e. In paragraph .15, the reference to “sections 508.24 and 508.67” is replaced with “paragraphs .24 and .67 of AS 3101, *Reports on Audited Financial Statements*.”

AU sec. 332, “Auditing Derivative Instruments, Hedging Activities, and Investments in Securities”

SAS No. 92, “Auditing Derivative Instruments, Hedging Activities, and Investments in Securities” (AU sec. 332, “Auditing Derivative Instruments, Hedging Activities, and Investments in Securities”), as amended, is amended as follows:

a. The section number “AU Section 332” is replaced with “AS 2503.”

b. Footnote 1 to the title of the standard is deleted.

c. In the references before paragraph .01, the phrase “(Supersedes SAS No. 81)” is deleted.

d. In paragraph .01:

- In the last sentence, the reference to “paragraphs 11 and 12 of Auditing Standard No. 15” is replaced with “paragraphs .11 and .12 of AS 1105.”

- In footnote 3, the reference to “section 623, *Special Reports*, paragraph .04” is replaced with “paragraph .04 of AS 3305, *Special Reports*.”

e. In paragraph .06:

- In the first sentence, the reference to “Auditing Standard No. 9” is replaced with “AS 2101.”

- In the second sentence, the reference to “Auditing Standard No. 10” is replaced with “AS 1201.”

- In the last sentence, the reference to “AU sec. 336” is replaced with “AS 1210.”

f. In the last sentence of paragraph .07, the reference to “section 322, *The Auditor’s Consideration of the Internal Audit Function in an Audit of Financial*

*Statements*” is replaced with “AS 2605, *Consideration of the Internal Audit Function*.”

g. In the first sentence of paragraph .09, the reference to “Auditing Standard No. 12” is replaced with “AS 2110.”

h. Footnote 6 to paragraph .10 is deleted.

i. In paragraph .11:

- In the fourth sentence, the reference to “Paragraphs 28 through 32 and B1 through B6 of Auditing Standard No. 12, *Identifying and Assessing Risks of Material Misstatement*” is replaced with “AS 2110.28 through .32 and AS 2110.B1 through .B6.”

- In the last sentence, the reference to “section 324, *Service Organizations*” is replaced with “AS 2601, *Consideration of an Entity’s Use of a Service Organization*.”

- In the note, the reference to “paragraph 39 of PCAOB Auditing Standard No. 5” is replaced with “paragraph .39 of AS 2201.”

j. In footnote 8 to the fifth bullet of paragraph .14, the reference to “Section 324” is replaced with “AS 2601.”

k. In the last sentence of paragraph .15, the reference to “Auditing Standard No. 12, *Identifying and Assessing Risks of Material Misstatement*” is replaced with “AS 2110.”

l. In paragraph .16a, the reference to “section 324” is replaced with “AS 2601.”

m. Footnote 10 to paragraph .18 is deleted.

n. In paragraph .21:

- In the first sentence of footnote 11 to the second bullet, the reference to “Section 330” is replaced with “AS 2310, *The Confirmation Process*.”

- In footnote 12 to the last bullet, the reference to “Section 329” is replaced with “AS 2305, *Substantive Analytical Procedures*.”

o. In footnote 13 to the second bullet of paragraph .22, the reference to “Section 330.17” is replaced with “AS 2310.17.”

p. In footnote 15 to paragraph .32, the reference to “section 508, *Reports on Audited Financial Statements*, paragraphs .16–.18” is replaced with “paragraphs .16–.18 of AS 3101, *Reports on Audited Financial Statements*.”

q. In paragraph .33:

- In the third sentence, the reference to “section 560, *Subsequent Events*, paragraphs .05–.06” is replaced with “paragraphs .05–.06 of AS 2801, *Subsequent Events*.”

- In the last sentence, the reference to “section 560.03” is replaced with “AS 2801.03.”

r. In paragraph .35:

- In the sixth sentence, the reference to “section 342” is replaced with “AS 2501.”

• In the last sentence, the reference to “paragraphs 24 through 27 of Auditing Standard No. 14” is replaced with “paragraphs .24 through .27 of AS 2810.”

s. In paragraph .39:

• Each reference to “Section 336” is replaced with “AS 1210.”

• Each reference to “Section 324” is replaced with “AS 2601.”

t. In paragraph .43a, the reference to “section 342” is replaced with “AS 2501.”

u. In paragraph .43b, the reference to “section 336” is replaced with “AS 1210.”

v. In the third sentence of paragraph .49, the reference to “section 411, *The Meaning of Present Fairly in Conformity with Generally Accepted Accounting Principles*, paragraph .04” is replaced with “paragraph .04 of AS 2815, *The Meaning of Present Fairly in Conformity with Generally Accepted Accounting Principles*.”

w. In paragraph .51, the parenthetical reference to “paragraph 31 of Auditing Standard No. 14, *Evaluating Audit Results*” is replaced with “AS 2810.31.”

x. In paragraph .58:

• In the first sentence, the reference to “Section 333” is replaced with “AS 2805.”

• In footnote 20, the reference to “section 333.17” is replaced with “AS 2805.17.”

AU sec. 333, “Management Representations”

SAS No. 85, “Management Representations” (AU sec. 333, “Management Representations”), as amended, is amended as follows:

a. The section number “AU Section 333” is replaced with “AS 2805.”

b. In the references before paragraph .01, the phrase “(Supersedes SAS No. 19)” is deleted.

c. In paragraph .01, the phrase “generally accepted auditing standards” is replaced with “the standards of the PCAOB.”

d. In footnote 1 to paragraph .02, the reference to “Section 230” is replaced with “AS 1015.”

e. In the third sentence of paragraph .03, the reference to “Auditing Standard No. 18” is replaced with “AS 2410.”

f. In the note to paragraph .05, the reference to “paragraphs 75–77 of PCAOB Auditing Standard No. 5” is replaced with “paragraphs .75–.77 of AS 2201.”

g. In paragraph .06g:

• In footnote 4, the reference to “Auditing Standard No. 14” is replaced with “AS 2810.”

• In the first sentence of footnote 6, the reference to “Paragraph 11 of

Auditing Standard No. 14, *Evaluating Audit Results*” is replaced with “AS 2810.11.”

• In footnote 7:

• In the first sentence:

• The reference to “section 317, *Illegal Acts by Clients*, paragraph .17” is replaced with “paragraph .17 of AS 2405, *Illegal Acts by Clients*.”

• The reference to “section 316, *Consideration of Fraud in a Financial Statement Audit*, paragraphs .79 through .82” is replaced with “paragraphs .79 through .82 of AS 2401, *Consideration of Fraud in a Financial Statement Audit*.”

• In the last sentence:

• The reference to “section 317” is replaced with “AS 2405.”

• The reference to “section 316” is replaced with “2401.”

h. In footnote 9 to paragraph .06l, the reference to “paragraph 18 of Auditing Standard No. 18, *Related Parties*” is replaced with “AS 2410.18.”

i. In footnote 10 to paragraph .06o, the reference to “section 317” is replaced with “AS 2405.”

j. In footnote 11 to paragraph .06p:

• In the first sentence, the reference to “section 337, *Inquiry of a Client’s Lawyer Concerning Litigation, Claims, and Assessments*, paragraph .05d” is replaced with “paragraph .05d of AS 2505, *Inquiry of a Client’s Lawyer Concerning Litigation, Claims, and Assessments*.”

• The parenthetical reference to “section 9337.15–.17” is replaced with “paragraphs .15–.17 of AI 17, *Inquiry of a Client’s Lawyer Concerning Litigation, Claims, and Assessments: Auditing Interpretations of AS 2505*.”

k. In footnote 12 to paragraph .06q, the reference to “section 337.05b” is replaced with “AS 2505.05b.”

l. In footnote 13 to paragraph .06t:

• The reference to “section 560, *Subsequent Events*, paragraph .12” is replaced with “paragraph .12 of AS 2801, *Subsequent Events*.”

• The reference to “section 711, *Filings Under Federal Securities Statutes*, paragraph .10” is replaced with “paragraph .10 of AS 4101, *Responsibilities Regarding Filings Under Federal Securities Statutes*.”

• The reference to “section 634, *Letters for Underwriters and Certain Other Requesting Parties*, paragraph .45, footnote 29” is replaced with “paragraph .45, footnote 31 of AS 6101, *Letters for Underwriters and Certain Other Requesting Parties*.”

m. Footnote 14 to paragraph .07 is deleted.

n. In the fourth sentence of paragraph .09, the bracketed reference to “section 530, *Dating of the Independent*

*Auditor’s Report*, paragraph .05” is replaced with “paragraph .05 of AS 3110, *Dating of the Independent Auditor’s Report*.”

o. In footnote 15 to paragraph .12, the reference to “section 508, *Reports on Audited Financial Statements*, paragraph .71” is replaced with “paragraph .71 of AS 3101, *Reports on Audited Financial Statements*.”

p. In footnote 16 to paragraph .12, the reference to “section 711.10” is replaced with “AS 4101.10.”

q. In footnote 18 to paragraph .13, the reference to “section 508.22–.34” is replaced with “AS 3101.22–.34.”

r. In the second sentence of item 4 of paragraph .16:

• The reference to “section 316” is replaced with “AS 2401.”

• The reference to “Auditing Standard No. 18” is replaced with “AS 2410.”

s. The second sentence in item 1 of paragraph .17 is deleted.

AU sec. 9333, “Management Representations: Auditing Interpretations of Section 333”

AU sec. 9333, “Management Representations: Auditing Interpretations of Section 333,” is amended as follows:

a. The section number “AU Section 9333” is replaced with “AI 21.”

b. The title “Management Representations: Auditing Interpretations of Section 333” is replaced with “Management Representations: Auditing Interpretations of AS 2805.”

c. In the first sentence of paragraph .01, the reference to “Section 333” is replaced with “AS 2805.”

d. In paragraph .02, each reference to “Section 317” or “section 317” is replaced with “AS 2405.”

e. In the second sentence of paragraph .03, the reference to “Section 333” is replaced with “AS 2805.”

AU sec. 336, “Using the Work of a Specialist”

SAS No. 73, “Using the Work of a Specialist” (AU sec. 336, “Using the Work of a Specialist”), as amended, is amended as follows:

a. The section number “AU Section 336” is replaced with “AS 1210.”

b. In the references before paragraph .01, the phrase “(Supersedes SAS No. 11)” is deleted.

c. In paragraph .01:

• In the first sentence, the phrase “generally accepted auditing standards” is replaced with “the standards of the PCAOB.”

• In footnote 1, the reference to “Auditing Standard No. 10” is replaced with “AS 1201.”

d. In the second sentence of paragraph .02, the reference to “section 337” is replaced with “AS 2505.”

e. In paragraph .04:

- The reference to “section 623” is replaced with “AS 3305.”

- In footnote 3, the reference to “section 623, *Special Reports*” is replaced with “AS 3305.”

f. In the last sentence of paragraph .05, the reference to “Auditing Standard No. 10, *Supervision of the Audit Engagement*” is replaced with “AS 1201.”

g. In footnote 4 to paragraph .07c, the parenthetical sentence is deleted.

h. In the last sentence of paragraph .13, the parenthetical reference to “section 508, *Reports on Audited Financial Statements*, paragraphs .22 and .23” is replaced with “paragraphs .22 and .23 of AS 3101, *Reports on Audited Financial Statements*.”

i. In the last sentence of paragraph .14, the parenthetical reference to “section 508.35, .36, and .41” is replaced with “AS 3101.35, .36, and .41.”

AU sec. 9336, “Using the Work of a Specialist: Auditing Interpretations of Section 336”

AU sec. 9336, “Using the Work of a Specialist: Auditing Interpretations of Section 336,” as amended, is amended as follows:

a. The section number “AU Section 9336” is replaced with “AI 11.”

b. The title “Using the Work of a Specialist: Auditing Interpretations of Section 336” is replaced with “Using the Work of a Specialist: Auditing Interpretations of AS 1210.”

c. In the first sentence of paragraph .04, the reference to “Section 336, *Using the Work of a Specialist*, paragraph .06” is replaced with “Paragraph .06 of AS 1210, *Using the Work of a Specialist*.”

d. In the second sentence of paragraph .11, the reference to “Section 336.13” is replaced with “AS 1210.13.”

e. In the fourth sentence of paragraph .15, the reference to “Paragraph 6 of Auditing Standard No. 15” is replaced with “Paragraph .06 of AS 1105.”

f. In the second sentence of paragraph .17, the reference to “section 336.09” is replaced with “AS 1210.09.”

g. In paragraph .21:

- In footnote 14, the reference to “section 336.13” is replaced with “AS 1210.13.”

- In the third sentence, the reference to “section 508, *Reports on Audited Financial Statements*, paragraphs .35 through .60” is replaced with “paragraphs .35 through .60 of AS 3101, *Reports on Audited Financial Statements*.”

- In the last sentence, the reference to “section 508.22–.26 and 508.61–.63.” is

replaced with “AS 3101.22–.26 and AS 3101.61–.63.”

AU sec. 337, “Inquiry of a Client’s Lawyer Concerning Litigation, Claims, and Assessments”

SAS No. 12, “Inquiry of a Client’s Lawyer Concerning Litigation, Claims, and Assessments” (AU sec. 336, “Inquiry of a Client’s Lawyer Concerning Litigation, Claims, and Assessments”), as amended, is amended as follows:

a. The section number “AU Section 337” is replaced with “AS 2505.”

b. Footnote 1 to the title of the standard is deleted.

c. In paragraph .01, the phrase “generally accepted auditing standards” is replaced with “the standards of the PCAOB.”

d. In footnote 2 to paragraph .03:

- The first sentence is deleted.

- In the last sentence, the term “SAS” is replaced with “auditing standard.”

e. In footnote 4 to the subtitle before paragraph .08 (“*Inquiry of a Client’s Lawyer*”), the parenthetical reference to “section 337A” is replaced with “AS 2505A.”

f. In footnote 6 to the subtitle before paragraph .12 (“*Limitations on the Scope of a Lawyer’s Response*”), the parenthetical reference to “section 337C” is replaced with “AS 2505C.”

g. In the first sentence of paragraph .13, the parenthetical reference to “section 508.22 and .23” is replaced with “paragraphs .22 and .23 of AS 3101, *Reports on Audited Financial Statements*.”

h. In the last sentence of paragraph .14, the reference to “section 508.45 through .49” is replaced with “AS 3101.45 through .49.”

i. The section number “AU Section 337A” is replaced with “AS 2505A.”

j. In AU Section 337A, the paragraph number “.01” is deleted.

k. Exhibit I, AU sec. 337B and related footnotes are deleted.

l. The section number “AU Section 337C” is replaced with “AS 2505C.”

AU sec. 9337, “Inquiry of a Client’s Lawyer Concerning Litigation, Claims, and Assessments: Auditing Interpretation of Section 337”

AU sec. 9337, “Inquiry of a Client’s Lawyer Concerning Litigation, Claims, and Assessments: Auditing Interpretation of Section 337,” as amended, is amended as follows:

a. The section number “AU Section 9337” is replaced with “AI 17.”

b. The title “Inquiry of a Client’s Lawyer Concerning Litigation, Claims, and Assessments: Auditing Interpretations of Section 337” is

replaced with “Inquiry of a Client’s Lawyer Concerning Litigation, Claims, and Assessments: Auditing Interpretation of AS 2505.”

c. In the first sentence of paragraph .01, the reference to “section 337” is replaced with “AS 2505.”

d. In the first sentence of paragraph .04, the reference to “[section 337A] to section 337, *Inquiry of a Client’s Lawyer Concerning Litigation, Claims, and Assessments*,” is replaced with “[AS 2505A] to AS 2505.”

e. In the first sentence of paragraph .05, the reference to “Section 560.10 through .12 indicates” is replaced with “Paragraphs .10 through .12 of AS 2801, *Subsequent Events*, indicate.”

f. In the first sentence of paragraph .06, the reference to “[section 337A] to section 337, *Inquiry of a Client’s Lawyer Concerning Litigation, Claims, and Assessments*,” is replaced with “[AS 2505A] to AS 2505.”

g. In the first sentence of paragraph .07, the reference to “[section 337A] to section 337” is replaced with “[AS 2505A] to AS 2505.”

h. In the first sentence of paragraph .08, the reference to “Section 337, *Inquiry of a Client’s Lawyer Concerning Litigation, Claims, and Assessments*, paragraph .05c,” is replaced with “AS 2505.05c.”

i. In the second sentence of paragraph .09:

- The parenthetical reference to “section 337.13” is replaced with “AS 2505.13.”

- The reference to “section 337.05c” is replaced with “AS 2505.05c.”

j. In the first sentence of paragraph .10, the reference to “[section 337A] of section 337, *Inquiry of a Client’s Lawyer Concerning Litigation, Claims, and Assessments*,” is replaced with “[AS 2505A] of AS 2505.”

k. In paragraph .11:

- In the first sentence, the reference to “Section 337.09,” is replaced with “AS 2505.09.”

- In the second sentence, the reference to “section 337” is replaced with “AS 2505.”

l. In the last sentence of footnote 1 to paragraph .13:

- The reference to “section 337” is replaced with “AS 2505.”

- The bracketed reference to “section 337C” is replaced with “AS 2505C.”

m. In footnote 2 to paragraph .14, the parenthetical reference to “sections 9337.01–.05” is replaced with “paragraphs .01–.05.”

n. In the first sentence of paragraph .15, the reference to “Section 337.06” is replaced with “AS 2505.06.”

o. In paragraph .16:

• In the first sentence, the reference to “Section 337” is replaced with “AS 2505.”

• In the second sentence:

• The reference to “section 337.05 and .07” is replaced with “AS 2505.05 and .07.”

• The reference to “section 333, *Management Representations*, paragraph .06m and n” is replaced with “paragraphs .06o and p of AS 2805, *Management Representations*.”

p. In the first sentence of paragraph .18, the reference to “Section 337, *Inquiry of a Client’s Lawyer Concerning Litigation, Claims, and Assessments*, paragraph .09d(2),” is replaced with “AS 2505.09d(2).”

q. In paragraph .19:

• In the first sentence, the reference to “[section 337C] to section 337” is replaced with “[AS 2505C] to AS 2505.”

• In the second sentence, the bracketed reference to “section 337C” is replaced with “AS 2505C.”

r. In the first sentence of paragraph .22:

• The reference to “section 337.14” is replaced with “AS 2505.14.”

• The bracketed reference to “section 337C” is replaced with “AS 2505C.”

s. In the last sentence of paragraph .23, the reference to “section 508.45 through .49” is replaced with “paragraphs .45 through .49 of AS 3101, *Reports on Audited Financial Statements*.”

t. In the first sentence of paragraph .24, the reference to “Section 337.06” is replaced with “AS 2505.06.”

u. In the first sentence of paragraph .25, the reference to “Section 337.08” is replaced with “AS 2505.08.”

v. In footnote 4 to paragraph .26, the reference to “section 337.08” is replaced with “AS 2505.08.”

w. In paragraph .32:

• In the third sentence, the bracketed reference to “section 337C” is replaced with “AS 2505C.”

• In footnote 5, each bracketed reference to “section 337C” is replaced with “AS 2505C.”

AU sec. 341, “The Auditor’s Consideration of an Entity’s Ability to Continue as a Going Concern”

SAS No. 59, “The Auditor’s Consideration of an Entity’s Ability to Continue as Going Concern” (AU sec. 341, “The Auditor’s Consideration of an Entity’s Ability to Continue as a Going Concern”), as amended, is amended as follows:

a. The section number “AU Section 341” is replaced with “AS 2415.”

b. The title “The Auditor’s Consideration of an Entity’s Ability to Continue as a Going Concern” is

replaced with “Consideration of an Entity’s Ability to Continue as a Going Concern.”

c. In the references before paragraph .01, the phrase “(Supersedes section 340)” is deleted.

d. In paragraph .01:

• In the first sentence, the phrase “generally accepted auditing standards” is replaced with “the standards of the PCAOB.”

• In the last sentence of footnote 1, the parenthetical reference to “section 9508.33–.38” is replaced with “AI 23.33–.38.”

e. In the last sentence of paragraph .02, the reference to “Auditing Standard No. 15” is replaced with “AS 1105.”

f. In the first sentence of footnote 3 to the fifth bullet of paragraph .10, the phrase “generally accepted auditing standards” is replaced with “PCAOB auditing standards.”

g. In the last sentence of footnote 4 to paragraph .12, the parenthetical reference to “section 508” is replaced with “AS 3101.”

h. In the last sentence of paragraph .14, the reference to “section 508, *Reports on Audited Financial Statements*” is replaced with “AS 3101.”

i. In the last sentence of paragraph .15, the reference to “section 508” is replaced with “AS 3101.”

j. In the first sentence of paragraph .17A, the reference to “Paragraph 17 of Auditing Standard No. 16” is replaced with “Paragraph .17 of AS 1301.”

AU sec. 9341, “The Auditor’s Consideration of an Entity’s Ability to Continue as a Going Concern: Auditing Interpretations of Section 341”

AU sec. 9341, “The Auditor’s Consideration of an Entity’s Ability to Continue as a Going Concern: Auditing Interpretations of Section 341,” as amended, is amended as follows:

a. The section number “AU Section 9341” is replaced with “AI 15.”

b. The title “The Auditor’s Consideration of an Entity’s Ability to Continue as a Going Concern: Auditing Interpretations of AS 2415.”

c. In paragraph .02:

• In footnote 2, the reference to “Section 530, *Dating of the Independent Auditor’s Report*, paragraph .05” is replaced with “Paragraph .05 of AS 3110, *Dating of the Independent Auditor’s Report*.”

• In the second bullet, the reference to “section 560, *Subsequent Events*, paragraph .12” is replaced with

“paragraph .12 of AS 2801, *Subsequent Events*.”

• In the third bullet, the reference to “section 341, *The Auditor’s Consideration of an Entity’s Ability to Continue as a Going Concern*, paragraphs .06 through .11,” is replaced with “paragraphs .06 through .11 of AS 2415, *Consideration of an Entity’s Ability to Continue as a Going Concern*.”

AU sec. 342, “Auditing Accounting Estimates”

SAS No. 57, “Auditing Accounting Estimates” (AU sec. 342, “Auditing Accounting Estimates”), as amended, is amended as follows:

a. The section number “AU Section 342” is replaced with “AS 2501.”

b. In the first sentence of paragraph .01, the phrase “generally accepted auditing standards” is replaced with “the standards of the PCAOB.”

c. In paragraph .07c:

• In footnote 2, the reference to “Section 411, *The Meaning of Present Fairly in Conformity With Generally Accepted Accounting Principles*” is replaced with “AS 2815, *The Meaning of Present Fairly in Conformity with Generally Accepted Accounting Principles*.”

• In footnote 3, the reference to “paragraph 31 of Auditing Standard No. 14” is replaced with “paragraph .31 of AS 2810.”

d. In paragraph .08b:

• In item 1, the parenthetical reference to “Auditing Standard No. 12” is replaced with “AS 2110.”

• In item 3, the parenthetical reference to “section 337” is replaced with “AS 2505.”

e. In paragraph .11h, the parenthetical reference to “section 336” is replaced with “AS 1210.”

f. In paragraph .14, the reference to “Paragraphs 24 through 27 of Auditing Standard No. 14, *Evaluating Audit Results*,” is replaced with “AS 2810.24 through .27.”

AU sec. 9342, “Auditing Accounting Estimates: Auditing Interpretations of Section 342”

AU sec. 9342, “Auditing Accounting Estimates: Auditing Interpretations of Section 342,” as amended, is amended as follows:

a. The section number “AU Section 9342” is replaced with “AI 16.”

b. The title “Auditing Accounting Estimates: Auditing Interpretations of Section 342” is replaced with “Auditing Accounting Estimates: Auditing Interpretations of AS 2501.”

c. In the first sentence of paragraph .06—the example paragraph—the phrase

“auditing standards generally accepted in the United States of America” is replaced with “the standards of the Public Company Accounting Oversight Board.”

d. In the last sentence of paragraph .07, the reference to “Auditing Standard No. 17” is replaced with “AS 2701.”

e. In the last sentence of paragraph .09, the reference to “section 550” is replaced with “AS 2710.”

f. In the second flowchart of paragraph .10, “Auditing Guidance for Fair Value Information: Required and Voluntary Information”:

- The reference to “paragraph 10 of Auditing Standard No. 17, *Auditing Supplemental Information Accompanying Audited Financial Statements*,” is replaced with “AS 2701.10.”

- The reference to “section 550” is replaced with “AS 2710.”

- The reference to “interpretation 11 of section 623, ‘Reporting on Current-Value Financial Statements That Supplement Historical Cost Financial Statements in a General-Use Presentation of Real Estate Entities’” is replaced with “AI 24, *Special Reports: Auditing Interpretations of AS 3305*, interpretation 11, ‘Reporting on Current-Value Financial Statements That Supplement Historical Cost Financial Statements in a General-Use Presentation of Real Estate Entities.’”

AU sec. 350, “Audit Sampling”

SAS No. 39, “Audit Sampling” (AU sec. 350, “Audit Sampling”), as amended, is amended as follows:

a. The section number “AU Section 350” is replaced with “AS 2315.”

b. In the references before paragraph .01, the phrase “(Supersedes Statement of Auditing Standards No. 1, sections 320A, and 320B.)” is deleted.

c. In the last sentence of footnote 2 to paragraph .02, the reference to “Auditing Standard No. 14” is replaced with “AS 2810.”

d. In the note to paragraph .06:

- The reference to “Auditing Standard No. 15” is replaced with “AS 1105.”

- The reference to “Auditing Standard No. 14, *Evaluating Audit Results*,” is replaced with “AS 2810.”

e. In the first sentence of paragraph .07, the phrase “referred to in the third standard of field work” is deleted.

f. In the note to paragraph .09, the reference to “Auditing Standard No. 8” is replaced with “AS 1101.”

g. In the last sentence of paragraph .11, the parenthetical reference to “section 161, *The Relationship of Generally Accepted Auditing Standards to Quality Control Standards*” is replaced with

“AS 1110, *Relationship of Auditing Standards to Quality Control Standards*.”

h. In paragraph .15, the reference to “Auditing Standard No. 9” is replaced with “AS 2101.”

i. In the first sentence of paragraph .18A, the reference to “Paragraphs 8–9 of Auditing Standard No. 11” is replaced with “Paragraphs .08–.09 of AS 2105.”

j. The first sentence in paragraph .19 is deleted.

k. In footnote 6 to paragraph .26, the reference to “Paragraphs 10 through 23 of Auditing Standard No. 14, *Evaluating Audit Results*,” is replaced with “AS 2810.10 through .23.”

l. In the last sentence of paragraph .39, the reference to “Paragraphs 44 through 46 of Auditing Standard No. 13” is replaced with “Paragraphs .44 through .46 of AS 2301.”

m. In the note to paragraph .44, the reference to “Paragraph 47 of Auditing Standard No. 13, *The Auditor’s Responses to the Risks of Material Misstatement*” is replaced with “AS 2301.47.”

AU sec. 390, “Consideration of Omitted Procedures After the Report Date”

SAS No. 46, “Consideration of Omitted Procedures After the Report Date” (AU sec. 390, “Consideration of Omitted Procedures After the Report Date”), is amended as follows:

a. The section number “AU Section 390” is replaced with “AS 2901.”

b. In the last sentence of paragraph .01, the reference to “section 561” is replaced with “AS 2905, *Subsequent Discovery of Facts Existing at the Date of the Auditor’s Report*.”

c. In footnote 2 to paragraph .02, the reference to “section 161, *The Relationship of Generally Accepted Auditing Standards to Quality Control Standards*, paragraph .02” is replaced with “paragraph .02 of AS 1110, *Relationship of Auditing Standards to Quality Control Standards*.”

d. In paragraph .06, the reference to “section 561.05–.09” is replaced with “AS 2905.05–.09.”

AU sec. 410, “Adherence to Generally Accepted Accounting Principles”

SAS No. 1, “Codification of Auditing Standards and Procedures” (AU sec. 410, “Adherence to Generally Accepted Accounting Principles”), as amended, is rescinded.

AU sec. 9410, “Adherence to Generally Accepted Accounting Principles: Auditing Interpretations of Section 410”

AU sec. 9410, “Adherence to Generally Accepted Accounting

Principles: Auditing Interpretations of Section 410,” as amended, is rescinded.

AU sec. 411, “The Meaning of *Present Fairly in Conformity With Generally Accepted Accounting Principles*”

SAS No. 69, “The Meaning of *Present Fairly in Conformity With Generally Accepted Accounting Principles*” (AU sec. 411, “The Meaning of *Present Fairly in Conformity With Generally Accepted Accounting Principles*”), as amended, is amended as follows:

a. The section number “AU Section 411” is replaced with “AS 2815.”

b. The title “The Meaning of *Present Fairly in Conformity With Generally Accepted Accounting Principles*” is replaced with “The Meaning of *Present Fairly in Conformity with Generally Accepted Accounting Principles*.”

c. Footnote \* to the title of the standard is deleted.

d. In the references before paragraph .01, the phrase “(Supersedes SAS No. 5)” is deleted.

e. In the second sentence of paragraph .01, the parenthetical reference to “section 508.08h” is replaced with “paragraph .08h of AS 3101, *Reports on Audited Financial Statements*.”

f. In paragraph .04:

- In item (c), the parenthetical reference to “paragraph 31 of Auditing Standard No. 14” is replaced with “paragraph .31 of AS 2810.”

- In item (d), the parenthetical reference to “paragraph 31 of Auditing Standard No. 14, *Evaluating Audit Results*” is replaced with “AS 2810.31.”

- In the last sentence of footnote 1:

- The parenthetical reference to “sections 150.04” is deleted.

- The parenthetical reference to “Auditing Standard No. 11” is replaced with “AS 2105.”

- The parenthetical reference to “508.36” is replaced with “3101.36.”

g. In the second sentence of paragraph .08:

- The reference to “Section 544, *Lack of Conformity With Generally Accepted Accounting Principles*, paragraph .04” is replaced with “Paragraph .04 of AS 3310, *Special Reports on Regulated Companies*.”

- The reference to “section 623, *Special Reports*” is replaced with “AS 3305, *Special Reports*.”

AU sec. 504, “Association With Financial Statements”

SAS No. 26, “Association With Financial Statements” (AU sec. 504, “Association With Financial Statements”), as amended, is amended as follows:

a. The section number “AU Section 504” is replaced with “AS 3320.”

b. In the title, the “W” in the word “With” is changed to lower case.

c. In the references before paragraph .01, the phrase “(Supersedes Statement on Auditing Standards No. 1, Sections 516, 517, and 518 and Statement on Auditing Standards No. 15, paragraph 13–15)” is deleted.

d. In paragraph .01:

- The introductory phrase “The fourth standard of reporting is:” is deleted.

- In the last sentence, the phrase “fourth reporting standard” is replaced with “preceding paragraph.”

e. In paragraph .02:

- In the first sentence, the phrase “the fourth reporting standard” is replaced with “paragraph .01.”

- In the last sentence, the phrase “generally accepted auditing standards” is replaced with “the standards of the PCAOB.”

f. In paragraph .04:

- In the second sentence, the reference to “section 508” is replaced with “AS 3101.”

- In the last sentence, the reference to “section 722, *Interim Financial Information*” is replaced with “AS 4105, *Reviews of Interim Financial Information*.”

g. In paragraph .05:

- Following the first sentence, the parenthetical phrase “, city and state or country,” is added following “(Signature).”

- In the second sentence, the phrase “the fourth standard of reporting” is replaced with “paragraph .01.”

h. In paragraph .07:

- The parenthetical reference to “section 623.02–.10” is replaced with “paragraphs .02–.10 of AS 3305.”

- Following the second sentence, the parenthetical phrase “, city and state or country,” is added following “(Signature).”

i. In paragraph .08:

- In the first sentence, the phrase “The second general standard requires that” is deleted.

- The quotation marks included in the first sentence are deleted.

j. In the first sentence of paragraph .09, the phrase “generally accepted auditing standards” is replaced with “the standards of the PCAOB.”

k. Following the last sentence of paragraph .10, the parenthetical phrase “, city and state or country,” is added following “(Signature).”

l. In the first sentence of paragraph .15, the parenthetical reference to “section 530.06–.08” is replaced with “paragraphs .06–.08 of AS 3110, *Dating of the Independent Auditor’s Report*.”

m. In paragraph .18, the phrase “applicable standards established by the

American Institute of Certified Public Accountants” is replaced with “the standards of the PCAOB.”

n. In paragraph .19:

- The parenthetical reference to “section 634” is replaced with “AS 6101.”

- Footnote \* is deleted.

o. In paragraph [.20], the parenthetical reference to “section 634” is replaced with “AS 6101.”

AU sec. 9504, “Association With Financial Statements: Auditing Interpretations of Section 504”

AU sec. 9504, “Association With Financial Statements: Auditing Interpretations of Section 504,” as amended, is amended as follows:

a. The section number “AU Section 9504” is replaced with “AI 25.”

b. The title “Association With Financial Statements: Auditing Interpretations of Section 504” is replaced with “Association with Financial Statements: Auditing Interpretations of AS 3320.”

c. In paragraph .07, the reference to “section 722” is replaced with “AS 4105, *Reviews of Interim Financial Information*.”

d. In paragraph .15:

- In the first sentence, the reference to “Section 150.02” is replaced with “Paragraph .04 of AS 3101, *Reports on Audited Financial Statements*.”

- In the second sentence, the reference to “Section 504.03” is replaced with “Paragraph .03 of AS 3320, *Association with Financial Statements*.”

e. In the first sentence of paragraph .19, the reference to “Section 504” is replaced with “AS 3320.”

f. In paragraph .20:

- In the first sentence, the reference to “Section 504” is replaced with “AS 3320.”

- The third and fourth sentences are deleted.

g. Paragraph .21 is replaced with “PCAOB Rules establish requirements regarding auditor independence.”

h. In the first sentence of paragraph .22, the reference to “Section 504.10” is replaced with “AS 3320.10.”

AU sec. 508, “Reports on Audited Financial Statements”

SAS No. 58, “Reports on Audited Financial Statements” (AU sec. 508, “Reports on Audited Financial Statements”), as amended, is amended as follows:

a. The section number “AU Section 508” is replaced with “AS 3101.”

b. Footnote \* to the title of the standard is deleted.

c. In the references before paragraph .01, the phrase “(Supersedes sections 505, 509, 542, 545, and 546)” is deleted.

d. In paragraph .01:

- In footnote 1:

- In the first sentence, the phrase “generally accepted auditing standards” is replaced with “the standards of the PCAOB.”

- The second sentence is deleted.

- In the note:

- In the second sentence:

- The reference to “paragraphs 85–98 of PCAOB Auditing Standard No. 5” is replaced with “paragraphs .85–.98 of AS 2201.”

- The reference to “Appendix C, *Special Reporting Situations*, of PCAOB Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*” is replaced with “Appendix C, *Special Reporting Situations*, of AS 2201.”

- In the last sentence, the reference to “paragraphs 86–88 of PCAOB Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*” is replaced with “AS 2201.86–.88.”

e. In paragraph .02:

- The reference to “section 504, *Association With Financial Statements*” is replaced with “AS 3320, *Association with Financial Statements*.”

- The reference to “section 623” is replaced with “AS 3305.”

f. In paragraph .03:

- In the first sentence, the phrase “generally accepted auditing standards” is replaced with “the standards of the PCAOB.”

- The second sentence is deleted.

- In the last sentence, the phrase “fourth reporting standard” is replaced with “requirements in paragraph .04.”

g. In paragraph .04, the introductory phrase “The fourth standard of reporting is as follows:” is deleted.

h. In paragraph .05:

- In the first sentence, the phrase “fourth standard” is replaced with “requirements in paragraph .04.”

- In the second sentence, the phrase “the fourth reporting standard” is replaced with “paragraph .04.”

- In the third sentence, the parenthetical phrase “fourth standard of reporting” is replaced with “requirements in paragraph .04.”

i. In the last sentence of paragraph .07, the phrase “generally accepted auditing standards” is replaced with “the standards of the PCAOB.”

j. In the last sentence of footnote 3 to paragraph .08a, the phrase “section 504, *Association With Financial Statements*,” is replaced with “AS 3320.”



k. In paragraph .08d:

- The phrase “generally accepted auditing standards” is replaced with “the standards of the PCAOB.”
- The parenthetical phrase “auditing standards generally accepted in the United States of America or U.S. generally accepted auditing standards” is replaced with “the standards of the Public Company Accounting Oversight Board (United States).”

l. In the first sentence of footnote 5 to item (3) of paragraph .08f, the reference to “Section 411, *The Meaning of Present Fairly in Conformity With Generally Accepted Accounting Principles*, paragraphs .03 and .04,” is replaced with “Paragraphs .03 and .04 of AS 2815, *The Meaning of Present Fairly in Conformity with Generally Accepted Accounting Principles.*”

m. Footnote 6 to paragraph .08h is deleted.

n. Paragraph “.08k” is replaced with “.08l.”

o. Paragraph “.08j” is replaced with “.08k.”

p. Paragraph .08j is added:

The city and state (or city and country, in the case of non-U.S. auditors) from which the auditor’s report has been issued.

q. Footnote 6A is added to the end of the added paragraph .08j:

See SEC Rule 2–02(a) of Regulation S–X, 17 C.F.R. § 210.2–02(a).

r. In the first sentence of footnote 7 to paragraph .08j, the reference to “section 530” is replaced with “AS 3110.”

s. In the first example report following paragraph .08j:

- The heading “Independent Auditor’s Report” above the example report is replaced with “Report of Independent Registered Public Accounting Firm.”

- In the first sentence of the second paragraph, the phrase “auditing standards generally accepted in the United States of America” is replaced with “the standards of the Public Company Accounting Oversight Board (United States).”

- The phrase “[*City and State or Country*]” is added following the term “[*Signature*].”

t. In the second example report following paragraph .08j:

- The heading “Independent Auditor’s Report” above the example report is replaced with “Report of Independent Registered Public Accounting Firm.”

- In the first sentence of the second paragraph, the phrase “auditing standards generally accepted in the United States of America” is replaced with “the standards of the Public Company Accounting Oversight Board (United States).”

- The phrase “[*City and State or Country*]” is added following the term “[*Signature*].”

u. In the first sentence of footnote 11 to paragraph .11b, the reference to “Section 341, *The Auditor’s Consideration of an Entity’s Ability to Continue as a Going Concern*” is replaced with “AS 2415, *Consideration of an Entity’s Ability to Continue as a Going Concern.*”

v. In the last sentence of paragraph .11f, the parenthetical reference to “section 722, *Interim Financial Information*, paragraph .50” is replaced with “paragraph .50 of AS 4105, *Reviews of Interim Financial Information.*”

w. In the last sentence of paragraph .11g, the parenthetical reference to “section 558, *Required Supplementary Information*, paragraph .02” is replaced with “paragraph .02 of AS 2705, *Required Supplementary Information.*”

x. In the last sentence of paragraph .11h, the parenthetical reference to “section 550, *Other Information in Documents Containing Audited Financial Statements*, paragraph .04” is replaced with “paragraph .04 of AS 2710, *Other Information in Documents Containing Audited Financial Statements.*”

y. In the last sentence of paragraph .12, the parenthetical reference to “section 543, *Part of Audit Performed by Other Independent Auditors*” is replaced with “AS 1205, *Part of the Audit Performed by Other Independent Auditors.*”

z. Following paragraph .13:

- The heading “Independent Auditor’s Report” above the example report is replaced with “Report of Independent Registered Public Accounting Firm.”

- In the first sentence of the second paragraph in the example report, the phrase “auditing standards generally accepted in the United States of America” is replaced with “the standards of the Public Company Accounting Oversight Board (United States).”

aa. In the first sentence of paragraph .17A, the reference to “PCAOB Auditing Standard No. 6” is replaced with “AS 2820.”

bb. In the first sentence of paragraph .22, the phrase “generally accepted auditing standards” is replaced with “the standards of the PCAOB.”

cc. In the third sentence of footnote 14 to paragraph .24, the reference to “section 331, *Inventories*” is replaced with “AS 2510, *Auditing Inventories.*”

dd. Following paragraph .26:

- The heading “Independent Auditor’s Report” above the example report is replaced with “Report of

Independent Registered Public Accounting Firm.”

- In the first sentence of the first paragraph in the example report, the phrase “auditing standards generally accepted in the United States of America” is replaced with “the standards of the Public Company Accounting Oversight Board (United States).”

ee. In the fourth sentence of paragraph .28, the reference to “section 530, *Dating of the Independent Auditor’s Report*,” is replaced with “AS 3110.”

ff. Following paragraph .34:

- The heading “Independent Auditor’s Report” above the example report is replaced with “Report of Independent Registered Public Accounting Firm.”

- In the first sentence of the second paragraph in the example report, the phrase “auditing standards generally accepted in the United States of America” is replaced with “the standards of the Public Company Accounting Oversight Board (United States).”

gg. In the first sentence of paragraph .35, the phrase “generally accepted auditing standards” is replaced with “the standards of the PCAOB.”

hh. Following paragraph .39, the heading “Independent Auditor’s Report” above the example report is replaced with “Report of Independent Registered Public Accounting Firm.”

ii. In the third sentence of paragraph .41, the reference to “Statement on Auditing Standards” is replaced with “PCAOB standard.”

jj. Following paragraph .42, the heading “Independent Auditor’s Report” above the example report is replaced with “Report of Independent Registered Public Accounting Firm.”

kk. Following paragraph .44, the heading “Independent Auditor’s Report” above the example report is replaced with “Report of Independent Registered Public Accounting Firm.”

ll. In the last sentence of paragraph .49, the parenthetical reference to “paragraph 13 of Auditing Standard No. 14” is replaced with “paragraph .13 of AS 2810.”

mm. Following paragraph .52, the heading “Independent Auditor’s Report” above the example report is replaced with “Report of Independent Registered Public Accounting Firm.”

nn. Following paragraph .60, the heading “Independent Auditor’s Report” above the example report is replaced with “Report of Independent Registered Public Accounting Firm.”

oo. In the first sentence of footnote 20 to paragraph .62, the reference to “Section 504, *Association With*

*Financial Statements*, paragraph .05” is replaced with “AS 3320.05.”

pp. Following paragraph .63:

- The heading “Independent Auditor’s Report” above the example report is replaced with “Report of Independent Registered Public Accounting Firm.”

- In the second sentence of footnote 21 to the example report, the phrase “generally accepted auditing standards” is replaced with “the standards of the PCAOB.”

qq. In paragraph .65:

- In the first sentence, the phrase “The fourth standard of reporting” is replaced with “Paragraph .04.”

- In the second sentence, the phrase “the fourth reporting standard” is replaced with “paragraph .04.”

- The parenthetical reference to “section 530, *Dating of the Independent Auditor’s Report*, paragraph .01” is replaced with “AS 3110.01.”

rr. In the first sentence of footnote 23 to paragraph .65, the parenthetical reference to “section 530, *Dating of the Independent Auditor’s Report*, paragraphs .06 through .08” is replaced with “AS 3110.06 through .08.”

ss. In the second sentence of paragraph .66, the parenthetical reference to “paragraph 31 of Auditing Standard No. 14, *Evaluating Audit Results*” is replaced with “AS 2810.31.”

tt. Following paragraph .67:

- The heading “Independent Auditor’s Report” above each example report is replaced with “Report of Independent Registered Public Accounting Firm.”

- In the first sentence of the first paragraph in the example report titled, “*Standard Report on the Current-Year Financial Statements With a Disclaimer of Opinion on the Prior-Year Statements of Income, Retained Earnings, and Cash Flows*,” the phrase “auditing standards generally accepted in the United States of America” is replaced with “the standards of the Public Company Accounting Oversight Board (United States).”

- In the last sentence of footnote 25 to the example report titled, “*Standard Report on the Current-Year Financial Statements With a Disclaimer of Opinion on the Prior-Year Statements of Income, Retained Earnings, and Cash Flows*,” the reference to “PCAOB Auditing Standard No. 6, *Evaluating Consistency of Financial Statements*,” is replaced with “AS 2820.”

uu. Following paragraph .69, the heading “Independent Auditor’s Report” above the example report is replaced with “Report of Independent Registered Public Accounting Firm.”

vv. In the sixth sentence of paragraph .71, the reference to “section 543, *Part of Audit Performed by Other Independent Auditors*, paragraphs .10 through .12” is replaced with “AS 1205.10 through .12.”

ww. In the first sentence of footnote 28 to paragraph .71, the reference to “section 333” is replaced with “AS 2805.”

xx. In paragraph .73, the parenthetical reference to “section 530, *Dating of the Independent Auditor’s Report*, paragraph .05” is replaced with “AS 3110.05.”

yy. Following paragraph .74, the heading “Independent Auditor’s Report” above the example report is replaced with “Report of Independent Registered Public Accounting Firm.”

AU sec. 9508, “Reports on Audited Financial Statements: Auditing Interpretations of Section 508”

AU sec. 9508, “Reports on Audited Financial Statements: Auditing Interpretations of Section 508,” as amended, is amended as follows:

a. The section number “AU Section 9508” is replaced with “AI 23.”

b. The title “Reports on Audited Financial Statements: Auditing Interpretations of Section 508” is replaced with “Reports on Audited Financial Statements: Auditing Interpretations of AS 3101.”

c. In the first sentence of paragraph .01, the reference to “Section 508, *Reports on Audited Financial Statements*, paragraph .24” is replaced with “Paragraph .24 of AS 3101, *Reports on Audited Financial Statements*.”

d. In paragraph .02:

- In the first sentence, the reference to “section 331, *Inventories*, paragraphs .09–.12” is replaced with “paragraphs .09–.12 of AS 2510, *Auditing Inventories*.”

- In the last sentence, the reference to “Section 331.09” is replaced with “AS 2510.09.”

e. In the first sentence of paragraph .03, the reference to “Section 331.10 and .11” is replaced with “AS 2510.10 and .11.”

f. In the first sentence of paragraph .04:

- The reference to “Section 331.12” is replaced with “AS 2510.12.”

- The reference to “section 331.09–.11” is replaced with “AS 2510.09–.11.”

g. In paragraph .36:

- In the first sentence of the second paragraph of the *Report on Single Year Financial Statements in Year of Adoption of Liquidation Basis* example report, the phrase “auditing standards generally accepted in the United States of America” is replaced with “the

standards of the Public Company Accounting Oversight Board (United States).”

- In the first sentence of the second paragraph of the *Report on Comparative Financial Statements in Year of Adoption of Liquidation Basis* example report, the phrase “auditing standards generally accepted in the United States of America” is replaced with “the standards of the Public Company Accounting Oversight Board (United States).”

h. In the second sentence of paragraph .52, the reference to “section 508, *Reports on Audited Financial Statements*,” is replaced with “AS 3101.”

i. The title of auditing interpretation 14 “Reporting on Audits Conducted in Accordance With Auditing Standards Generally Accepted in the United States of America and in Accordance With International Standards on Auditing” is replaced with “Reporting on Audits Conducted in Accordance with the Standards of the PCAOB and in Accordance with International Standards on Auditing.”

j. In paragraph .56:

- In the first sentence:

- The reference to “Section 508, *Reports on Audited Financial Statements*,” is replaced with “AS 3101.”

- The phrase “generally accepted auditing standards” is replaced with “the standards of the PCAOB.”

- In the last sentence, the phrase “standards generally accepted in the United States of America” is replaced with “the standards of the PCAOB.”

k. In paragraph .57:

- In the second sentence:

- The reference to “Section 508” is replaced with “AS 3101.”

- The phrase “generally accepted auditing standards” is replaced with “the standards of the PCAOB.”

- The reference to “section 508” is replaced with “AS 3101.”

- Footnote 1 is deleted.

l. In paragraph .58:

- The phrase “auditing standards generally accepted in the United States of America” is replaced with “the standards of the PCAOB.”

- The phrase “generally accepted in the United States of America” is replaced with “of the PCAOB.”

m. In the first sentence of paragraph .59:

- The first occurrence of the phrase “auditing standards generally accepted in the United States” is replaced with “the standards of the PCAOB.”

- The second occurrence of the phrase “auditing standards generally accepted in the United States of

America” (found in the example paragraph) is replaced with “the standards of the Public Company Accounting Oversight Board (United States).”

n. In paragraph .61:

- In the first sentence, the reference to “section 508, *Reports on Audited Financial Statements*, paragraph .74” is replaced with “AS 3101.74.”

- In the third sentence, the reference to “section 508” is replaced with “AS 3101.”

o. In paragraph .63:

- In the second sentence, the reference to “section 508.74” is replaced with “AS 3101.74.”

- In the last sentence, the reference to “section 561” is replaced with “AS 2905.”

p. In footnote 4 to paragraph .67:

- In the second sentence, the reference to “section 315” is replaced with “AS 2610.”

- In the last sentence, the reference to “Section 561” is replaced with “AS 2905.”

q. In the first sentence of paragraph .71, the reference to “section 508.74” is replaced with “AS 3101.74.”

r. In paragraph .74, the reference to “section 508.74” is replaced with “AS 3101.74.”

s. In the second sentence of paragraph .75, the reference to “Section 508.74” is replaced with “AS 3101.74.”

t. Auditing Interpretation 16 is deleted.

u. Footnotes 6 and 7 to paragraph .84 are deleted.

AU sec. 530, “Dating of the Independent Auditor’s Report”

SAS No. 1, “Codification of Auditing Standards and Procedures” section 530, “Dating of the Independent Auditor’s Report” (AU sec. 530, “Dating of the Independent Auditor’s Report”), as amended, is amended as follows:

a. The section number “AU Section 530” is replaced with “AS 3110.”

b. In paragraph .02:

- In the last sentence, the reference to “section 711.10–.13” is replaced with “paragraphs .10–.13 of AS 4101, *Responsibilities Regarding Filings Under Federal Securities Statutes*.”

- In footnote 1, the reference to “section 561” is replaced with “AS 2905, *Subsequent Discovery of Facts Existing at the Date of the Auditor’s Report*.”

- Footnote \* is deleted.

c. In the first sentence of paragraph .03, the parenthetical reference to “section 560.03” is replaced with “paragraph .03 of AS 2801, *Subsequent Events*.”

d. In the first sentence of paragraph .04, the parenthetical reference to “section 560.05” is replaced with “AS 2801.05.”

e. In the last sentence of paragraph .05, the reference to “section 560.12” is replaced with “AS 2801.12.”

f. In paragraph .06:

- In the fifth sentence:
- The reference to “section 711” is replaced with “AS 4101.”

- The reference to “section 508.70–.73” is replaced with “paragraphs .70–.73 of AS 3101, *Reports on Audited Financial Statements*.”

- Footnote \* is deleted.

g. In the second sentence of paragraph .07, the reference to “section 560.08” is replaced with “AS 2801.08.”

h. In the first sentence of paragraph .08, the parenthetical reference to “section 560.05 and 560.08” is replaced with “AS 2801.05 and AS 2801.08.”

AU sec. 532, “Restricting the Use of an Auditor’s Report”

SAS No. 87, “Restricting the Use of an Auditor’s Report” (AU sec. 532, “Restricting the Use of an Auditor’s Report”), as amended, is rescinded.

AU sec. 543, “Part of Audit Performed by Other Independent Auditors”

SAS No. 1, “Codification of Auditing Standards and Procedures” section 543, “Part of Audit Performed by Other Independent Auditors” (AU sec. 543, “Part of Audit Performed by Other Independent Auditors”), as amended, is amended as follows:

a. The section number “AU Section 543” is replaced with “AS 1205.”

b. The title “Part of Audit Performed by Other Independent Auditors” is replaced with “Part of the Audit Performed by Other Independent Auditors.”

c. In paragraph .01:

- In footnote 1, the reference to “Section 315” is replaced with “AS 2610, *Initial Audits—Communications Between Predecessor and Successor Auditors*.”

- In the first note:

- The reference to “paragraphs C8–C11” is replaced with “paragraphs .C8–.C11.”

- The reference to “PCAOB Auditing Standard No. 5” is replaced with “AS 2201.”

- In the second note:

- The reference to “AU sec. 543” is replaced with “AS 1205.”
- The reference to “Auditing Standard No. 10” is replaced with “AS 1201.”

d. Following paragraph .09:

- The heading “Independent Auditor’s Report” above the example report is replaced with “Report of Independent Registered Public Accounting Firm.”

- In the first sentence of the second paragraph in the example report, the

phrase “auditing standards generally accepted in the United States of America” is replaced with “the standards of the Public Company Accounting Oversight Board (United States).”

e. In paragraph .10b, the phrase “American Institute of Certified Public Accountants and, if appropriate,” is replaced with “PCAOB and.”

f. In item (ii) of paragraph .10c, the phrase “generally accepted auditing standards promulgated by the American Institute of Certified Public Accountants” is replaced with “standards of the PCAOB.”

g. In paragraph .12, the reference to “AU sec. 543.10” is replaced with “AS 1205.10.”

h. In paragraph .12a, the reference to “paragraphs 12 and 13 of PCAOB Auditing Standard No. 3” is replaced with “paragraphs .12 and .13 of AS 1215, *Audit Documentation*.”

i. In paragraph .12c, the reference to “paragraph 8 of PCAOB Auditing Standard No. 3” is replaced with “AS 1215.08.”

j. In footnote 5 to paragraph .12:

- The reference to “AU sec. 324” is replaced with “AS 2601, *Consideration of an Entity’s Use of a Service Organization*.”

- The reference to “section 543.12” is replaced with “AS 1205.12.”

AU sec. 9543, “Part of Audit Performed by Other Independent Auditors: Auditing Interpretations of Section 543”

AU sec. 9543, “Part of Audit Performed by Other Independent Auditors: Auditing Interpretations of Section 543,” as amended, is amended as follows:

a. The section number “AU Section 9543” is replaced with “AI 10.”

b. The title “Part of Audit Performed by Other Independent Auditors: Auditing Interpretations of Section 543” is replaced with “Part of the Audit Performed by Other Independent Auditors: Auditing Interpretations of AS 1205.”

c. In the first sentence of paragraph .01, the phrase “generally accepted auditing standards” is replaced with “the standards of the PCAOB.”

d. In the first sentence of footnote 2 to paragraph .01, the reference to “section 543” is replaced with “AS 1205, *Part of the Audit Performed by Other Independent Auditors*.”

e. In paragraph .02:

- In the first sentence, the reference to “Section 543, *Part of Audit Performed by Other Independent Auditors*, paragraph .10,” is replaced with “AS 1205.10.”

• In the last sentence, the reference to “Section 543.10c(iv)” is replaced with “AS 1205.10c(iv).”

f. In paragraph .04:

• In the first sentence, the reference to “Section 543, *Part of Audit Performed by Other Independent Auditors*,” is replaced with “AS 1205.”

• In the second sentence, the reference to “Section 543.03” is replaced with “AS 1205.03.”

g. In paragraph .05:

• In the first sentence, the phrase “Section 334, *Related Parties*, states that there may be inquiry of the principal auditor regarding related parties.” is deleted.

• In the second sentence:

• The phrase “In addition,” is deleted.

• The “b” in “before” is capitalized.

h. In footnote 3 to paragraph .11, the reference to “section 9543.04–.07” is replaced with “paragraphs .04–.07.”

i. In paragraph .15, the reference to “section 9543.11” is replaced with “paragraph .11.”

j. In footnote 5 to paragraph .17, the reference to “section 561” is replaced with “AS 2905.”

k. In paragraph .18:

• In the first sentence, the reference to “section 543” is replaced with “AS 1205.”

• In the last sentence, the reference to “section 543.12” is replaced with “AS 1205.12.”

l. In the last sentence of paragraph .19, the phrase “generally accepted auditing standards” is replaced with “the standards of the PCAOB.”

AU sec. 544, “Lack of Conformity With Generally Accepted Accounting Principles”

SAS No. 1, “Codification of Auditing Standards and Procedures” section 544, “Lack of Conformity With Generally Accepted Accounting Principles” (AU sec. 544, “Lack of Conformity With Generally Accepted Accounting Principles”), as amended, is amended as follows:

a. The section number “AU Section 544” is replaced with “AS 3310.”

b. The title “Lack of Conformity With Generally Accepted Accounting Principles” is replaced with “Special Reports on Regulated Companies.”

c. In paragraph .02:

• In the third sentence, the phrase “first reporting standard” is replaced with “requirement in paragraph .08h of AS 3101, *Reports on Audited Financial Statements*.”

• In footnote 1, the parenthetical reference to “section 623, *Special Reports*, paragraphs .02 and .10” is replaced with “paragraphs .02 and .10 of AS 3305, *Special Reports*.”

d. In the last sentence of paragraph .04:

• The parenthetical reference to “section 508, *Reports on Audited Financial Statements*, paragraph .08” is replaced with “AS 3101.08.”

• The parenthetical reference to “section 508.35–.60” is replaced with “AS 3101.35–.60.”

AU sec. 550, “Other Information in Documents Containing Audited Financial Statements”

SAS No. 8, “Other Information in Documents Containing Audited Financial Statements” (AU sec. 550, “Other Information in Documents Containing Audited Financial Statements”), as amended, is amended as follows:

a. The section number “AU Section 550” is replaced with “AS 2710.”

b. In paragraph .03:

• In the second sentence:

• The parenthetical reference to “sections 634” is replaced with “AS 6101, *Letters for Underwriters and Certain Other Requesting Parties*.”

• The parenthetical reference to “711” is replaced with “AS 4101, *Responsibilities Regarding Filings Under Federal Securities Statutes*.”

• Footnote † is deleted.

• Footnote †† is deleted.

• In the last sentence:

• The parenthetical reference to “Auditing Standard No. 17” is replaced with “AS 2701.”

• The reference to “AU sec. 623” is replaced with “AS 3305, *Special Reports*.”

• Footnote \*\* is deleted.

AU sec. 9550, “Other Information in Documents Containing Audited Financial Statements: Auditing Interpretations of Section 550”

AU sec. 9550, “Other Information in Documents Containing Audited Financial Statements: Auditing Interpretations of Section 550,” as amended, is amended as follows:

a. The section number “AU Section 9550” is replaced with “AI 20.”

b. The title “Other Information in Documents Containing Audited Financial Statements: Auditing Interpretations of Section 550” is replaced with “Other Information in Documents Containing Audited Financial Statements: Auditing Interpretations of AS 2710.”

c. In the first sentence of paragraph .07, the reference to “section 550, *Other Information in Documents Containing Audited Financial Statements*, paragraph .02” is replaced with “paragraph .02 of AS 2710, *Other Information in Documents Containing Audited Financial Statements*.”

d. In paragraph .09, each reference to “section 550” is replaced with “AS 2710.”

e. In paragraph .11:

• In the second sentence, the reference to “section 550” is replaced with “AS 2710.”

• In the last sentence, the reference to “section 550.06” is replaced with “AS 2710.06.”

f. In the first sentence of paragraph .12, the reference to “section 550, *Other Information in Documents Containing Audited Financial Statements*, paragraph .02” is replaced with “AS 2710.02.”

g. In paragraph .13:

• Each reference to “section 550” is replaced with “AS 2710.”

• In the last sentence, the reference to “section 550.06” is replaced with “AS 2710.06.”

h. In paragraph .14:

• In the second sentence, the phrase “generally accepted auditing standards” is replaced with “PCAOB auditing standards.”

• In the last sentence, the reference to “section 550.06” is replaced with “AS 2710.06.”

i. In paragraph .15:

• In the first sentence, the reference to “The auditing interpretation of section 325, *Communication of Internal Control Related Matters Noted in an Audit*, titled ‘Reporting on the Existence of Material Weaknesses’ (section 9325.01–.07)” is replaced with “AI 12, *Communications About Control Deficiencies in an Audit of Financial Statements: Auditing Interpretations of AS 1305*, titled ‘Reporting on the Existence of Material Weaknesses’ (AI 12.01–.07).”

• In the first sentence of footnote 8, the reference to “Section 325.8” is replaced with “Paragraph .08 of AS 1305, *Communications About Control Deficiencies in an Audit of Financial Statements*.”

j. In paragraph .17:

• In the first sentence, the reference to “section 550, *Other Information in Documents Containing Audited Financial Statements*” is replaced with “AS 2710.”

• In the last sentence, each reference to “section 550” is replaced with “AS 2710.”

k. In the second sentence of paragraph .18, the reference to “section 550” is replaced with “AS 2710.”

AU sec. 552, “Reporting on Condensed Financial Statements and Selected Financial Data”

SAS No. 42, “Reporting on Condensed Financial Statements and Selected Financial Data” (AU sec. 552,

“Reporting on Condensed Financial Statements and Selected Financial Data”), as amended, is amended as follows:

a. The section number “AU Section 552” is replaced with “AS 3315.”

b. Footnote \* to the title of the standard is deleted.

c. In paragraph .01:

- In footnote 1, the reference to “section 504, *Association With Financial Statements*, footnote 2” is replaced with “footnote 2 of AS 3320, *Association with Financial Statements*.”

- In the last sentence, the reference to “Auditing Standard No. 17” is replaced with “AS 2701.”

d. In paragraph .02, the reference to “section 508, *Reports on Audited Financial Statements*, paragraphs .41 through .44, section 623, *Special Reports*, or other applicable Statements on Auditing Standards” is replaced with “paragraphs .41 through .44 of AS 3101, *Reports on Audited Financial Statements*, AS 3305, *Special Reports*, or other applicable PCAOB auditing standards.”

e. In footnote 4 to paragraph .05, the parenthetical reference to “section 711, *Filings Under Federal Securities Statutes*” is replaced with “AS 4101, *Responsibilities Regarding Filings Under Federal Securities Statutes*.”

f. Following paragraph .06:

- The heading “Independent Auditor’s Report” above the example report is replaced with “Report of Independent Registered Public Accounting Firm.”

- In the first sentence of the first paragraph in the example report, the phrase “auditing standards generally accepted in the United States of America” is replaced with “the standards of the Public Company Accounting Oversight Board (United States).”

g. In footnote 6 to paragraph .07:

- In the second sentence, the parenthetical reference to “section 508, *Reports on Audited Financial Statements*, paragraphs .41 through .44” is replaced with “AS 3101.41 through .44.”

- The heading “Independent Auditor’s Report” above the example report is replaced with “Report of Independent Registered Public Accounting Firm.”

- In the fourth sentence of the example report, the phrase “auditing standards generally accepted in the United States of America” is replaced with “the standards of the Public Company Accounting Oversight Board (United States).”

h. In paragraph .08:

- In item *c* of footnote 8, the parenthetical reference to “section 722,

*Interim Financial Information*, paragraph .03” is replaced with “paragraph .03 of AS 4105, *Reviews of Interim Financial Information*.”

- In the example independent auditor’s review report following paragraph .08:

- In the first sentence of the second paragraph, the phrase “standards established by the American Institute of Certified Public Accountants” is replaced with “the standards of the Public Company Accounting Oversight Board (United States).”

- In the third sentence of the second paragraph, the phrase “generally accepted auditing standards” is replaced with “the standards of the Public Company Accounting Oversight Board.”

- In the first sentence of the fourth paragraph, the phrase “auditing standards generally accepted in the United States of America” is replaced with “the standards of the Public Company Accounting Oversight Board.”

- i. In footnote 11 to paragraph .09, the reference to “section 623, *Special Reports*,” is replaced with “AS 3305.”

j. Following paragraph .10:

- The heading “Independent Auditor’s Report” above the example report is replaced with “Report of Independent Registered Public Accounting Firm.”

- In the example report:

- In the first sentence of the second paragraph, the phrase “auditing standards generally accepted in the United States of America” is replaced with “the standards of the Public Company Accounting Oversight Board (United States).”

- In the first sentence of the fourth paragraph, the phrase “auditing standards generally accepted in the United States of America” is replaced with “the standards of the Public Company Accounting Oversight Board.”

AU sec. 558, “Required Supplementary Information”

SAS No. 52, “Omnibus Statement on Auditing Standards—1987, Required Supplementary Information” (AU sec. 558, “Required Supplementary Information”), as amended, is amended as follows:

a. The section number “AU Section 558” is replaced with “AS 2705.”

b. In the references before paragraph .01, the phrase “(Supersedes section 553)” is deleted.

c. Footnote \* is deleted.

d. Footnote 1 to paragraph .01 is deleted.

e. In paragraph .02:

- In the first sentence, the phrase “generally accepted auditing standards”

is replaced with “the standards of the PCAOB.”

- In the second sentence of footnote 2, the reference to “section 550” is replaced with “AS 2710.”

- f. In the last sentence of paragraph .03, the reference to “section 550,” is replaced with “AS 2710.”

g. In paragraph .04:

- In the first sentence, the phrase “generally accepted auditing standards” is replaced with “the standards of the PCAOB.”

- In the second sentence, the phrase “generally accepted auditing standards” is replaced with “PCAOB auditing standards.”

h. In paragraph .05:

- In the first sentence, the reference to “section 550” is replaced with “AS 2710.”

- In the second sentence, the reference to “Auditing Standard No. 17” is replaced with “AS 2701.”

- i. In the last sentence of footnote 6 to paragraph .07*b*, the reference to “section 552, *Reporting on Condensed Financial Statements and Selected Financial Data*, paragraph .10” is replaced with “paragraph .10 of AS 3315, *Reporting on Condensed Financial Statements and Selected Financial Data*.”

- j. In paragraph .07*c*, the parenthetical reference to “section 333” is replaced with “AS 2805.”

- k. In paragraph .07*d*, the phrase “, interpretations, guides, or statements of position” is replaced with “or interpretations.”

- l. In footnote 7 to paragraph .08, the reference to “Auditing Standard No. 17, *Auditing Supplemental Information Accompanying Audited Financial Statements*,” is replaced with “AS 2701.”

- m. In the second sentence of paragraph .09, the reference to “section 550.07” is replaced with “AS 2701.”

AU sec. 9558, “Required Supplementary Information: Auditing Interpretations of Section 558”

AU sec. 9558, “Required Supplementary Information: Auditing Interpretations of Section 558,” is amended as follows:

a. The section number “AU Section 9558” is replaced with “AI 19.”

b. The title “Required Supplementary Information: Auditing Interpretations of Section 558” is replaced with “Required Supplementary Information: Auditing Interpretations of AS 2705.”

c. In the last sentence of paragraph .01, the reference to “section 558” is replaced with “AS 2705.”

d. In the second sentence of paragraph .02, the reference to “section 558” is replaced with “AS 2705.”

e. In the first sentence of paragraph .04, the reference to “section 558” is replaced with “AS 2705.”

f. In the first sentence of paragraph .06, the reference to “section 558” is replaced with “AS 2705.”

#### AU sec. 560, “Subsequent Events”

SAS No. 1, “Codification of Auditing Standards and Procedures,” section 560, “Subsequent Events” (AU sec. 560, “Subsequent Events”), as amended, is amended as follows:

a. The section number “AU Section 560” is replaced with “AS 2801.”

b. In the note to paragraph .01, the reference to “paragraphs 93–97 of PCAOB Auditing Standard No. 5” is replaced with “paragraphs .93–.97 of AS 2201.”

c. In paragraph .09, the parenthetical reference to “section 508.19” is replaced with “paragraph .19 of AS 3101, *Reports on Audited Financial Statements.*”

d. In paragraph .12d, the parenthetical reference to “section 337” is replaced with “AS 2505, *Inquiry of a Client’s Lawyer Concerning Litigation, Claims, and Assessments.*”

e. In paragraph .12e, the parenthetical reference to “section 333” is replaced with “AS 2805.”

#### AU sec. 561, “Subsequent Discovery of Facts Existing at the Date of the Auditor’s Report”

SAS No. 1, “Codification of Auditing Standards and Procedures,” section 561, “Subsequent Discovery of Facts Existing at the Date of the Auditor’s Report” (AU sec. 561, “Subsequent Discovery of Facts Existing at the Date of the Auditor’s Report”), as amended, is amended as follows:

a. The section number “AU Section 561” is replaced with “AS 2905.”

b. In paragraph .01:

• In the first sentence of footnote 1, the reference to “section 560” is replaced with “AS 2801.”

• In the note, the reference to “paragraph 98 of PCAOB Auditing Standard No. 5” is replaced with “paragraph .98 of AS 2201.”

c. In the first sentence of footnote 2 to paragraph .03, the reference to “section 711.10–.13” is replaced with “paragraphs .10–.13 of AS 4101, *Responsibilities Regarding Filings Under Federal Securities Statutes.*”

#### AU sec. 9561, “Subsequent Discovery of Facts Existing at the Date of the Auditor’s Report: Auditing Interpretations of Section 561”

AU sec. 9561, “Subsequent Discovery of Facts Existing at the Date of the Auditor’s Report: Auditing Interpretations of Section 561,” is amended as follows:

a. The section number “AU Section 9561” is replaced with “AI 22.”

b. The title “Subsequent Discovery of Facts Existing at the Date of the Auditor’s Report: Auditing Interpretations of Section 561” is replaced with “Subsequent Discovery of Facts Existing at the Date of the Auditor’s Report: Auditing Interpretations of AS 2905.”

c. In the second sentence of paragraph .02, the reference to “Section 561” is replaced with “AS 2905.”

#### AU sec. 623, “Special Reports”

SAS No. 62, “Special Reports” (AU sec. 623, “Special Reports”), as amended, is amended as follows:

a. The section number “AU Section 623” is replaced with “AS 3305.”

b. In the references before paragraph .01, the phrase “(Supersedes section 621)” is deleted.

c. In the first sentence of paragraph .02, the phrase “Generally accepted auditing standards” is replaced with “The standards of the PCAOB.”

d. In paragraph .03:

• In the first sentence, the parenthetical reference to “section 411, *The Meaning of Present Fairly in Conformity With Generally Accepted Accounting Principles*” is replaced with “AS 2815, *The Meaning of Present Fairly in Conformity with Generally Accepted Accounting Principles.*”

• In the second sentence, the parenthetical reference to “section 411.05” is replaced with “AS 2815.05.”

e. In the last sentence of footnote 1 to paragraph .05a, the reference to “section 504, *Association With Financial Statements*” is replaced with “AS 3320, *Association with Financial Statements.*”

f. In item (1) of paragraph .05c:

• The phrase “generally accepted auditing standards” is replaced with “the standards of the PCAOB.”

• The parenthetical phrase “auditing standards generally accepted in the United States of America or U.S. generally accepted auditing standards” is replaced with “the standards of the Public Company Accounting Oversight Board (United States).”

g. In footnote 5 to paragraph .05f, the reference to “section 544, *Lack of Conformity With Generally Accepted Accounting Principles*” is replaced with “AS 3310, *Special Reports on Regulated Companies.*”

h. Paragraph “.05h” is replaced with “.05i.”

i. Paragraph .05h is added:

The city and state (or city and country, in the case of non-U.S. auditors) from which the auditor’s report has been issued.

j. Footnote 5A is added to the end of the added paragraph .05h:

See SEC Rule 2–02(a) of Regulation S–X, 17 C.F.R. § 210.2–02(a).

k. In footnote 6 to paragraph .05h, the reference to “section 530” is replaced with “AS 3110.”

l. In paragraph .06, the parenthetical reference to “section 508, *Reports on Audited Financial Statements*, paragraph .08” is replaced with “paragraph .08 of AS 3101, *Reports on Audited Financial Statements.*”

m. Following paragraph .08:

• The heading “Independent Auditor’s Report” above each example report is replaced with “Report of Independent Registered Public Accounting Firm.”

• In the first sentence of the second paragraph of each example report, the phrase “auditing standards generally accepted in the United States of America” is replaced with “the standards of the Public Company Accounting Oversight Board (United States).”

n. In the third sentence of paragraph .09, the reference to “section 411, *The Meaning of Present Fairly in Conformity With Generally Accepted Accounting Principles*, paragraph .04” is replaced with “AS 2815.04.”

o. In the last sentence of paragraph .11, the phrase “generally accepted auditing standards” is replaced with “the standards of the PCAOB.”

p. In paragraph .12:

• In the second sentence:  
• The phrase “first standard of reporting” is replaced with “requirement in AS 3101.08h.”

• The phrase “ten generally accepted auditing standards” is replaced with “standards of the PCAOB.”

• In the last sentence, the phrase “The first standard of reporting” is replaced with “AS 3101.08h.”

q. In paragraph .14, the parenthetical reference to “section 508, *Reports on Audited Financial Statements*, paragraph .64” is replaced with “AS 3101.64.”

r. In item (1) of paragraph .15c:

• The phrase “generally accepted auditing standards” is replaced with “the standards of the PCAOB.”

• The parenthetical phrase “auditing standards generally accepted in the United States of America or U.S. generally accepted auditing standards” is replaced with “the standards of the Public Company Accounting Oversight Board (United States).”

s. In footnote 12 to paragraph .15e, the reference to “Paragraph 31” is replaced with “Paragraph .31.”

t. Paragraph “.15h” is replaced with “.15i.”

u. Paragraph .15h is added:

The city and state (or city and country, in the case of non-U.S.

auditors) from which the auditor's report has been issued.

v. Footnote 13A is added to the end of the added paragraph .15*h*:

See footnote 5A.

w. In paragraph .17, the reference to "section 508, *Reports on Audited Financial Statements*, paragraph .11" is replaced with "AS 3101.11."

x. Following paragraph .18:

- The heading "Independent Auditor's Report" above each example report is replaced with "Report of Independent Registered Public Accounting Firm."

- In the first sentence of the second paragraph in the example report titled, "Report Relating to Accounts Receivable," the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."

- In the first sentence of the second paragraph in the example report titled, "Report Relating to Amount of Sales for the Purpose of Computing Rental," the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."

- In the first sentence of the second paragraph in the example report titled, "Report Relating to Royalties," the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."

- In the example report titled, "Report on Profit Participation":

- In the first sentence of the first paragraph, the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."

- In the first sentence of the second paragraph, the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board."

- In the example report titled, "Report on Federal and State Income Taxes Included in Financial Statements":

- In the first sentence of the first paragraph, the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."

- In the first sentence of the second paragraph, the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board."

y. In footnote 18 to paragraph .19, the reference to "section 801, *Compliance Auditing Applicable to Governmental Entities and Other Specified Recipients of Governmental Financial Assistance*" is replaced with "AS 6110, *Compliance Auditing Considerations in Audits of Recipients of Governmental Financial Assistance*."

z. In the first sentence of paragraph .20*b*:

- The phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."

- The parenthetical phrase "auditing standards generally accepted in the United States of America or U.S. generally accepted auditing standards" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."

aa. Paragraph ".20*g*" is replaced with ".20*h*."

bb. Paragraph .20*g* is added:  
The city and state (or city and country, in the case of non-U.S. auditors) from which the auditor's report has been issued.

cc. Footnote 20A is added to the end of the added paragraph .20*g*:

See footnote 5A.

dd. Following paragraph .21:

- The heading "Independent Auditor's Report" above each example report is replaced with "Report of Independent Registered Public Accounting Firm."

- In the first sentence of the example report titled, "Report on Compliance With Contractual Provisions Given in a Separate Report," the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."

- In the first sentence of the example report titled, "Report on Compliance With Regulatory Requirements Given in a Separate Report When the Auditor's Report on the Financial Statements Included an Explanatory Paragraph Because of an Uncertainty," the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."

ee. In the fourth sentence of paragraph .24, the parenthetical reference is deleted.

ff. In item (1) of paragraph .25*c*:

- The phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."

- The parenthetical phrase "auditing standards generally accepted in the United States of America or U.S. generally accepted auditing standards" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."

gg. Paragraph ".25*h*" is replaced with ".25*i*."

hh. Paragraph .25*h* is added:

The city and state (or city and country, in the case of non-U.S. auditors) from which the auditor's report has been issued.

ii. Footnote 28A is added to the end of the added paragraph .25*h*:

See footnote 5A.

jj. Following paragraph .26:

- The heading "Independent Auditor's Report" above each example report is replaced with "Report of Independent Registered Public Accounting Firm."

- In the first sentence of the second paragraph of the example report titled, "Report on a Schedule of Gross Income and Certain Expenses to Meet a Regulatory Requirement and to Be Included in a Document Distributed to the General Public," the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."

- In the first sentence of the second paragraph of the example report titled, "Report on a Statement of Assets Sold and Liabilities Transferred to Comply With a Contractual Agreement," the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."

kk. In item (1) of paragraph .29*c*:

- The phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."

- The parenthetical phrase "auditing standards generally accepted in the United States of America or U.S. generally accepted auditing standards" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."

ll. Paragraph ".29*i*" is replaced with ".29*j*."

mm. Paragraph .29*i* is added:

The city and state (or city and country, in the case of non-U.S. auditors) from which the auditor's report has been issued.

nn. Footnote 33A is added to the end of the added paragraph .29*i*:

See footnote 5A.

oo. Following paragraph .30:

- The heading "Independent Auditor's Report" above the example

report is replaced with "Report of Independent Registered Public Accounting Firm."

• In the first sentence of the second paragraph of the example report, the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."

pp. In the last sentence of paragraph .31a, the reference to "section 508, *Reports on Audited Financial Statements*, paragraphs .16 through .18" is replaced with "AS 3101.16 through .18."

qq. In footnote 39 to paragraph .31b, the reference to "section 341, *The Auditor's Consideration of an Entity's Ability to Continue as a Going Concern*" is replaced with "AS 2415, *Consideration of an Entity's Ability to Continue as a Going Concern*."

rr. In the last sentence of paragraph .31c, the reference to "section 508, *Reports on Audited Financial Statements*, paragraphs .12 and .13" is replaced with "AS 3101.12 and .13."

ss. In the last sentence of paragraph .31d, the reference to "section 508, *Reports on Audited Financial Statements*, paragraphs .68 and .69" is replaced with "AS 3101.68 and .69."

AU sec. 9623, "Special Reports: Auditing Interpretations of Section 623"

AU sec. 9623, "Special Reports: Auditing Interpretations of Section 623," as amended, is amended as follows:

a. The section number "AU Section 9623" is replaced with "AI 24."

b. The title "Special Reports: Auditing Interpretations of Section 623" is replaced with "Special Reports: Auditing Interpretations of AS 3305."

c. Footnote \* to paragraphs [.01-.08], is deleted.

d. In paragraph .41, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."

e. In paragraph .42:

• In the first sentence, the reference to "Section 623.11 through .18 provides" is replaced with "Paragraphs .11 through .18 of AS 3305, *Special Reports*, provide."

• In the illustrative report:  
• The first paragraph is deleted.  
• The phrase "City and State or Country" is added below the term "Signature."

f. Paragraphs .43 through .46 are deleted.

g. The last sentence of paragraph .47 is deleted.

h. In paragraph .50, the parenthetic reference to "section 623, *Special*

*Reports*, paragraph .08" is replaced with "AS 3305.08."

i. In paragraph .51, each reference to "Section 623" or "section 623" is replaced with "AS 3305."

j. Following paragraph .52:

• The heading "Independent Auditor's Report" above the example report is replaced with "Report of Independent Registered Public Accounting Firm."

• In the example report:  
• In the first sentence of the second paragraph, the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."

• The phrase "[*City and State or Country*]" is added below the term "[*Signature*]."

k. In the first sentence of paragraph .53, the parenthetic reference to "section 623.08" is replaced with "AS 3305.08."

l. In the last sentence of footnote 10 to paragraph .55:

• The reference to "section 508" is replaced with "AS 3101."  
• The phrase ", and the applicable industry audit guide" is deleted.

m. In the first sentence of paragraph .57, the reference to "section 623, *Special Reports*, paragraph .29" is replaced with "AS 3305.29."

n. Following paragraph .58:

• The heading "Independent Auditor's Report" above the example report is replaced with "Report of Independent Registered Public Accounting Firm."

• In the example report in paragraph .58:

• In the first sentence of the second paragraph, the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."

• The phrase "[*City and State or Country*]" is added below the term "[*Signature*]."

o. In paragraph .61:

• In the first sentence, the reference to "section 623, *Special Reports*, paragraph .04)" is replaced with "AS 3305.04."

• In the second sentence, the reference to "Section 623.09" is replaced with "AS 3305.09."

• In the last sentence, the reference to "section 411, *The Meaning of Present Fairly in Conformity With Generally Accepted Accounting Principles*, paragraph .04" is replaced with "paragraph .04 of AS 2815, *The Meaning of Present Fairly in Conformity with Generally Accepted Accounting Principles*."

p. In paragraph .62:

• In the first sentence:  
• The reference to "Section 623.02" is replaced with "AS 3305.02."

• The phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."

• In the last sentence:  
• The phrase "Thus, in accordance with the third standard of reporting," is deleted.

• The quotation marks are deleted.  
• The first "i" in "informative" is capitalized.

q. In paragraph .64:

• In the first sentence the reference to "Section 623.09 and .10" is replaced with "AS 3305.09 and .10."

• In the last sentence, the reference to "Section 623.10" is replaced with "AS 3305.10."

r. In the third sentence of paragraph .82, the reference to "Section 623, *Special Reports*, paragraph .22" is replaced with "AS 3305.22."

s. In the last sentence of paragraph .83, the reference to "section 508, *Reports on Audited Financial Statements*, paragraphs .35-.44 and .58-.60" is replaced with "AS 3101.35-.44 and .58-.60."

t. In the last sentence of paragraph .85, the reference to "section 623.22-.26" is replaced with "AS 3305.22-.26."

u. In paragraph .86, the reference to "section 508.35-.44 and .58-.60" is replaced with "AS 3101.35-.44 and .58-.60."

v. In paragraph .90:

• In the first sentence, the reference to "Section 623, *Special Reports*, paragraph .10" is replaced with "AS 3305.10."

• Each reference to "section 623.10" is replaced with "AS 3305.10."

AU sec. 625, "Reports on the Application of Accounting Principles"

SAS No. 50, "Reports on the Application of Accounting Principles" (AU sec. 625, "Reports on the Application of Accounting Principles"), as amended, is amended as follows:

a. The section number "AU Section 625" is replaced with "AS 6105."

b. In the last sentence of footnote 1 to paragraph .01, the reference to "section 623, *Special Reports*, paragraph .04" is replaced with "paragraph .04 of AS 3305, *Special Reports*."

c. Footnote 3 to paragraph .02 is deleted.

d. In paragraph .08, the parenthetic reference to "section 411, *The Meaning of Present Fairly in Conformity With Generally Accepted Accounting Principles*" is replaced with "AS 2815, *The Meaning of Present Fairly in Conformity with Generally Accepted Accounting Principles*."



e. In the last sentence of paragraph .09, the reference to “section 315, *Communications Between Predecessor and Successor Auditors*, paragraph .10” is replaced with “paragraph .10 of AS 2610, *Initial Audits—Communications Between Predecessor and Successor Auditors*.”

f. In paragraph .10a, the phrase “applicable AICPA standards” is replaced with “the standards of the PCAOB.”

g. The first sentence of footnote 7 to paragraph .10f is deleted.

h. In the last sentence of the paragraph following the subheading “*Introduction*” following paragraph .11, the phrase “standards established by the American Institute of Certified Public Accountants” is replaced with “the standards of the Public Company Accounting Oversight Board (United States).”

AU sec. 634, “Letters for Underwriters and Certain Other Requesting Parties”

SAS No. 72, “Letters for Underwriters and Certain Other Requesting Parties” (AU sec. 634, “Letters for Underwriters and Certain Other Requesting Parties”), as amended, is amended as follows:

a. The section number “AU Section 634” is replaced with “AS 6101.”

b. In the references before paragraph .01, the phrase “(Supersedes SAS No. 49)” is deleted.

c. In footnote 3 to paragraph .03, the parenthetical reference to “section 9634.01–.09” is replaced with “paragraphs .01–.09 of AI 27, *Letters for Underwriters and Certain Other Requesting Parties: Auditing Interpretations of AS 6101*.”

d. In paragraph .09b:

- In the first sentence, the phrase “generally accepted auditing standards” is replaced with “the standards of the Public Company Accounting Oversight Board (United States).”

- In the last sentence, the phrase “standards established by the American Institute of Certified Public Accountants” is replaced with “the standards of the Public Company Accounting Oversight Board.”

e. In paragraph .12:

- Each phrase “generally accepted auditing standards” is replaced with “the standards of the PCAOB.”

- In footnote 8, the parenthetical reference to “section 9711.12–.15” is replaced with “paragraphs .12–.15 of AI 26, *Responsibilities Regarding Filings Under Federal Securities Statutes: Auditing Interpretations of AS 4101*.”

- In the first sentence of footnote 9, the reference to “section 711, *Filings Under Federal Securities Statutes*” is replaced with “AS 4101,

*Responsibilities Regarding Filings Under Federal Securities Statutes*.”

f. In the first sentence of footnote 13 to paragraph .16, the reference to “SAS No. 71 [section 722]” is replaced with “AS 4105, *Reviews of Interim Financial Information*.”

g. In the first sentence of footnote 18 to paragraph .27:

- The parenthetical reference to “section 722.50” is replaced with “AS 4105.50.”

- The reference to “section 558, *Required Supplementary Information*, paragraphs .08 through .11” is replaced with “paragraphs .08 through .11 of AS 2705, *Required Supplementary Information*.”

h. In footnote 20 to paragraph .28, the reference to “section 530, *Dating of the Independent Auditor’s Report*, paragraphs .03 through .08” is replaced with “AS 3110.03 through .08.”

i. In paragraphs .29a and b, each parenthetical reference to “section 552” is replaced with “AS 3315.”

j. In paragraph .29c, the parenthetical reference to “section 722” is replaced with “AS 4105.”

k. In the fifth sentence of paragraph .29, the reference to “section 325” is replaced with “AS 1305.”

l. In paragraph .30:

- In the first sentence:
- The reference to “section 722” is replaced with “AS 4105.”

- The reference to “section 558, *Required Supplementary Information*,” is replaced with “AS 2705.”

- In the second sentence:
- The reference to “Section 722” is replaced with “AS 4105.”

- The reference to “section 558” is replaced with “AS 2705.”

- In the last sentence, the reference to “sections 722 and 558” is replaced with “AS 4105 and AS 2705.”

m. In paragraph .31, the sixth and seventh sentences are deleted.

n. In paragraphs .35a and b, each reference to “SAS No. 71 [section 722]” is replaced with “AS 4105.”

o. In paragraph .37:

- Each reference to “section 722” is replaced with “AS 4105.”

- In the second sentence of footnote 28, the reference to “section 722” is replaced with “AS 4105.”

p. In the first sentence of paragraph .38, the phrase “generally accepted auditing standards” is replaced with “the standards of the PCAOB.”

q. In paragraphs .39a and b, each reference to “SAS No. 71 [section 722]” is replaced with “AS 4105.”

r. In the third sentence of paragraph .42, the reference to “SAS No. 71 [section 722]” is replaced with “AS 4105.”

s. In the second bullet of paragraph .46, the reference to “SAS No. 71 [section 722]” is replaced with “AS 4105.”

t. In paragraph .59:

- In the fourth sentence, the parenthetical reference to “(see section 435, *Segment Information*)” is deleted.

- In footnote 34, the reference to “section 558” is replaced with “AS 2705.”

u. In paragraph .64:

- Following subtitle “Example A: Typical Comfort Letter”:

- In the third sentence of the second paragraph following item 2d, the reference to “section 722” is replaced with “AS 4105, *Reviews of Interim Financial Information*.”

- In item 4a(i) of the letter in Example A:

- The phrase “American Institute of Certified Public Accountants” is replaced with “Public Company Accounting Oversight Board (United States).”

- The reference to “SAS No. 71, *Interim Financial Information*” is replaced with “AS 4105, *Reviews of Interim Financial Information*.”

- In the first sentence following item 4b(ii) of the letter in Example A, the phrase “generally accepted auditing standards” is replaced with “the standards of the Public Company Accounting Oversight Board.”

- In footnote 6 to item 5a(i) of the letter in Example A, the reference to “Section 722” is replaced with “AS 4105.”

- Following the subtitle “Example B: Letter When a Short-Form Registration Statement Is Filed Incorporating Previously Filed Forms 10-K and 10-Q by Reference”:

- In item 4a(i) of the letter in Example B:

- The phrase “American Institute of Certified Public Accountants” is replaced with “Public Company Accounting Oversight Board (United States).”

- The reference to “SAS No. 71, *Interim Financial Information*” is replaced with “AS 4105, *Reviews of Interim Financial Information*.”

- In the first sentence following item 4b(ii) of the letter in Example B, the phrase “generally accepted auditing standards” is replaced with “the standards of the Public Company Accounting Oversight Board.”

- In the third sentence of item 5, (following the subtitle “Example D: Comments on Pro Forma Financial Information”), the reference to “SAS No. 71 [section 722]” is replaced with “AS 4105.”

- In item 8 (following the subtitle “Example E: Comments on a Financial Forecast”):

- In the first sentence, the reference to “AICPA” is replaced with “AT section 301, *Financial Forecasts and Projections*.”

- Each phrase “standards established by the American Institute of Certified Public Accountants” is replaced with “the standards of the Public Company Accounting Oversight Board.”

- In the first sentence of footnote 10 to item 7 (following the subtitle “Example F: Comments on Tables, Statistics, and Other Financial Information—Complete Description of Procedures and Findings”), the reference to “section 552” is replaced with “AS 3315.”

- Following the subtitle “Example L: Alternate Wording When Recent Earnings Data Are Presented in Capsule Form”:

- In the first sentence of item 13, the reference to “section 722” is replaced with “AS 4105.”

- In item 4a(i) of the letter in Example L:

- The phrase “American Institute of Certified Public Accountants” is replaced with “Public Company Accounting Oversight Board (United States).”

- The reference to “SAS No. 71, *Interim Financial Information*” is replaced with “AS 4105, *Reviews of Interim Financial Information*.”

- In item 4b(ii) of the letter in Example L:

- The phrase “American Institute of Certified Public Accountants” is replaced with “Public Company Accounting Oversight Board.”

- The reference to “SAS No. 71, *Interim Financial Information*,” is replaced with “AS 4105.”

- In the first sentence following item 4b(iii) of the letter in Example L, the phrase “generally accepted auditing standards” is replaced with “the standards of the Public Company Accounting Oversight Board.”

- The subtitle “Example O: Alternate Wording When the Procedures That the Underwriter Has Requested the Accountant to Perform on Interim Financial Information Are Less Than an SAS No. 71 Review” is replaced with “Example O: Alternate Wording When the Procedures That the Underwriter Has Requested the Accountant to Perform on Interim Financial Information Are Less Than an AS 4105 Review.”

- Following the subtitle “Example O: Alternate Wording When the Procedures That the Underwriter Has Requested the Accountant to Perform on Interim

Financial Information Are Less Than an SAS No. 71 Review”:

- In the third sentence of item 16, the reference to “SAS No. 71 [section 722]” is replaced with “AS 4105.”

- In the first sentence following item 4c of the letter in Example O, the phrase “generally accepted auditing standards” is replaced with “the standards of the Public Company Accounting Oversight Board (United States).”

- In the second paragraph to item 6 of the letter in Example O:

- In the first sentence:

- The phrase “standards established by the American Institute of Certified Public Accountants” is replaced with “the standards of the Public Company Accounting Oversight Board.”

- The reference to “AICPA” is replaced with “AT section 301, *Financial Forecasts and Projections*.”

- In the last sentence, the phrase “standards established by the AICPA” is replaced with “the standards of the Public Company Accounting Oversight Board.”

- Following the subtitle “Example P: A Typical Comfort Letter in a Non-1933 Act Offering, Including the Required Underwriter Representations”:

- In the third sentence of item 17, the reference to “SAS No. 71 [section 722]” is replaced with “AS 4105.”

- In the first sentence of item 6 of the letter in Example P, the phrase “generally accepted auditing standards” is replaced with “the standards of the Public Company Accounting Oversight Board (United States).”

- In the letter following the subtitle “Example Q: Letter to a Requesting Party That Has Not Provided the Representation Letter Described in Paragraphs .06 and .07”:

- In the second paragraph, the phrase “rule 101 of the AICPA’s Code of Professional Conduct, and its interpretations and rulings” is replaced with “Public Company Accounting Oversight Board Rule 3520, *Auditor Independence*.”

- In Item 6:

- In the first sentence, the phrase “generally accepted auditing standards” is replaced with “the standards of the Public Company Accounting Oversight Board (United States).”

- In the last sentence, the phrase “standards established by the American Institute of Certified Public Accountants” is replaced with “the standards of the Public Company Accounting Oversight Board.”

- Following the subtitle “Example R: Comfort Letter That Includes Reference to Examination of Annual MD&A and Review of Interim MD&A”:

- In the fifth sentence of item 19, the reference to “section 722” is replaced with “AS 4105.”

- In the first sentence following item 5b(ii) of the letter in Example R, the phrase “generally accepted auditing standards” is replaced with “the standards of the Public Company Accounting Oversight Board (United States).”

AU sec. 9634, “Letters for Underwriters and Certain Other Requesting Parties: Auditing Interpretations of Section 634”

AU sec. 9634, “Letters for Underwriters and Certain Other Requesting Parties: Auditing Interpretations of Section 634,” as amended, is amended as follows:

a. The section number “AU Section 9634” is replaced with “AI 27.”

b. The title “Letters for Underwriters and Certain Other Requesting Parties: Auditing Interpretations of Section 634” is replaced with “Letters for Underwriters and Certain Other Requesting Parties: Auditing Interpretations of AS 6101.”

c. In paragraph .03, the parenthetical reference to “section 634.33” is replaced with “paragraph .33 of AS 6101, *Letters for Underwriters and Certain Other Requesting Parties*.”

d. In the first sentence of paragraph .04:

- The phrase “generally accepted auditing standards” is replaced with “the standards of the PCAOB.”

- The parenthetical reference to “section 550” is replaced with “AS 2710, *Other Information in Documents Containing Audited Financial Statements*.”

e. In paragraph .05:

- In the third sentence:

- The reference to “section 634” is replaced with “AS 6101.”

- The reference to “section 634.54–.60” is replaced with “AS 6101.54–.60.”

- In the first sentence of footnote 3, the reference to “Section 634.12” is replaced with “AS 6101.12.”

- In the fourth sentence, the reference to “section 634.55” is replaced with “AS 6101.55.”

- In the fifth sentence, the reference to “section 634.55 and .57” is replaced with “AS 6101.55 and .57.”

- In paragraph .06, each reference to “section 634.57” or “Section 634.57” is replaced with “AS 6101.57.”

- In the last sentence of paragraph .07, the reference to “section 634.55” is replaced with “AS 6101.55.”

- In the last sentence of paragraph .09, the reference to “section 634.31” is replaced with “AS 6101.31.”

- In the first sentence of paragraph .16, the reference to “Section 634,

*Letters for Underwriters and Certain Other Requesting Parties*, paragraph .57,” is replaced with “AS 6101.57.”

j. In the first sentence of paragraph .18, the reference to “Section 634.55” is replaced with “AS 6101.55.”

k. In the third sentence of paragraph .19, the reference to “section 634.55” is replaced with “6101.55.”

l. In paragraph .29:

- In the first sentence, the reference to “section 634.64” is replaced with “6101.64.”
- In the last sentence of footnote 4 to the table following paragraph .29, the reference to “section 634.55” is replaced with “AS 6101.55.”

AU sec. 711, “Filings Under Federal Securities Statutes”

SAS No. 37, “Filings Under Federal Securities Statutes” (AU sec. 711, “Filings Under Federal Securities Statutes”), as amended, is amended as follows:

a. The section number “AU Section 711” is replaced with “AS 4101.”

b. The title “Filings Under Federal Securities Statutes” is replaced with “Responsibilities Regarding Filings Under Federal Securities Statutes.”

c. Footnote \* to the section number of the standard is deleted.

d. In the note to paragraph .02, the reference to “paragraphs C16–C17 of Appendix C, *Special Reporting Situations*, of PCAOB Auditing Standard No. 5” is replaced with “paragraphs .C16–.C17 of Appendix C, *Special Reporting Situations*, of AS 2201.”

e. In the fourth sentence of paragraph .10, the reference to “section 560.12” is replaced with “paragraph .12 of AS 2801, *Subsequent Events*.”

f. In the last sentence of paragraph .11, the parenthetical reference to “section 508” is replaced with “AS 3101, *Reports on Audited Financial Statements*.”

g. In paragraph .12:

- In the first sentence, the references to “sections 560 and 561” are replaced with “AS 2801 and AS 2905, *Subsequent Discovery of Facts Existing at the Date of the Auditor’s Report*.”
- In the second sentence, the reference to “sections 530.05 and 530.07 and .08” is replaced with “paragraph .05 of AS 3110, *Dating of the Independent Auditor’s Report*, and AS 3110.07 and .08.”

• In the third sentence, the reference to “section 561.08 and .09” is replaced with “AS 2905.08 and .09.”

h. In paragraph .13a:

- The reference to “section 561” is replaced with “AS 2905.”
- The parenthetical reference to “section 722.46” is replaced with

“paragraph .46 of AS 4105, *Reviews of Interim Financial Information*.”

AU sec. 9711, “Filings Under Federal Securities Statutes: Auditing Interpretations of Section 711”

AU sec. 9711, “Filings Under Federal Securities Statutes: Auditing Interpretations of Section 711,” as amended, is amended as follows:

a. The section number “AU Section 9711” is replaced with “AI 26.”

b. The title “Filings Under Federal Securities Statutes: Auditing Interpretations of Section 711” is replaced with “Responsibilities Regarding Filings Under Federal Securities Statutes: Auditing Interpretations of AS 4101.”

c. In paragraph .03:

- In the first sentence, the reference to “Section 711, *Filings Under Federal Securities Statutes*, paragraph .05” is replaced with “Paragraph .05 of AS 4101, *Responsibilities Regarding Filings Under Federal Securities Statutes*.”
- In the last sentence, the parenthetical reference to “section 711.10 and .11” is replaced with “AS 4101.10 and .11.”

d. In paragraph .05, the reference to “section 711.10 and .11” is replaced with “AS 4101.10 and .11.”

e. In paragraph .09:

- In the second sentence, the parenthetical reference to “section 552, *Reporting on Condensed Financial Statements and Selected Financial Data*, paragraph .08” is replaced with “paragraph .08 of AS 3315, *Reporting on Condensed Financial Statements and Selected Financial Data*.”
- In the last sentence, the parenthetical reference to “section 711.10 and .11” is replaced with “AS 4101.10 and .11.”

f. In paragraph .10:

- In the first sentence, the reference to “section 711” is replaced with “AS 4101.”
- In the last sentence, the reference to “section 711.10 and .11” is replaced with “AS 4101.10 and .11.”

g. In the last sentence of paragraph .11, the reference to “Section 711.12 and .13” is replaced with “AS 4101.12 and .13.”

AU sec. 722, “Interim Financial Information”

AU sec. 722, “Interim Financial Information”

SAS No. 100, “Interim Financial Information” (AU sec. 722, “Interim Financial Information”), as amended, is amended as follows:

a. The section number “AU Section 722” is replaced with “AS 4105.”

b. The title “Interim Financial Information” is replaced with “Reviews of Interim Financial Information.”

c. In the references before paragraph .01, the phrase “(Supersedes SAS No. 71)” is deleted.

d. In the second sentence of paragraph .01:

- The word “three” is deleted.
- The phrase “discussed in section 150, *Generally Accepted Auditing Standards*, paragraph .02),” is deleted.
- Footnote 1A is added following the term “standards”:

See AS 1005, *Independence*, AS 1010, *Training and Proficiency of the Independent Auditor*, and AS 1015, *Due Professional Care in the Performance of Work*.

e. In the first sentence of paragraph .04, the reference to “Section 315, *Communications Between Predecessor and Successor Auditors*” is replaced with “AS 2610, *Initial Audits—Communications Between Predecessor and Successor Auditors*.”

f. In footnote 5 to paragraph .05, the last sentence is deleted.

g. In the second sentence of paragraph .07, the phrase “generally accepted auditing standards” is replaced with “the standards of the PCAOB.”

h. In the eighth bullet of paragraph .09:

- In the first sentence, the phrase “standards established by the AICPA” is replaced with “the standards of the PCAOB.”
- In the third sentence, the phrase “generally accepted auditing standards” is replaced with “the standards of the PCAOB.”

i. In the first sentence of footnote 7 to the first bullet of paragraph .11, the reference to “Paragraphs 10 through 23 of Auditing Standard No. 14” is replaced with “Paragraphs .10 through .23 of AS 2810.”

j. In the third sentence of paragraph .13, the reference to “Auditing Standard No. 12” is replaced with “AS 2110.”

k. In the last sentence of paragraph .16, the reference to “section 329” is replaced with “AS 2305.”

l. In footnote 11 to paragraph .18b, the parenthetical reference to “section 543, *Part of Audit Performed by Other Independent Auditors*” is replaced with “AS 1205, *Part of the Audit Performed by Other Independent Auditors*.”

m. In the last sentence of paragraph .18f, the reference to “section 550, *Other Information in Documents Containing Audited Financial Statements*, paragraphs .04 through .06”) is replaced with “paragraphs .04 through .06 of AS 2710, *Other Information in Documents Containing Audited Financial Statements*.”

n. In the first sentence of footnote 15 to paragraph .21, the reference to “section 341, *The Auditor’s Consideration of an Entity’s Ability to Continue as a Going Concern*, paragraph .10” is replaced with “paragraph .10 of

AS 2415, *Consideration of an Entity's Ability to Continue as a Going Concern.*"

o. In footnote 16 to paragraph .24, the reference to "section 333, *Management Representations*, paragraphs .08 through .12" is replaced with "paragraphs .08 through .12 of AS 2805, *Management Representations.*"

p. In the last sentence of paragraph .30, the reference "paragraph 25 of Auditing Standard No. 16" is replaced with "paragraph .25 of AS 1301."

q. In paragraph .32:

- The reference to "AU sec. 316" is replaced with "AS 2401."

- The reference to "AU sec. 317" is replaced with "AS 2405."

r. In paragraph .34:

- In the first sentence, the reference to "Auditing Standard No. 16, *Communications with Audit Committees*" is replaced with "AS 1301."

- In the fourth sentence, the reference to "paragraph 12 of Auditing Standard No. 16, *Communications with Audit Committees*" is replaced with "AS 1301.12."

s. In the last sentence of paragraph .36, the reference to "paragraph 25 of Auditing Standard No. 16, *Communications with Audit Committees*" is replaced with "AS 1301.25."

t. In paragraph .37*d*, the phrase "standards established by the AICPA" is replaced with "the standards of the PCAOB."

u. In paragraph .37*f*, the phrase "generally accepted auditing standards" is replaced with "the standards of the PCAOB."

v. Paragraph ".37*j*" is replaced with ".37*j*."

w. Paragraph .37*i* is added:

The city and state (or city and country, in the case of non-U.S. auditors) from which the auditor's report has been issued.

x. Footnote 24A is added to the end of the added paragraph .37*i*:

See SEC Rule 2-02(a) of Regulation S-X, 17 CFR 210.2-02(a).

y. In footnote 25 to paragraph .37*i*:

- The reference to "sections 530" is replaced with "AS 3110."

- The reference to "560" is replaced with "AS 2801."

z. In the Independent Accountant's Report following paragraph .38:

- The heading "Independent Accountant's Report" above the example report is replaced with "Report of Independent Registered Public Accounting Firm."

- In the first sentence of the second paragraph, the phrase "standards established by the American Institute of

Certified Public Accountants" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."

- In the third sentence of the second paragraph, the phrase "generally accepted auditing standards" is replaced with "the standards of the Public Company Accounting Oversight Board."

- The phrase "[*City and State or Country*]" is added following the term "[*Signature*]."

aa. In the Independent Accountant's Report following paragraph .39:

- The heading "Independent Accountant's Report" above the example report is replaced with "Report of Independent Registered Public Accounting Firm."

- In the first sentence of the second paragraph, the phrase "standards established by the American Institute of Certified Public Accountants" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."

- In the third sentence of the second paragraph, the phrase "generally accepted auditing standards" is replaced with "the standards of the Public Company Accounting Oversight Board."

- In the first sentence of the fourth paragraph, the phrase "auditing standards generally accepted in the United States of America" is replaced with "the standards of the Public Company Accounting Oversight Board."

- The phrase "[*City and State or Country*]" is added following the term "[*Signature*]."

bb. In footnote 29 to paragraph .40, the reference to "section 543, *Part of Audit Performed by Other Independent Auditors*" is replaced with "AS 1205."

cc. In the Independent Accountant's Report following paragraph .40:

- The heading "Independent Accountant's Report" above the example report is replaced with "Report of Independent Registered Public Accounting Firm."

- In the first sentence of the third paragraph, the phrase "standards established by the American Institute of Certified Public Accountants" is replaced with "the standards of the Public Company Accounting Oversight Board (United States)."

- In the third sentence of the third paragraph, the phrase "generally accepted auditing standards" is replaced with "the standards of the Public Company Accounting Oversight Board."

- The phrase "[*City and State or Country*]" is added following the term "[*Signature*]."

dd. In footnote 30 to paragraph .41, the reference to "section 508, *Reports on Audited Financial Statements*, paragraph .15" is replaced with "paragraph .15 of AS 3101, *Reports on Audited Financial Statements.*"

ee. In the first sentence of footnote 32 to paragraph .43, the reference to "section 341, *The Auditor's Consideration of an Entity's Ability to Continue as a Going Concern*, paragraph .10" is replaced with "AS 2415.10."

ff. In the last sentence of paragraph .46, the reference to "section 561" is replaced with "AS 2905."

gg. In the last sentence of paragraph .50*d*, the phrase "standards established by the American Institute of Certified Public Accountants" is replaced with "the standards of the Public Company Accounting Oversight Board."

hh. In Appendix B, footnote 36 to bullet 16 of item B1 in paragraph .55, the reference to "section 342, *Auditing Accounting Estimates*, paragraphs .05 and .06" is replaced with "paragraphs .05 and .06 of AS 2501, *Auditing Accounting Estimates.*"

ii. In Appendix C of paragraph .56:

- In item C2:

- In the third sentence, the reference to "section 333" is replaced with "AS 2805."

- The last sentence is deleted.

- In the second sentence of item C5:

- The reference to "section 316" is replaced with "AS 2401."

- The phrase "related parties" is italicized.

- The reference to "Auditing Standard No. 18" is replaced with "AS 2410."

- In the last sentence of item C6, the reference to "section 333.08" is replaced with "AS 2805.08."

- In the bracketed sentence of paragraph 15 of the second management representation letter titled "Illustrative Representation Letter for a Review of Interim Financial Information (Statements)," the reference to "section 333, *Management Representations, paragraph .17*" is replaced with "paragraph .17 of AS 2805, *Management Representations.*"

AU sec. 801, "Compliance Auditing Considerations in Audits of Governmental Entities and Recipients of Governmental Financial Assistance"

SAS No. 74, "Compliance Auditing Considerations in Audits of Governmental Entities and Recipients of Governmental Financial Assistance" (AU sec. 801, "Compliance Auditing Considerations in Audits of Governmental Entities and Recipients of Governmental Financial Assistance"), as amended, is amended as follows:

a. The section number “AU Section 801” is replaced with “AS 6110.”

b. The title “Compliance Auditing Considerations in Audits of Governmental Entities and Recipients of Governmental Financial Assistance” is replaced with “Compliance Auditing Considerations in Audits of Recipients of Governmental Financial Assistance.”

c. In the references before paragraph .01, the phrase “(Supersedes SAS No. 68)” is deleted.

d. In paragraph .01, in the first sentence, the phrase “generally accepted auditing standards (GAAS)” is replaced with “the standards of the PCAOB.”

e. Footnote 5 to paragraph .02 is deleted.

f. In paragraph .02*a*, the reference to “section 317” is replaced with “AS 2405.”

g. In the first sentence of paragraph .06:

- The reference to “Section 317” is replaced with “AS 2405.”
- The term “GAAS” is replaced with “the standards of the PCAOB.”

h. In the first sentence of paragraph .09, the term “GAAS” is replaced with “the standards of the PCAOB.”

i. In paragraph .10*a*, the term “GAAS” is replaced with “the standards of the PCAOB.”

j. In the last sentence of paragraph .11, the term “GAAS” is replaced with “the standards of the PCAOB.”

k. Footnote 12 to paragraph .12 is deleted.

l. Footnote 14 to paragraph .16 is deleted.

m. In footnote 15 to paragraph .17*c*, the term “GAAS” is replaced with “the standards of the PCAOB.”

n. In the last sentence of paragraph .18, the reference to “section 350” is replaced with “AS 2315.”

o. In paragraph .22:

- In the first sentence, the term “GAAS” is replaced with “The standards of the PCAOB.”
- In the second sentence:
- The phrase “a GAAS” is replaced with “an.”
- The phrase “in accordance with the standards of the PCAOB” is added following the term “statements.”
- The second term “GAAS” is replaced with “the standards of the PCAOB.”
- In the last sentence, the term “GAAS” is replaced with “the standards of the PCAOB.”

p. In the last sentence of paragraph .23, the reference to “section 317” is replaced with “AS 2405.”

AU sec. 901, “Public Warehouses—Controls and Auditing Procedures for Goods Held”

SAS No. 1, “Codification of Auditing Standards and Procedures” (AU sec. 901, “Public Warehouses—Controls and Auditing Procedures for Goods Held”), as amended, is rescinded.

#### Attestation Standards

Attestation Standard No. 1, “Examination Engagements Regarding Compliance Reports of Brokers and Dealers”

Attestation Standard No. 1, “Examination Engagements Regarding Compliance Reports of Brokers and Dealers,” is amended as follows:

a. In footnote 8 to paragraph 4, the reference to “Auditing Standard No. 15” is replaced with “AS 1105.”

b. In the second note to paragraph 6, the reference to “Auditing Standard No. 3” is replaced with “AS 1215.”

c. In the first sentence of footnote 12 to paragraph 8, the reference to “Auditing Standard No. 17” is replaced with “AS 2701.”

d. In footnote 18 to paragraph 35, the reference to “Auditing Standard No. 16” is replaced with “AS 1301.”

e. In footnote 3 to paragraph C10, the reference to “AU sec. 317” is replaced with “AS 2405.”

Attestation Standard No. 2, “Review Engagements Regarding Exemption Reports of Brokers and Dealers”

Attestation Standard No. 2, “Review Engagements Regarding Exemption Reports of Brokers and Dealers,” is amended as follows:

a. In the second note to paragraph 5, the reference to “Auditing Standard No. 3” is replaced with “AS 1215.”

b. In the first sentence of footnote 9 to paragraph 7, the reference to “Auditing Standard No. 17” is replaced with “AS 2701.”

c. In footnote 12 to paragraph 15, the reference to “Auditing Standard No. 16” is replaced with “AS 1301.”

AT sec. 101, “Attestation Engagements”

AT sec. 101, “Attestation Engagements,” as amended, is amended as follows:

a. The following note is added at the end of paragraph .01:

Note: In connection with an engagement performed in accordance with this attestation standard, whenever the practitioner is required to make reference in a report to attestation standards established by the American Institute of Certified Public Accountants, the practitioner must instead refer to “the standards of the

Public Company Accounting Oversight Board (United States).” A practitioner must also include the city and state (or city and country, in the case of non-U.S. practitioners) from which the practitioner’s report has been issued.

b. In the last sentence of paragraph .04*f*, the reference to “PCAOB Auditing Standard No. 4” is replaced with “AS 6115.”

c. In paragraph .91:

- The parenthetical reference to “AU section 634” is replaced with “AS 6101.”

- The parenthetical reference to “AU section 711, *Filings Under Federal Securities Statutes*” is replaced with “AS 4101, *Responsibilities Regarding Filings Under Federal Securities Statutes.*”

d. In the last sentence of paragraph .99, the reference to “AU section 561” is replaced with “AS 2905.”

AT sec. 9101, “Attest Engagements: Attest Engagements Interpretations of Section 101”

AT sec. 9101, “Attest Engagements: Attest Engagements Interpretations of Section 101,” is amended as follows:

a. In the last sentence of paragraph .12, the reference to “AU section 322, *The Auditor’s Consideration of the Internal Audit Function in an Audit of Financial Statements*” is replaced with “AS 2605, *Consideration of the Internal Audit Function.*”

b. In the second bullet of paragraph .28, the reference to “AU section 722, *Interim Financial Information*” is replaced with “AS 4105, *Reviews of Interim Financial Information.*”

c. Paragraph .43 is deleted.

d. Paragraph 44 is replaced with the following:

Illustrative letters in response to a regulatory request for access to or copies of the attest documentation related to an examination engagement performed in accordance with section 601, *Compliance Attestation*, and an agreed-upon procedures engagement performed in accordance with section 201, *Agreed-Upon Procedures Engagements*, follow.

e. In footnote 7 to paragraph .45, the parenthetical reference to “AU section 9339.11–.15” is deleted.

f. In footnote 12 to paragraph .46:

- The parenthetical reference to “AU section 9339.11–.15” is deleted.
- A comma is added after the second word “access.”

AT sec. 201, “Agreed-Upon Procedures Engagements”

AT sec. 201, “Agreed-Upon Procedures Engagements,” is amended as follows:

a. The following note is added at the end of paragraph .01:

Note: In connection with an engagement performed in accordance with this attestation standard, whenever the practitioner is required to make reference in a report to attestation standards established by the American Institute of Certified Public Accountants, the practitioner must instead refer to “the standards of the Public Company Accounting Oversight Board (United States).” A practitioner must also include the city and state (or city and country, in the case of non-U.S. practitioners) from which the practitioner’s report has been issued.

b. In paragraph .02a, the reference to “AU section 623” is replaced with “AS 3305.”

c. In paragraph .02b, the reference to “AU section 801, *Compliance Auditing Considerations in Audits of Governmental Entities and Recipients of Governmental Financial Assistance*” is replaced with “AS 6110, *Compliance Auditing Considerations in Audits of Recipients of Governmental Financial Assistance*.”

d. In paragraph .02c, the reference to “AU section 324, *Service Organizations*, paragraph .58” is replaced with “paragraph .58 of AS 2601, *Consideration of an Entity’s Use of a Service Organization*.”

e. In paragraph .02d, the reference to “AU section 634” is replaced with “AS 6101.”

f. In footnote 3 to paragraph .03, the reference to “AU section 623.11–.18” is replaced with “AS 3305.11–.18.”

g. In footnote 7 to paragraph .22, the reference to “AU section 322, *The Auditor’s Consideration of the Internal Audit Function in an Audit of Financial Statements*” is replaced with “AS 2605, *Consideration of the Internal Audit Function*.”

h. In footnote 13 to paragraph .31k:

- In the first sentence, the reference to “AU section 504, *Association With Financial Statements*” is replaced with “AS 3320, *Association with Financial Statements*.”

- In the second sentence:
- The reference to “AU section 504.04” is replaced with “AS 3320.04.”
- The reference to “AU section 722, *Interim Financial Information*” is replaced with “AS 4105, *Reviews of Interim Financial Information*.”

- The reference to “AU section 504.05” is replaced with “AS 3320.05.”

i. In footnote 16 to paragraph .36, the reference to “AU section 530, *Dating of the Independent Auditor’s Report*, paragraphs .06 and .07” is replaced with “paragraphs .06 and .07 of AS 3110, *Dating of the Independent Auditor’s Report*.”

j. In footnote 18 to paragraph .40, the bracketed reference to “AU section 508” is replaced with “AS 3101.”

AT sec. 301, “Financial Forecasts and Projections”

AT sec. 301, “Financial Forecasts and Projections,” is amended as follows:

a. The following note is added at the end of paragraph .01:

Note: In connection with an engagement performed in accordance with this attestation standard, whenever the practitioner is required to make reference in a report to attestation standards established by the American Institute of Certified Public Accountants, the practitioner must instead refer to “the standards of the Public Company Accounting Oversight Board (United States).” A practitioner must also include the city and state (or city and country, in the case of non-U.S. practitioners) from which the practitioner’s report has been issued.

b. In footnote 4 to paragraph .08e, the reference to “AU section 623” is replaced with “AS 3305.”

c. In footnote 12 to paragraph .23, the parenthetical reference to “AU section 9504.19–.22” is replaced with “paragraphs .19–.22 of AI 25, *Association with Financial Statements: Auditing Interpretations of AS 3320*.”

d. In paragraph .24:

- In footnote 13, the reference to “AU section 504, *Association With Financial Statements*” is replaced with “AS 3320, *Association with Financial Statements*.”

- In footnote 14, the reference to “AU section 552” is replaced with “AS 3315.”

e. In paragraph .48:

- In footnote 23, the reference to “AU section 504” is replaced with “AS 3320.”

- In footnote 24, the reference to “AU section 552” is replaced with “AS 3315.”

f. In footnote 26 to paragraph .52, the reference to “AU section 634” is replaced with “AS 6101.”

g. In paragraph .60:

- In footnote 29:

- In the first sentence, the reference to “AU section 550” is replaced with “AS 2710.”

- In the second sentence:
- The reference to “AU section 550” is replaced with “AS 2710.”

- The bracketed reference to “AU section 711, *Filings Under Federal Securities Statutes*” is replaced with “AS 4101, *Responsibilities Regarding Filings Under Federal Securities Statutes*.”

- In the last sentence, the reference to “AU section 550” is replaced with “AS 2710.”

h. In the first sentence of footnote 5 to item 11d of paragraph .70, Appendix C, the reference to “AU section 722, *Interim Financial Information*, paragraphs .13 through .19” is replaced with “paragraphs .13 through .19 of AS 4105, *Reviews of Interim Financial Information*.”

AT sec. 401, “Reporting on Pro Forma Financial Information”

AT sec. 401, “Reporting on Pro Forma Financial Information,” is amended as follows:

a. In footnote 1 to paragraph .01:

- In the first sentence, the reference to “AU section 634, *Letters for Underwriters and Certain Other Requesting Parties*, paragraphs .03 through .05” is replaced with “Paragraphs .03 through .05 of AS 6101, *Letters for Underwriters and Certain Other Requesting Parties*.”

- In the last sentence, the reference to “AU section 634.03” is replaced with “AS 6101.03.”

b. The following note is added at the end of paragraph .01:

Note: In connection with an engagement performed in accordance with this attestation standard, whenever the practitioner is required to make reference in a report to attestation standards established by the American Institute of Certified Public Accountants, the practitioner must instead refer to “the standards of the Public Company Accounting Oversight Board (United States).” A practitioner must also include the city and state (or city and country, in the case of non-U.S. practitioners) from which the practitioner’s report has been issued.

c. In paragraph .02, the reference to “AU section 550, *Other Information in Documents Containing Audited Financial Statements*, and AU section 711, *Filings Under Federal Securities Statutes*” is replaced with “AS 2710, *Other Information in Documents Containing Audited Financial Statements*, and AS 4101, *Responsibilities Regarding Filings Under Federal Securities Statutes*.”

d. In footnote 2 to paragraph .03:

- In the second sentence, the reference to “AU section 560, *Subsequent Events*, paragraph .05” is replaced with “paragraph .05 of AS 2801, *Subsequent Events*.”

- In the last sentence, the reference to “AU section 508, *Reports on Audited Financial Statements*, paragraph .28” is replaced with “paragraph .28 of AS 3101, *Reports on Audited Financial Statements*.”

e. In the second sentence of footnote 5 to paragraph .07b, the reference to “AU section 722, *Interim Financial*

Information” is replaced with “AS 4105, *Reviews of Interim Financial Information*.”

AT sec. 601, “Compliance Attestation”

AT sec. 601, “Compliance Attestation,” as amended, is amended as follows:

a. The following note is added at the end of paragraph .01:

Note: In connection with an engagement performed in accordance with this attestation standard, whenever the practitioner is required to make reference in a report to attestation standards established by the American Institute of Certified Public Accountants, the practitioner must instead refer to “the standards of the Public Company Accounting Oversight Board (United States).” A practitioner must also include the city and state (or city and country, in the case of non-U.S. practitioners) from which the practitioner’s report has been issued.

b. In paragraph .02:

- In item *b*, the reference to “AU section 623, *Special Reports*, paragraphs .19 through .21” is replaced with “paragraphs .19 through .21 of AS 3305, *Special Reports*.”

- In item *c*, the reference to “AU section 801, *Compliance Auditing Considerations in Audits of Governmental Entities and Recipients of Governmental Financial Assistance*” is replaced with “AS 6110, *Compliance Auditing Considerations in Audits of Recipients of Governmental Financial Assistance*.”

- In item *d*, the reference to “AU section 634” is replaced with “AS 6101.”

c. In footnote 5 to paragraph .19, the reference to “AU section 322, *The Auditor’s Consideration of the Internal Audit Function in an Audit of Financial Statements*” is replaced with “AS 2605, *Consideration of the Internal Audit Function*.”

d. In the second sentence of paragraph .33, the reference to “AU section 316A, *Consideration of Fraud in a Financial Statement Audit*, paragraphs .16 through .19” is replaced with “AS 2401, *Consideration of Fraud in a Financial Statement Audit*.”

e. In the last sentence of paragraph .43, the reference to “AU section 336” is replaced with “AS 1210.”

f. In the last sentence of paragraph .44, the reference to “AU section 322, *The Auditor’s Consideration of the Internal Audit Function in an Audit of Financial Statements*” is replaced with “AS 2605, *Consideration of the Internal Audit Function*.”

g. In the second sentence of paragraph .47, the reference to “AU section 325,

*Communication of Internal Control Related Matters Noted in an Audit*” is replaced with “AS 1305, *Communications About Control Deficiencies in an Audit of Financial Statements*.”

h. In the last sentence of paragraph .48, the reference to “AU section 350” is replaced with “AS 2315.”

i. In the first sentence of paragraph .50, the reference to “AU section 560” is replaced with “AS 2801.”

j. In footnote 22 to paragraph .68, the reference to “AU section 333, *Management Representations*, paragraph .09” is replaced with “Paragraph .09 of AS 2805, *Management Representations*.”

AT sec. 701, “Management’s Discussion and Analysis”

AT sec. 701, “Management’s Discussion and Analysis,” is amended as follows:

a. The following note is added at the end of paragraph .01:

Note: In connection with an engagement performed in accordance with this attestation standard, whenever the practitioner is required to make reference in a report to attestation standards established by the American Institute of Certified Public Accountants or auditing standards generally accepted in the United States of America, the practitioner must instead refer to “the standards of the Public Company Accounting Oversight Board (United States).” A practitioner must also include the city and state (or city and country, in the case of non-U.S. practitioners) from which the practitioner’s report has been issued.

b. In the last sentence of footnote 6 to paragraph .02:

- The reference to “Statement on Auditing Standards (SAS) No. 71” is deleted.

- The parenthetical reference to “AU section 722, *Interim Financial Information*” is replaced with “AS 4105, *Reviews of Interim Financial Information*.”

c. In footnote 7 to paragraph .02, the reference to “AU section 634” is replaced with “AS 6101.”

d. In paragraph .11a, the reference to “AU section 722, *Interim Financial Information*,” is replaced with “AS 4105.”

e. In item (2) of paragraph .14a, the reference to “AU section 722” is replaced with “AS 4105.”

f. In footnote 16 to paragraph .20:

- In the first sentence, the reference to “AU section 329, *Analytical Procedures*” is replaced with “AS 2305, *Substantive Analytical Procedures*.”

- In the last sentence, the reference to “AU section 329” is replaced with “AS 2305.”

- g. The first sentence of paragraph .39 is deleted.

- h. Footnote 18 to paragraph .44 is deleted.

- i. In paragraph .47:

- In the third sentence, the reference to “AU section 336” is replaced with “AS 1210.”

- In the last sentence, the reference to “AU section 311, *Planning and Supervision*” is replaced with “AS 1201, *Supervision of the Audit Engagement*.”

- j. In the last sentence of paragraph .48, the reference to “AU section 322, *The Auditor’s Consideration of the Internal Audit Function in an Audit of Financial Statements*” is replaced with “AS 2605, *Consideration of the Internal Audit Function*.”

- k. In the last sentence of paragraph .58:

- The reference to “AU section 325, *Communication of Internal Control Related Matters Noted in an Audit*” is replaced with “AS 1305, *Communications About Control Deficiencies in an Audit of Financial Statements*.”

- The reference to “AU section 380, *Communication With Audit Committees*” is replaced with “AS 1301, *Communications with Audit Committees*.”

- l. In footnote 24 to paragraph .66:

- In the second sentence, the reference to “AU section 561” is replaced with “AS 2905.”

- In the last sentence, the reference to “AU section 711, *Filings Under Federal Securities Statutes*” is replaced with “AS 4101, *Responsibilities Regarding Filings Under Federal Securities Statutes*.”

- m. In footnote 25 to paragraph .66c, the reference to “AU section 337” is replaced with “AS 2505.”

- n. In the first sentence of paragraph .102, the reference to “AU section 315, *Communications Between Predecessor and Successor Audits*” is replaced with “AS 2610, *Initial Audits—Communications Between Predecessor and Successor Audits*.”

- o. In paragraph .106:

- In the second sentence, the reference to “SAS No. 8” is replaced with “AS 2710.”

- In the last sentence, the reference to “AU section 711, *Filings Under Federal Securities Statutes*,” is replaced with “AS 4101.”

- p. In footnote 30 to paragraph .107, the reference to “AU section 550, *Information in Documents Containing Audited Financial Statements*,” is replaced with “AS 2710.”

q. In the last sentence of paragraph .108, the reference to “AU section 317, *Illegal Acts*, paragraphs .17, .22, and .23)” is replaced with “paragraphs .17, .22, and .23 of AS 2405, *Illegal Acts by Clients*.”

r. In the last sentence of paragraph .109, the reference to “AU section 316” is replaced with “AS 2401.”

s. In footnote 31 to paragraph .110:

- In the first sentence, the reference to “AU section 333, *Management Representations*, paragraph .09” is replaced with “Paragraph .09 of AS 2805, *Management Representations*.”

- In the second sentence, the reference to “AU section 711.10” is replaced with “AS 4101.10.”

t. In the title of Appendix D:

- The reference to “SAS No. 8” is replaced with “AS 2710.”

- Footnote \* is deleted.

u. In the table in paragraph .117, the column heading “SAS No. 8” is replaced with “AS 2710.”

#### Quality Control Standards

QC sec. 20, “System of Quality Control for a CPA Firm’s Accounting and Auditing Practice”

QC section (“sec.”) 20, “System of Quality Control for a CPA Firm’s Accounting and Auditing Practice,” is amended as follows:

a. In the first sentence of paragraph .10, the reference to “AU section 220” is replaced with “AS 1005.”

b. In footnote 7 to paragraph .10, the reference to “AU section 220.02” is replaced with “AS 1005.02.”

c. In the last sentence of paragraph .18, the reference to “PCAOB Auditing Standard No. 7” is replaced with “AS 1220.”

#### Ethics and Independence Standards

ET sec. 101, “Independence”

ET sec. 101, “Independence,” is amended as follows:

a. The note in paragraph .05 is deleted.

ET sec. 102, “Integrity and Objectivity”

ET sec. 102, “Integrity and Objectivity,” is amended as follows:

a. In footnote 1 to paragraph .05, the reference to “paragraph 5.b. of Auditing Standard No. 10, *Supervision of the Audit Engagement*, and paragraph 12.d. of Auditing Standard No. 3, *Audit Documentation*” is replaced with “paragraph .05b of AS 1201, *Supervision of the Audit Engagement*, and paragraph .12d of AS 1215, *Audit Documentation*.”

## II. Board’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rules

In its filing with the Commission, the Board included statements concerning the purpose of, and basis for, the proposed rules and discussed comments it received on the proposed rules. The text of these statements may be examined at the places specified in Item IV below. The Board has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of these statements. In addition, the Board is requesting that the Commission approve the proposed rules, pursuant to Section 103(a)(3)(C) of the Sarbanes-Oxley Act, for application to audits of emerging growth companies (“EGCs”), as that term is defined in Section 3(a)(80) of the Securities Exchange Act of 1934 (“Exchange Act”). The Board’s request is set forth in section D.

### A. Board’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rules

#### (a) Purpose

##### Introduction

The Board is reorganizing its auditing standards using a topical structure and a single, integrated numbering system. To implement this reorganization, the Board is adopting amendments to its auditing standards and rules and is also rescinding certain auditing standards that are no longer necessary under the reorganization. These amendments do not impose new requirements on auditors or change the substance of the requirements for performing and reporting on audits under PCAOB standards. Specifically, the amendments to implement the reorganization include updates to the section numbers, cross references, and titles of certain standards. Other related amendments include, among others, removing standards that are no longer necessary, replacing references to generally accepted auditing standards, and updating certain PCAOB rules to reflect the reorganized auditing standards.

The new organizational structure is intended to improve the usability of the Board’s standards, including helping users navigate the standards more easily. To facilitate navigation, the standards are organized into a logical structure by topic areas that generally follow the flow of the audit process. For example, auditing standards that apply to procedures performed near the completion of the audit are arranged in the same area. The reorganization also uses a numbering convention that is

different from conventions used by other standard setters, which should help to avoid the potential for confusion between the standards of the Board and those of other standard setters.

#### Background and the Need for Improvement

In April 2003, the Board adopted, on an interim, transitional basis, the generally accepted auditing standards, originally issued by the Auditing Standards Board (“ASB”) of the American Institute of Certified Public Accountants (“AICPA”), that were in existence at the time.<sup>2</sup> When the Board adopted those auditing standards, it continued to use the topical organization and reference numbers (“AU sections”) in the ASB’s then-existing codification of its standards.<sup>3</sup> Auditing standards issued by the Board (“AS standards”) were not codified or otherwise organized by topic, but were numbered in sequential order based upon when they were issued. Thus far, the Board has issued 18 auditing standards (AS Nos. 1–18), which have superseded 12 interim auditing standards and amended the majority of the remaining interim auditing standards to varying degrees. As a result, the Board’s auditing standards are organized using two separate numbering systems: (i) The numbering system used by the ASB when the Board adopted the interim standards and (ii) the numbering system used by the Board for the standards it has issued.

The Board undertook a project to consider the reorganization of the Board’s auditing standards. In 2013, the Board proposed to reorganize its auditing standards using a single, integrated numbering system and a topical structure that generally follows the flow of the audit process (“original proposal”).<sup>4</sup> The proposed reorganization was intended to enhance the usability of the standards, help users navigate the standards more easily (for example, by helping users find the relevant standard for a particular area of the audit), help avoid potential confusion between the Board’s standards and the standards of the International Auditing and Assurance Standards Board (“IAASB”) or the ASB, and provide a structure for updating

<sup>2</sup> See *Establishment of Interim Professional Auditing Standards*, PCAOB Release No. 2003–006 (Apr. 18, 2003) (adopting Rule 3200T, *Interim Auditing Standards*).

<sup>3</sup> Since 2003, the ASB has modified the organizational structure of its standards as part of its Clarity Project.

<sup>4</sup> See *Proposed Framework for Reorganization of PCAOB Auditing Standards and Related Amendments to PCAOB Auditing Standards and Rules*, PCAOB Release 2013–002 (March 26, 2013).



PCAOB standards in the future. The original proposal also included amendments to rescind certain interim auditing standards that the Board believed were no longer necessary.

In May 2014, the Board issued a supplemental request for comment ("supplemental request") on the original proposal.<sup>5</sup> The supplemental request included proposed line-by-line amendments to PCAOB auditing standards and rules necessary to implement the proposed reorganization, along with certain changes to the reorganization as presented in the original proposal.<sup>6</sup> The supplemental request also reopened the comment period on the original proposal to seek further comment on matters discussed in the original proposal, as well as on the implementing amendments in the supplemental request.

#### *The Reorganization*

After considering the suggestions from commenters on the original proposal and supplemental request, the Board is adopting amendments to reorganize the standards substantially as proposed, with some refinements as described below.

Under the reorganization, the individual standards will be grouped into the following topical categories:

- *General Auditing Standards*—Standards on broad auditing principles, concepts, activities, and communications;
- *Audit Procedures*—Standards for planning and performing audit procedures and for obtaining audit evidence;
- *Auditor Reporting*—Standards for auditors' reports;
- *Matters Relating to Filings Under Federal Securities Laws*—Standards on certain auditor responsibilities relating to SEC filings for securities offerings and reviews of interim financial information; and
- *Other Matters Associated with Audits*—Standards for other work performed in conjunction with an audit of an issuer or of a broker or dealer.

Within each category are subcategories to further organize similar topics, such as standards related to

auditor communications in the "General Auditing Standards" category. This section includes an illustration of the reorganization, including the categories and subcategories for PCAOB auditing standards. The integrated referencing system uses an "AS" prefix to identify the auditing standards, which is consistent with common practice for describing standards issued by the Board (for example, "AS No. 7" for the standard on engagement quality review).

Each standard is assigned a unique section number, based on a four-digit numbering system.<sup>7</sup> Using a four-digit system facilitates the grouping of auditing standards into logical categories and subcategories by topic and avoids potential confusion with the standards of the IAASB or the ASB.<sup>8</sup>

The topical organization also provides a structure for future updates to PCAOB auditing standards. For example, future auditing standards will be issued as new or replacement sections and paragraphs within the new structure.

#### Changes to PCAOB Standards and Rules

Item I presents the amendments to PCAOB standards and rules to implement the reorganization of the PCAOB's auditing standards and other related amendments. These amendments are technical changes that include rescinding certain interim auditing standards that the Board believes are no longer necessary and eliminating certain inoperative language or references. The changes do not impose new requirements on auditors or change the substance of the requirements for performing and reporting on audits under PCAOB standards.

#### Changes to PCAOB Standards

The amendments primarily update section numbers, update cross-references among standards using a new numbering system, and change the titles of certain standards, as described below. For example, for AU sec. 324, *Service*

*Organizations*, the amendments replace "AU sec." with "AS" and "324" with "2601." The title of this standard is changed to "Consideration of an Entity's Use of a Service Organization." As described above, the paragraph numbers within the standard remain the same. For example, AU sec. 324.05 becomes AS 2601.05.

Other amendments rescind certain interim standards and remove or update certain terms and phrases in the standards, such as references to generally accepted auditing standards ("GAAS"). Those changes are discussed in the following paragraphs.

#### *Interim Auditing Standards To Be Rescinded*

As proposed, the Board is rescinding the following interim standards:<sup>9</sup>

- AU sec. 150, *Generally Accepted Auditing Standards*
- AU sec. 201, *Nature of the General Standards*
- AU sec. 410, *Adherence to Generally Accepted Accounting Principles*
- AU sec. 532, *Restricting the Use of an Auditor's Report*
- AU sec. 901, *Public Warehouses—Controls and Auditing Procedures for Goods Held*

#### *Interpretive Publications*

Among other things, AU sec. 150 described the auditor's responsibilities regarding interpretive publications, which consist of auditing interpretations of the interim auditing standards, appendices to the interim auditing standards, auditing guidance included in AICPA Audit and Accounting Guides, and AICPA auditing Statements of Position.<sup>10</sup>

The Board proposed to retain almost all<sup>11</sup> of the AICPA auditing interpretations and to present the auditing interpretations separately from the auditing standards on the Board's

<sup>9</sup> The original proposal also discussed why the Board proposed to rescind the standards and why AU sec. 534, *Reporting on Financial Statements Prepared for Use in Other Countries*, would not appear in the reorganized PCAOB auditing standards.

<sup>10</sup> See AU sec. 150.06. Pursuant to PCAOB Rule 3200T, the auditor's responsibilities regarding interpretive publications relate to the publications described in AU sec. 150.06 that were in existence as of April 16, 2003, to the extent not amended or superseded by the Board.

<sup>11</sup> As discussed in the original proposal, the Board proposed to not retain auditing interpretations related to standards that will not be in the reorganization, specifically, the interpretations of AU sec. 410 and AU sec. 534. Also, the Board proposed to remove interpretation 16 (paragraphs .76–.84) of AU sec. 9508, *Reports on Audited Financial Statements: Auditing Interpretations of Section 508*, which does not relate to audits of issuers, brokers, or dealers.

<sup>5</sup> See *Supplemental Request for Comment: Proposed Framework for Reorganization of PCAOB Auditing Standards and Related Amendments to PCAOB Auditing Standards and Rules*, PCAOB Release 2014-001 (May 7, 2014).

<sup>6</sup> At the same time, the Board released on its Web site an online demonstration version that presented the existing auditing standards as they would look if reorganized according to the proposed reorganization. The demonstration version of the reorganized auditing standards can be accessed at <http://pcaobus.org/Rules/Rulemaking/Pages/Docket040.aspx>.

<sup>7</sup> Each standard retains its current paragraph numbers, but the paragraph number format of the standards issued by the Board has been changed to match the format of the paragraph numbers of its other auditing standards. Each paragraph is numbered ".01," ".02," etc. For example, the reference for the first paragraph of the standard on audit planning will be "AS 2101.01."

<sup>8</sup> After the Board adopted the standards issued by the ASB, the ASB undertook a project to clarify its auditing standards that resulted in, among other things, a renumbering and reorganization of their standards. Consequently, the PCAOB's interim auditing standard AU section ("sec.") 230, *Due Professional Care in the Performance of Work*, for example, described the auditor's responsibility for applying due professional care in planning and performing audits, whereas the ASB standard with the same number now relates to audit documentation.

Web site in a manner similar to PCAOB guidance. As discussed in the supplemental request, the proposed amendments numbered the interpretations consecutively using a two-digit section number that followed an "AI" prefix and used title language in the form of "Auditing Interpretations of AS xxxx." The auditing interpretations will be presented on the guidance page of the Board's Web site, consistent with their presentation in the online demonstration version that accompanied the supplemental request. Because the Board proposed to retain the auditing interpretations, the Board similarly proposed to retain the existing requirement that auditors be aware of and consider the auditing interpretations.<sup>12</sup>

The Board is adopting the organizational structure and numbering of the auditing interpretations as proposed. The Board also proposed to retain almost all of the appendices<sup>13</sup> to the interim auditing standards and to continue presenting those appendices together with their related auditing standards in the same manner that the appendices to Board-issued standards are presented.<sup>14</sup> In addition, the Board proposed to retain the American Bar Association's *Statement of Policy Regarding Lawyers' Responses to Auditors' Requests for Information*, currently included as Exhibit II of AU sec. 337, *Inquiry of a Client's Lawyer Concerning Litigation, Claims, and Assessments*.<sup>15</sup> The Board received no specific comments on these matters. The Board is retaining the interim standards' appendices and Exhibit II of AU sec. 337 in the reorganized standards as proposed.

The Board also proposed and is adopting amendments to remove

<sup>12</sup> The Board proposed to add this requirement to AS 1001, *Responsibilities and Functions of the Independent Auditor*.

<sup>13</sup> The Board proposed to delete the appendices that contain paragraphs .86 and .87 of AU sec. 316, *Consideration of Fraud in a Financial Statement Audit*, which provide amendments to AU sec. 230, *Due Professional Care in the Performance of Work*, and AU sec. 333, *Management Representations*, respectively, because these amendments already are reflected in the standards themselves.

<sup>14</sup> Appendices to Board-issued standards are an integral part of those standards. See *Auditing Standards Related to the Auditor's Assessment of and Response to Risk and Related Amendments to PCAOB Standards*, PCAOB Release No. 2010-004, at A10-3 (August 5, 2010).

<sup>15</sup> The Board also proposed to delete the exhibit that includes AU sec. 316.88 as it provides guidance to management regarding antifraud programs and controls. In addition, the Board proposed to delete Exhibit I of AU sec. 337 because it merely presents excerpts of Financial Accounting Standard Board ("FASB") Statement No. 5, *Accounting for Contingencies*, which are set forth in the FASB's Accounting Standards Codification.

references to AICPA Audit and Accounting Guides and AICPA auditing Statements of Position because the guides referenced in PCAOB standards are outdated.<sup>16</sup>

#### *Other Changes to PCAOB Standards*

In the supplemental request, the Board proposed amendments to replace references to GAAS throughout the auditing standards with references to the standards of the PCAOB or PCAOB auditing standards and, accordingly, to supersede Auditing Standard No. 1, *References in Auditors' Reports to the Standards of the Public Company Accounting Oversight Board*. Commenters generally supported these changes.

Auditing Standard No. 1 provides that whenever the auditor is required by existing standards to reference GAAS in a report, the auditor must instead refer to "the standards of the Public Company Accounting Oversight Board (United States)." Auditing Standard No. 1 also includes a requirement for the report to include the city and state (or city and country) of the auditor. Because Auditing Standard No. 1 also applies to reports issued in accordance with the PCAOB's attestation standards, the Board proposed similar amendments to update GAAS references and to include the city and state (or city and country) in the interim attestation standards. The Board is adopting the amendments and superseding Auditing Standard No. 1 as proposed.

The Board also proposed to eliminate certain inoperative language in auditing standards and interpretations and to eliminate inoperative references to AICPA standards or rules. For example, the Board proposed to remove references to provisions of the AICPA Code of Professional Conduct or ethics rules that were not adopted as interim standards of the PCAOB and to replace references to AICPA standards with references to PCAOB standards, where appropriate.<sup>17</sup> As part of this effort the Board also proposed to remove

<sup>16</sup> AICPA Audit and Accounting Guides and auditing Statements of Position referenced in PCAOB standards are the editions of those publications as in existence on April 16, 2003.

<sup>17</sup> For example, the Board proposed to delete from AS 1005, *Independence*, and AS 2605, *Consideration of the Internal Audit Function*, references to AICPA independence requirements that were never adopted by the Board. Similar types of changes were made to AS 2705, *Required Supplementary Information*, AS 6101, *Letters for Underwriters and Certain Other Requesting Parties*, AS 6105, *Reports on the Application of Accounting Principles*, AI 24, *Special Reports: Auditing Interpretations of AS 3305*, and AI 25, *Association with Financial Statements: Auditing Interpretations of AS 3320*.

references to superseded standards.<sup>18</sup> The Board is adopting the amendments as proposed except for the proposed amendments to interpretation 4 of AT sec. 9101, *Attest Engagements: Attest Engagements Interpretations of Section 101*, which addresses letters to regulators when they request access to or copies of attestation documentation. This interpretation includes illustrative letters preceded by introductory paragraphs that discuss the use of such letters. The introductory paragraphs include a reference to a superseded auditing standard and auditing interpretation. The proposed amendments would have removed the introductory paragraphs, leaving only the illustrative letters to this interpretation. Commenters stated that the introductory paragraphs are necessary to provide context to the illustrative letters. The Board has revised the amendments to include a paragraph that introduces the illustrative letters while eliminating the superseded references.

#### *Changes to PCAOB Rules*

In conjunction with the reorganization of PCAOB auditing standards, the Board proposed to amend PCAOB Rule 3200T, which requires auditors to comply with the Board's interim auditing standards, to remove (i) the reference to AU sec. 150, which, as discussed above, would not be included in the reorganized standards, and (ii) terms such as "interim auditing standards" and "generally accepted auditing standards." Those terms are not relevant under the proposed reorganization and could be confusing to some users of the standards. In addition, the Board would make the rule a permanent rule rather than a temporary rule and, therefore, would remove the word "Interim" from the title of the rule.<sup>19</sup> The amended rule, as proposed, would require compliance with all PCAOB auditing standards.

<sup>18</sup> For example, the Board proposed to remove references to superseded standards in AS 3305, *Special Reports*, AS 4105, *Reviews of Interim Financial Information*, AI 10, *Part of the Audit Performed by Other Independent Auditors: Auditing Interpretations of AS 1205*, AI 23, *Reports on Audited Financial Statements: Auditing Interpretations of AS 3101*, AI 24, *Special Reports: Auditing Interpretations of AS 3305*, AT Section 701, *Management's Discussion and Analysis*, AT Section 9101, *Attest Engagements: Attest Engagements Interpretations of Section 101*, and ET Section 101, *Independence*.

<sup>19</sup> The Board also proposed a conforming amendment to Rule 3101, *Certain Terms Used in Auditing and Related Professional Practice Standards*, as described in Item I. The Board received no comments on that amendment and is adopting it as proposed. The amendment does not change the meaning or scope of that rule.

The Board received no comments on the proposed amendments to Rule 3200T and is adopting them as proposed. These changes do not modify the auditor's existing responsibilities for complying with PCAOB auditing standards. Instead, the changes update Rule 3200T so that it describes, in one rule, the auditor's responsibilities for complying with all of the auditing standards included in the reorganization—those that the Board adopted as interim standards in 2003 and those that the Board has adopted since.

**Additional Amendments for Auditing Standard No. 18**

The Board has adopted certain additional amendments beyond those included in the original proposal or supplemental request. Specifically, on June 10, 2014, after the supplemental request, the Board adopted Auditing Standard No. 18, *Related Parties*, amendments to certain PCAOB auditing standards regarding significant unusual transactions, and certain other amendments to PCAOB auditing standards.<sup>20</sup> The Board is adopting additional amendments to incorporate Auditing Standard No. 18 and the other amendments into the reorganized auditing standards.<sup>21</sup> Notably, these amendments, like the other adopted amendments, are technical in nature and do not substantively affect the requirements in PCAOB standards or rules.

**ILLUSTRATION OF THE REORGANIZED PCAOB AUDITING STANDARDS**

**General Auditing Standards**

1000	<i>General Principles and Responsibilities</i>
1001	Responsibilities and Functions of the Independent Auditor
1005	Independence
1010	Training and Proficiency of the Independent Auditor
1015	Due Professional Care in the Performance of Work
1100	<i>General Concepts</i>
1101	Audit Risk
1105	Audit Evidence

<sup>20</sup> See *Auditing Standard No. 18—Related Parties, Amendments to Certain PCAOB Auditing Standards Regarding Significant Unusual Transactions, and Other Amendments to PCAOB Auditing Standards*, PCAOB Release No. 2014-002 (June 10, 2014).

<sup>21</sup> Separately, the Board also is making a technical amendment to AS 2610.09 (formerly AU sec. 315.09) to consolidate the bullet points in the paragraph, and AS 2705.09 (formerly AU sec 558.09) to update an outdated reference. Item I includes these amendments.

**ILLUSTRATION OF THE REORGANIZED PCAOB AUDITING STANDARDS—Continued**

1110	Relationship of Auditing Standards to Quality Control Standards <sup>22</sup>
1200	<i>General Activities</i>
1201	Supervision of the Audit Engagement
1205	Part of the Audit Performed by Other Independent Auditors
1210	Using the Work of a Specialist
1215	Audit Documentation
1220	Engagement Quality Review
1300	<i>Auditor Communications</i>
1301	Communications with Audit Committees
1305	Communications About Control Deficiencies in an Audit of Financial Statements

**Audit Procedures**

2100	<i>Audit Planning and Risk Assessment</i>
2101	Audit Planning
2105	Consideration of Materiality in Planning and Performing an Audit
2110	Identifying and Assessing Risks of Material Misstatement
2200	<i>Auditing Internal Control Over Financial Reporting</i>
2201	An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements
2300	<i>Audit Procedures in Response to Risks—Nature, Timing, and Extent</i>
2301	The Auditor's Responses to the Risks of Material Misstatement
2305	Substantive Analytical Procedures
2310	The Confirmation Process
2315	Audit Sampling
2400	<i>Audit Procedures for Specific Aspects of the Audit</i>
2401	Consideration of Fraud in a Financial Statement Audit
2405	Illegal Acts by Clients
2410	Related Parties
2415	Consideration of an Entity's Ability to Continue as a Going Concern <sup>23</sup>
2500	<i>Audit Procedures for Certain Accounts or Disclosures</i>
2501	Auditing Accounting Estimates
2502	Auditing Fair Value Measurements and Disclosures
2503	Auditing Derivative Instruments, Hedging Activities, and Investments in Securities
2505	Inquiry of a Client's Lawyer Concerning Litigation, Claims, and Assessments
2510	Auditing Inventories <sup>24</sup>
2600	<i>Special Topics</i>
2601	Consideration of an Entity's Use of a Service Organization <sup>25</sup>
2605	Consideration of the Internal Audit Function <sup>26</sup>
2610	Initial Audits—Communications Between Predecessor and Successor Auditors <sup>27</sup>

**ILLUSTRATION OF THE REORGANIZED PCAOB AUDITING STANDARDS—Continued**

2700	<i>Auditor's Responsibilities Regarding Supplemental and Other Information</i>
2701	Auditing Supplemental Information Accompanying Audited Financial Statements
2705	Required Supplementary Information
2710	Other Information in Documents Containing Audited Financial Statements <sup>28</sup>
2800	<i>Concluding Audit Procedures</i>
2801	Subsequent Events
2805	Management Representations
2810	Evaluating Audit Results
2815	The Meaning of "Present Fairly in Conformity with Generally Accepted Accounting Principles"
2820	Evaluating Consistency of Financial Statements
2900	<i>Post-Audit Matters</i>
2901	Consideration of Omitted Procedures After the Report Date
2905	Subsequent Discovery of Facts Existing at the Date of the Auditor's Report

**Auditor Reporting**

3100	<i>Reporting on Audits of Financial Statements</i>
3101	Reports on Audited Financial Statements <sup>29</sup>
3110	Dating of the Independent Auditor's Report
3200	<i>Reserved</i>
3300	<i>Other Reporting Topics</i>
3305	Special Reports
3310	Special Reports on Regulated Companies <sup>30</sup>
3315	Reporting on Condensed Financial Statements and Selected Financial Data
3320	Association with Financial Statements

**Matters Relating to Filings Under Federal Securities Laws**

4101	Responsibilities Regarding Filings Under Federal Securities Statutes <sup>31</sup>
4105	Reviews of Interim Financial Information <sup>32</sup>
5000	<i>Reserved</i>

**Other Matters Associated with Audits**

6101	Letters for Underwriters and Certain Other Requesting Parties
6105	Reports on the Application of Accounting Principles
6110	Compliance Auditing Considerations in Audits of Recipients of Governmental Financial Assistance <sup>33</sup>
6115	Reporting on Whether a Previously Reported Material Weakness Continues to Exist

Comparison of Existing PCAOB Auditing Standards to Reorganization of PCAOB Auditing Standards

The following presents the existing PCAOB auditing standards (“AS No.” or “AU sec.”) along with their respective AS reference under the adopted reorganization of PCAOB auditing standards.

Standards that note “Rescind” in the AS Reference column are existing standards that the Board is rescinding in conjunction with the reorganization.

PCAOB reference (AU section or AS No.)	Current title	AS reference
AS No. 1	References in Auditors’ Reports to the Standards of the Public Company Accounting Oversight Board.	Supersede. <sup>34</sup>
AS No. 3	Audit Documentation	1215.
AS No. 4	Reporting on Whether a Previously Reported Material Weakness Continues to Exist	6115.
AS No. 5	An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements.	2201.
AS No. 6	Evaluating Consistency of Financial Statements	2820.
AS No. 7	Engagement Quality Review	1220.
AS No. 8	Audit Risk	1101.
AS No. 9	Audit Planning	2101.
AS No. 10	Supervision of the Audit Engagement	1201.
AS No. 11	Consideration of Materiality in Planning and Performing an Audit	2105.
AS No. 12	Identifying and Assessing Risks of Material Misstatement	2110.
AS No. 13	The Auditor’s Responses to the Risks of Material Misstatement	2301.
AS No. 14	Evaluating Audit Results	2810.
AS No. 15	Audit Evidence	1105.
AS No. 16	Communications with Audit Committees	1301.
AS No. 17	Auditing Supplemental Information Accompanying Audited Financial Statements	2701.
AS No. 18	Related Parties	2410.
AU sec. 110	Responsibilities and Functions of the Independent Auditor	1001.
AU sec. 150	Generally Accepted Auditing Standards	Rescind.
AU sec. 161	The Relationship of Generally Accepted Auditing Standards to Quality Control Standards	1110.
AU sec. 201	Nature of the General Standards	Rescind.
AU sec. 210	Training and Proficiency of the Independent Auditor	1010.
AU sec. 220	Independence	1005.
AU sec. 230	Due Professional Care in the Performance of Work	1015.
AU sec. 315	Communications Between Predecessor and Successor Auditors	2610.
AU sec. 316	Consideration of Fraud in a Financial Statement Audit	2401.
AU sec. 317	Illegal Acts by Clients	2405.
AU sec. 322	The Auditor’s Consideration of the Internal Audit Function in an Audit of Financial Statements.	2605.
AU sec. 324	Service Organizations	2601.
AU sec. 325	Communications About Control Deficiencies in an Audit of Financial Statements	1305.
AU sec. 328	Auditing Fair Value Measurements and Disclosures	2502.
AU sec. 329	Substantive Analytical Procedures	2305.
AU sec. 330	The Confirmation Process	2310.
AU sec. 331	Inventories	2510.
AU sec. 332	Auditing Derivative Instruments, Hedging Activities, and Investments in Securities	2503.
AU sec. 333	Management Representations	2805.
AU sec. 336	Using the Work of a Specialist	1210.
AU sec. 337	Inquiry of a Client’s Lawyer Concerning Litigation, Claims, and Assessments	2505.

<sup>22</sup> AU sec. 161 is entitled, *The Relationship of Generally Accepted Auditing Standards to Quality Control Standards*. The Board is amending the title of this standard to make it more consistent in style with other standards without changing its substance.

<sup>23</sup> AU sec. 341 is entitled, *The Auditor’s Consideration of an Entity’s Ability to Continue as a Going Concern*. The Board is amending the title of this standard to make it more consistent in style with other standards without changing its substance.

<sup>24</sup> AU sec. 331 is entitled, *Inventories*. The Board is amending the title of this standard to make it more consistent in style with other standards without changing its substance.

<sup>25</sup> AU sec. 324 is entitled, *Service Organizations*. The Board is amending the title of this standard to make it more consistent in style with other standards without changing its substance.

<sup>26</sup> AU sec. 322 is entitled, *The Auditor’s Consideration of the Internal Audit Function in an Audit of Financial Statements*. The Board is amending the title of this standard to make it more consistent in style with other standards without changing its substance.

<sup>27</sup> AU sec. 315 is entitled, *Communications Between Predecessor and Successor Auditors*. The Board is amending the title of this standard to clarify the subject of the standard without changing its substance. Additionally, this standard addresses audits of financial statements that have been audited previously.

<sup>28</sup> The Board has proposed a new auditing standard, *The Auditor’s Responsibilities Regarding Other Information in Certain Documents Containing Audited Financial Statements and the Related Auditor’s Report*. See PCAOB Release No. 2013–005 (August 13, 2013). If adopted by the Board and approved by the SEC, that proposed standard would become AS 2710.

<sup>29</sup> The Board has proposed a new auditing standard, *The Auditor’s Report on an Audit of Financial Statements When the Auditor Expresses an Unqualified Opinion. See Proposed Auditing Standards—The Auditor’s Report on an Audit of Financial Statements When the Auditor Expresses an Unqualified Opinion; The Auditor’s Responsibilities Regarding Other Information in Certain Documents Containing Audited Financial Statements and the Related Auditor’s Report; and Related Amendments to PCAOB Standards*, PCAOB

Release No. 2013–005 (August 13, 2013). If adopted by the Board and approved by the SEC, that proposed standard would substantially amend AS 3101.

<sup>30</sup> AU sec. 544 is entitled, *Lack of Conformity With Generally Accepted Accounting Principles*. The Board is amending the title of this standard to clarify the subject of the standard without changing its substance.

<sup>31</sup> AU sec. 711 is entitled, *Filings Under Federal Securities Statutes*. The Board is amending the title of this standard to clarify the subject of the standard without changing its substance.

<sup>32</sup> AU sec. 722 is entitled, *Interim Financial Information*. The Board is amending the title of this standard to clarify the subject of the standard without changing its substance.

<sup>33</sup> AU sec. 801 is entitled, *Compliance Auditing Considerations in Audits of Governmental Entities and Recipients of Governmental Financial Assistance*. The Board is amending the title of this standard to clarify the subject of the standard without changing its substance.

<sup>34</sup> Auditing Standard No. 1 is superseded as a result of the amendments made to other standards.

PCAOB reference (AU section or AS No.)	Current title	AS reference
AU sec. 341	The Auditor's Consideration of an Entity's Ability to Continue as a Going Concern	2415.
AU sec. 342	Auditing Accounting Estimates	2501.
AU sec. 350	Audit Sampling	2315.
AU sec. 390	Consideration of Omitted Procedures After the Report Date	2901.
AU sec. 410	Adherence to Generally Accepted Accounting Principles	Rescind.
AU sec. 411	The Meaning of Present Fairly in Conformity With Generally Accepted Accounting Principles	2815.
AU sec. 504	Association With Financial Statements	3320.
AU sec. 508	Reports on Audited Financial Statements	3101.
AU sec. 530	Dating of the Independent Auditor's Report	3110.
AU sec. 532	Restricting the Use of an Auditor's Report	Rescind.
AU sec. 534	Reporting on Financial Statements Prepared for Use in Other Countries	Not Included.
AU sec. 543	Part of Audit Performed by Other Independent Auditors	1205.
AU sec. 544	Lack of Conformity With Generally Accepted Accounting Principles	3310.
AU sec. 550	Other Information in Documents Containing Audited Financial Statements	2710.
AU sec. 552	Reporting on Condensed Financial Statements and Selected Financial Data	3315.
AU sec. 558	Required Supplementary Information	2705.
AU sec. 560	Subsequent Events	2801.
AU sec. 561	Subsequent Discovery of Facts Existing at the Date of the Auditor's Report	2905.
AU sec. 623	Special Reports	3305.
AU sec. 625	Reports on the Application of Accounting Principles	6105.
AU sec. 634	Letters for Underwriters and Certain Other Requesting Parties	6101.
AU sec. 711	Filings Under Federal Securities Statutes	4101.
AU sec. 722	Interim Financial Information	4105.
AU sec. 801	Compliance Auditing Considerations in Audits of Governmental Entities and Recipients of Governmental Financial Assistance.	6110.
AU sec. 901	Public Warehouses—Controls and Auditing Procedures for Goods Held	Rescind.

### Comparison of the Reorganization of PCAOB Auditing Standards to Existing PCAOB Auditing Standards and the Standards of the International Auditing and Assurance Standards Board and Auditing Standards Board

The following presents the adopted reorganization of PCAOB auditing standards ("AS") along with their references in existing PCAOB auditing standards and the analogous standards of the International Auditing and Assurance Standards Board ("IAASB") and the Auditing Standards Board of the American Institute of Certified Public Accountants ("ASB").

<sup>35</sup> The responsibilities, functions, training, and proficiency of the independent auditor; independence requirements; exercising due professional care; and audit risk are included in multiple PCAOB standards (AS 1001, 1005, 1010, 1015, and 1101, respectively) but are included in one IAASB standard (ISA 200) and one ASB standard (AU-C 200).

<sup>36</sup> The relationship of auditing standards to quality control standards, supervision of the audit engagement, and engagement quality review are covered in separate PCAOB standards (AS 1110, 1201, and 1220, respectively) but are included in one IAASB standard (ISA 220) and one ASB standard (AU-C 220).

<sup>37</sup> Under PCAOB standards, agreeing to the terms of an audit and communications with audit committees are covered in one standard, whereas those subjects are covered by separate standards under IAASB standards (ISA 210 and 260, respectively) and ASB standards (AU-C 210 and 260, respectively).

<sup>38</sup> The PCAOB has a standard for auditing internal control over financial reporting when auditing financial statements. The IAASB does not have a standard on auditing internal control over financial reporting, and the ASB addresses that subject in its attestation standards (AT 501).

<sup>39</sup> Under PCAOB standards, substantive analytical procedures are covered in a separate standard (AS 2305) and analytical procedures performed in the overall review are included in the standard on evaluating audit results (AS 2810), whereas those subjects are both included in one IAASB standard (ISA 520) and one ASB standard (AU-C 520).

<sup>40</sup> The PCAOB has separate standards for auditing accounting estimates (AS 2501) and auditing fair value measurements and disclosures (AS 2502), whereas the IAASB and ASB standards each have one standard on auditing accounting estimates including fair value estimates and disclosures (ISA 540 and AU-C 540, respectively).

<sup>41</sup> The PCAOB has a separate standard for auditing derivative instruments, hedging activities, and investments in securities (AS 2503). In ASB standards, that subject is included in the standard on specific considerations regarding audit evidence (AU-C 501). The IAASB has a practice note on auditing financial instruments but does not have a standard on the subject.

<sup>42</sup> The PCAOB has a separate standard on inquiry of a client's lawyers (AS 2505). In IAASB and ASB standards, inquiry of a client's lawyers is included in the standard on specific considerations regarding audit evidence (ISA 501 and AU-C 501, respectively).

<sup>43</sup> The PCAOB has a separate standard on auditing inventories (AS 2510). In IAASB and ASB standards, auditing inventories is included in the standard on specific considerations regarding audit evidence (ISA 501 and AU-C 501, respectively).

<sup>44</sup> In PCAOB standards, the subjects of subsequent events and subsequent discovery of facts existing at the report date are covered by separate standards (AS 2801 and 2905, respectively). In IAASB and ASB standards, those subjects are included in the standard on subsequent events (ISA 560 and AU-C 560, respectively).

<sup>45</sup> In PCAOB standards, the subject of evaluating audit results is covered in one standard (AS 2810). In IAASB and ASB standards, various topics related to evaluating audit results are covered in multiple standards, particularly, the standards related to the auditor's responsibilities regarding fraud, the auditor's responses to assessed risks, evaluation of misstatements, audit evidence, and analytical

procedures (ISA 240, 330, 450, 500, and 520 and AU-C 240, 330, 450, 500, and 520, respectively).

<sup>46</sup> The PCAOB has separate standards on the subjects of present fairly in conformity with generally accepted accounting principles (AS 2815) and reporting on audited financial statements, including emphasis paragraphs, departures from the standard opinion, and reporting on comparative statements (AS 3101). In IAASB and ASB standards, the subject of presenting fairly is included in the standard on forming an opinion and reporting on audited financial statements (ISA 700 and AU-C 700, respectively), but there are separate standards for emphasis paragraphs and departures from the standard opinion (ISA 705 and 706, respectively, and AU-C 705 and 706, respectively). In IAASB standards, reporting on comparative financial statements also is covered in a separate standard (ISA 710), whereas that subject is included in the ASB standard on forming an opinion and reporting on audited financial statements (AU-C 700).

<sup>47</sup> Under PCAOB standards, the subject of dating the independent auditor's report is covered in a single standard (AS 3110). Under IAASB and ASB standards, the standard requirement for dating the auditor's report is covered in the reporting standard (ISA 700 and AU-C 700, respectively), and the subject of dating the auditor's report when there is a subsequent discovery of facts is covered in the subsequent events standard (ISA 560 and AU-C 560, respectively).

<sup>48</sup> Under PCAOB standards, financial statements prepared in accordance with special purpose frameworks and reporting on specified elements, accounts or items of a financial statement are covered in one standard (AS 3305). Under IAASB and ASB standards, those subjects are covered by separate standards (ISA 800 and 805, respectively) and ASB standards (AU-C 800 and 805, respectively). Reporting on compliance with contractual agreements or regulatory requirements in connection with audited financial statements also is covered by the PCAOB standard, whereas that subject is not covered by the IAASB standards and is covered by a separate ASB standard (AU-C 806).

<sup>49</sup> Under PCAOB standards, the subject of reporting on financial statements prepared in

Continued

AS reference	Title	PCAOB reference (AU section or AS No.)	Analogous IAASB standard (ISA)	Analogous ASB standard (AU-C)
1001	Responsibilities and Functions of the Independent Auditor.	AU sec. 110	200 <sup>35</sup>	200.
1005	Independence	AU sec. 220	200	200.
1010	Training and Proficiency of the Independent Auditor.	AU sec. 210	200	200.
1015	Due Professional Care in the Performance of Work.	AU sec. 230	200	200.
1101	Audit Risk	AS No. 8	200	200.
1105	Audit Evidence	AS No. 15	500	500.
1110	Relationship of Auditing Standards to Quality Control Standards.	AU sec. 161	220 <sup>36</sup>	220.
1201	Supervision of the Audit Engagement	AS No. 10	220	220.
1205	Part of the Audit Performed by Other Independent Auditors.	AU sec. 543	600	600.
1210	Using the Work of a Specialist	AU sec. 336	500, 620	500, 620.
1215	Audit Documentation	AS No. 3	230	230.
1220	Engagement Quality Review	AS No. 7	220	220.
1301	Communications with Audit Committees	AS No. 16	210, 260 <sup>37</sup>	210, 260.
1305	Communications About Control Deficiencies in an Audit of Financial Statements.	AU sec. 325	265	265.
2101	Audit Planning	AS No. 9	300	300.
2105	Consideration of Materiality in Planning and Performing an Audit.	AS No. 11	320	320.
2110	Identifying and Assessing Risks of Material Misstatement.	AS No. 12	315	315.
2201	An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements.	AS No. 5	N/A <sup>38</sup>	AT 501.
2301	The Auditor's Responses to the Risks of Material Misstatement.	AS No. 13	330	330.
2305	Substantive Analytical Procedures	AU sec. 329	520 <sup>39</sup>	520.
2310	The Confirmation Process	AU sec. 330	505	505.
2315	Audit Sampling	AU sec. 350	530	530.
2401	Consideration of Fraud in a Financial Statement Audit.	AU sec. 316	240	240.
2405	Illegal Acts by Clients	AU sec. 317	250	250.
2410	Related Parties	AS No. 18	550	550.
2415	Consideration of an Entity's Ability to Continue as a Going Concern.	AU sec. 341	570	570.
2501	Auditing Accounting Estimates	AU sec. 342	540 <sup>40</sup>	540.
2502	Auditing Fair Value Measurements and Disclosures.	AU sec. 328	540	540.
2503	Auditing Derivative Instruments, Hedging Activities, and Investments in Securities.	AU sec. 332	N/A <sup>41</sup>	501.
2505	Inquiry of a Client's Lawyer Concerning Litigation, Claims, and Assessments.	AU sec. 337	501 <sup>42</sup>	501.
2510	Auditing Inventories	AU sec. 331	501 <sup>43</sup>	501.
2601	Consideration of an Entity's Use of a Service Organization.	AU sec. 324	402	402.
2605	Consideration of the Internal Audit Function	AU sec. 322	610	610.
2610	Initial Audits—Communications Between Predecessor and Successor Auditors.	AU sec. 315	510	510.
2701	Auditing Supplemental Information Accompanying Audited Financial Statements.	AS No. 17	N/A	725.
2705	Required Supplementary Information	AU sec. 558	N/A	730.
2710	Other Information in Documents Containing Audited Financial Statements.	AU sec. 550	720	720.
2801	Subsequent Events	AU sec. 560	560 <sup>44</sup>	560.
2805	Management Representations	AU sec. 333	580	580.

accordance with a regulatory basis of accounting is covered in a separate standard (AS 3310). That subject is covered in the IAASB standard on agreeing to the terms of audit engagements (ISA 210) and in the ASB standard on financial statements prepared in accordance with special purpose frameworks (AU-C 800).

<sup>50</sup>In PCAOB standards, the subject of conducting a review of interim financial information is covered in AS 4105. Under IAASB standards, that subject is covered in their review standards (International Standard on Review Engagements 2410). Reviewing interim financial information is covered by the ASB standards in AU-C 930.

AS reference	Title	PCAOB reference (AU section or AS No.)	Analogous IAASB standard (ISA)	Analogous ASB standard (AU-C)
2810	Evaluating Audit Results	AS No. 14	240, 330, 450, 500, 520 <sup>45</sup>	240, 330, 450, 500, 520.
2815	The Meaning of "Present Fairly in Conformity with Generally Accepted Accounting Principles"	AU sec. 411	700 <sup>46</sup>	700.
2820	Evaluating Consistency of Financial Statements	AS No. 6	N/A	708.
2901	Consideration of Omitted Procedures After the Report Date.	AU sec. 390	N/A	585.
2905	Subsequent Discovery of Facts Existing at the Date of the Auditor's Report.	AU sec. 561	560	560.
3101	Reports on Audited Financial Statements	AU sec. 508	700, 705, 706, 710	700, 705, 706.
3110	Dating of the Independent Auditor's Report	AU sec. 530	560, 700 <sup>47</sup>	560, 700.
3305	Special Reports	AU sec. 623	800, 805 <sup>48</sup>	800, 805, 806.
3310	Special Reports on Regulated Companies	AU sec. 544	210 <sup>49</sup>	800.
3315	Reporting on Condensed Financial Statements and Selected Financial Data.	AU sec. 552	810	810.
3320	Association with Financial Statements	AU sec. 504	N/A	Withdrawn by ASB.
4101	Responsibilities Regarding Filings Under Federal Securities Statutes.	AU sec. 711	N/A	925.
4105	Reviews of Interim Financial Information	AU sec. 722	ISRE 2410 <sup>50</sup>	930.
6101	Letters for Underwriters and Certain Other Requesting Parties.	AU sec. 634	N/A	920.
6105	Reports on the Application of Accounting Principles.	AU sec. 625	N/A	915.
6110	Compliance Auditing Considerations in Audits of Recipients of Governmental Financial Assistance.	AU sec. 801	N/A	935.
6115	Reporting on Whether a Previously Reported Material Weakness Continues to Exist.	AS No. 4	N/A	N/A.

#### (b) Statutory Basis

The statutory basis for the proposed rules is Title I of the Act.

#### B. Board's Statement on Burden on Competition

Not applicable. The Board's consideration of the economic impacts of the proposed rules is discussed in section D.

#### C. Board's Statement on Comments on the Proposed Rules Received From Members, Participants or Others

The Board initially released the proposed rules for public comment on March 26, 2013, in PCAOB Release No. 2013-002. The original proposal was discussed with members of the academic community at the PCAOB's Academic Conference on April 26, 2013 and with the PCAOB's Standing Advisory Group ("SAG") on May 15, 2013. The Board received 19 comment letters on the original proposal.

On May 7, 2014, the Board released a supplemental request for comment on the proposed reorganization in PCAOB Release No. 2014-001. In conjunction with issuing the supplemental request, the Board also released on its website a demonstration version of the reorganized auditing standards to facilitate review and comment on the proposed amendments. The online demonstration version presented the existing auditing standards as they

would look if reorganized according to the proposed amendments included in the supplemental request. The Board received 7 comment letters on the supplemental request.

The Board has carefully considered all comments received. The Board's response to the comments it received and the changes made to the rules in response to the comments received are discussed below.

#### Comments on the Proposed Approach for Reorganizing PCAOB Auditing Standards

Commenters generally supported the proposed reorganization of PCAOB auditing standards. Commenters that supported the Board's use of a distinguishable organizational structure generally supported the category and subcategory approach to reorganizing the auditing standards and the use of a four-digit numbering system.

The Board has made certain refinements to the reorganization that are consistent with comments received. Those changes include: Moving the subcategory "Auditing Internal Control Over Financial Reporting" and its related standard to follow the subcategory "Audit Planning and Risk Assessment";<sup>51</sup> moving Auditing

<sup>51</sup> The illustration of the reorganized auditing standards presented above reflects the movement of the subcategory "Auditing Internal Control Over Financial Reporting" and its related standard after

Standard No. 4, *Reporting on Whether a Previously Reported Material Weakness Continues to Exist*, to the "Other Matters Associated with Audits" category;<sup>52</sup> changing the title of existing standard AU sec. 331, *Inventories*, to "Auditing Inventories";<sup>53</sup> and expanding the numbering interval between standards to allow more flexibility for future standard setting.<sup>54</sup>

the subcategory "Audit Planning and Risk Assessment."

<sup>52</sup> The illustration of the reorganized auditing standards presented above reflects the amendments to move this standard to the category "Other Matters Associated with Audits."

<sup>53</sup> In addition to this name change, the illustration of the reorganized auditing standards presented above reflects the amendments to change the auditing standard titles to make them more consistent in style with other standards or to clarify the subject of the standard. These changes include: (i) Renaming subcategory 2700 as "Auditor's Responsibilities Regarding Supplemental and Other Information" (from "Auditor's Responsibilities Regarding Supplemental and Other Information") to be consistent with the title of AS 2701, *Auditing Supplemental Information Accompanying Audited Financial Statements*, and (ii) changing the reference number of AS 3105, *Dating of the Independent Auditor's Report*, to AS 3110 to make room if the proposed auditing standard, *The Auditor's Report on an Audit of Financial Statements When the Auditor Expresses an Unqualified Opinion*, is adopted by the Board.

<sup>54</sup> The supplemental request included a refinement to generally expand the numbering interval within the subcategories from a four-digit number structure using consecutive numbering to using increments of five. This change allows for more flexibility for future standards. However, the

Continued

Some commenters suggested other changes to certain categories and subcategories. For example, some commenters suggested renaming subcategory 2200 “Audit Procedures in Response to Risks—Nature, Timing, and Extent” as “Audit Evidence” and eliminating subcategories 2300 (“Audit Procedures for Specific Aspects of the Audit”) and 2400 (“Audit Procedures for Certain Accounts or Disclosures”). Those commenters also suggested moving the auditing standards under those subcategories into the retitled subcategory because such standards relate to obtaining audit evidence. However, those commenters did not suggest moving other standards that also involve obtaining audit evidence, such as the standard on identifying and assessing risks. Revising the titles of certain categories and subcategories to be more general, thereby encompassing more standards, would make the reorganized standards more difficult to navigate and would not follow the audit process as closely as the proposed reorganization. Therefore these changes were not made.

The Board also received comments that suggested moving individual standards to different categories. Some commenters suggested moving AU sec. 336, *Using the Work of a Specialist*, and AU sec. 543, *Part of Audit Performed by Other Independent Auditors*, from the “General Auditing Standards” category to the “Audit Procedures” category as these standards include specific auditing procedures. Another commenter suggested keeping these standards within the general category but moving them into a new subcategory titled “Using the Work of Others.” These changes were not made. These standards were intentionally placed near Auditing Standard No. 10, *Supervision of the Audit Engagement*, because, in certain situations, other auditors and auditors’ specialists already are required to be supervised pursuant to that supervision standard. Also, some commenters suggested moving one or more of the following standards from the “Audit Procedures” category to the “Auditor Reporting” category as these standards include

amendments do not change the intervals between AS 2501, *Auditing Accounting Estimates*, AS 2502, *Auditing Fair Value Measurements and Disclosures*, and AS 2503, *Auditing Derivative Instruments, Hedging Activities, and Investments in Securities*, as the Board has a standard-setting project that is, among other things, considering a combined standard to include the topics addressed by these standards. As part of that project, the Board will decide which topics, if any, to combine, which topics will be maintained as separate standards, and whether the numbering of these standards should be modified.

aspects related to reporting on the financial statements: (i) Auditing Standard No. 17, *Auditing Supplemental Information Accompanying Audited Financial Statements*; (ii) AU sec. 558, *Required Supplementary Information*; and (iii) Auditing Standard No. 6, *Evaluating Consistency of Financial Statements*. However, moving these standards to the reporting section of the reorganization might lead auditors to overlook performance requirements in those standards. Thus, those three standards remain in the “Audit Procedures” category.

#### Comments on Rescinding Certain Interim Auditing Standards

Some commenters suggested retaining AU sec. 532, noting that auditors sometimes need to restrict the use of their reports, and expressed a concern that rescinding AU sec. 532 might be perceived as precluding auditors from restricting the use of those reports. The commenters cited examples of specific situations in which the use of audit reports should be restricted and indicated that auditors look to AU sec. 532 for the applicable reporting language. The Board observed that the examples cited by the commenters related to situations that were already addressed by other PCAOB standards or rules.<sup>55</sup> Accordingly, retaining AU sec. 532 is unnecessary in those situations.

Commenters also cited Auditing Standard No. 16, *Communications with Audit Committees*, but that standard, by its terms, does not require the auditor to restrict the use of audit committee communications. Since the comments received did not identify a specific need for retaining AU sec. 532, the Board asked in the supplemental request for examples of situations that support keeping this standard.

Some commenters also raised questions regarding restricting the use of audit committee communications under Auditing Standard No. 16. Specifically, commenters observed that footnote 41 of Auditing Standard No. 16 cites AU sec. 532 and that AU sec. 532, as amended, lists audit committee communications

<sup>55</sup> Specifically, commenters cited situations covered by AU sec. 325, *Communications About Control Deficiencies in an Audit of Financial Statements*, and AU sec. 623, *Special Reports*, which address use restrictions in those situations. One commenter identified PCAOB Rule 3524, *Audit Committee Pre-approval of Certain Tax Services*, Rule 3525, *Audit Committee Pre-approval of Non-audit Services Related to Internal Control Over Financial Reporting*, and Rule 3526, *Communication with Audit Committees Concerning Independence*. That commenter acknowledged, however, that those communications are not reports that are covered by AU sec. 532, which applies to audit reports that are the “by-product” of an audit.

pursuant to Auditing Standard No. 16 as “by-product” reports whose use should be restricted.<sup>56</sup> However, even in the absence of AU sec. 532, nothing precludes auditors from restricting the use of communications to audit committees under Auditing Standard No. 16.<sup>57</sup> Therefore, the Board is rescinding AU sec. 532 as proposed.

The Board also received comments about retaining or rescinding other interim auditing standards. One commenter suggested retaining AU sec. 901 and combining it with AU sec. 331, *Inventories*. As discussed in the original proposal, AU sec. 901 reports the conclusions of a 1966 study of the AICPA Committee on Auditing Procedure on the accountability of warehousemen for goods stored in public warehouses. AU sec. 901 is unnecessary because the specific auditing requirements regarding inventory held in public warehouses are set forth in AU sec. 331. Therefore, the Board is rescinding this standard as proposed.

A commenter suggested rescinding AU sec. 625, *Reports on the Application of Accounting Principles*, AU sec. 801, *Compliance Auditing Considerations in Audits of Governmental Entities and Recipients of Governmental Financial Assistance*, and AU sec. 544, *Lack of Conformity with Generally Accepted Accounting Principles*. Another commenter expressed support for retaining AU sec. 625. The Board is not rescinding these standards at this time because they cover situations that may be related to audits of issuers.

#### Comments on Interpretive Publications

Some commenters suggested that the PCAOB retain the practice of presenting interpretations with the related auditing standards along with adding other Board-issued guidance. Another commenter suggested a numbering convention analogous to the existing auditing interpretations, specifically, using a “9” prefix before the standard number. The Board is adopting the

<sup>56</sup> See paragraphs .07 and .11 of AU sec. 532. AU sec. 532.07 also listed reports issued pursuant to AU sec. 325 and AU sec. 623 as by-product reports.

<sup>57</sup> If an auditor decides to restrict the use of certain reports to a company’s audit committee, he or she may consider the direction provided by other standards that address restricting the use of reports, such as AS 1305.06 (formerly AU sec. 325.6). That standard requires that the auditor’s written communication to the audit committee include a statement that the communication is intended solely for the information and use of the board of directors, audit committee, management, and others within the organization. It further provides that when there are requirements established by governmental authorities to furnish such written communications, specific reference to such regulatory authorities may be made.



organizational structure and numbering of the auditing interpretations as proposed. It is important to distinguish standards from auditing interpretations and guidance because, among other reasons, an auditor's responsibility related to auditing standards differs from the auditor's responsibility regarding auditing interpretations and other interpretive publications. The Board is also adopting the numbering convention as presented in the supplemental request. The titles of the interpretations (along with the hyperlinks) identify the corresponding standards, which should help auditors and other users associate the interpretations with their related standards. The Board will continue to assess the need to update the guidance in the auditing interpretations.

The Board proposed to remove from PCAOB auditing standards references to AICPA Audit and Accounting Guides and AICPA auditing Statements of Position. Commenters responded that auditors historically have used audit and accounting guides in their audits of companies in specialized industries, and they offered a variety of suggestions about how the Board should treat them, such as retaining the existing references in PCAOB standards, acknowledging the usefulness of current editions of the guides, or replacing them with the Board's own specialized industry guidance.

The Board is adopting the amendments to remove references to AICPA Audit and Accounting Guides and AICPA auditing Statements of Position because the guides referenced in PCAOB standards are outdated.<sup>58</sup> While auditors might consider more recent editions of audit and accounting guides or other materials to be useful reference materials—for example, for information about specialized industries—the auditor's responsibility is to comply with PCAOB auditing and related professional practice standards. In connection with its oversight activities, the PCAOB will continue to consider developing guidance on the application of PCAOB standards when the need arises.

#### Comments on Amendments to Illustrative Auditor's Reports

As described above, the Board proposed amendments to update the illustrative auditor's reports within the interim standards with the requirements in Auditing Standard No. 1 and thus

<sup>58</sup> AICPA Audit and Accounting Guides and auditing Statements of Position referenced in PCAOB standards are the editions of those publications as in existence on April 16, 2003.

supersede the respective auditing standard. Although the Board received no comments on its proposal to supersede Auditing Standard No. 1, one commenter suggested that the title of illustrative auditor's reports in the PCAOB's standards also be revised to reflect the title used in Auditing Standard No. 1's illustrative reports (that is, change the title of the illustrative reports to "Report of Independent Registered Public Accounting Firm"). The Board is adopting the amendments and superseding Auditing Standard No. 1 as proposed and, as suggested, is adding amendments to change the title of illustrated reports included in the standards. The amendments do not change the requirements for the content of the auditor's report.<sup>59</sup>

#### Comments on Amendments To Remove References to Superseded Standards

As discussed above, the Board received comments on its amendments to remove references to a superseded auditing standard and auditing interpretation in interpretation 4 of AT sec. 9101, which includes illustrative letters to regulators when they request access to or copies of attestation documentation. Commenters indicated that the proposed amendments caused the interpretation to lack context because the amendments removed the introductory paragraphs to the illustrative letters. Therefore, the amendments as adopted by the Board include a paragraph that introduces the illustrative letters while eliminating the superseded references.

#### Comments on the Effective Date

The original proposal requested commenters to provide factors the Board should consider in determining the effective date. Factors provided by commenters, among other things, included providing sufficient time for firms to update their methodologies, reference materials, and practice aids and to train staff. One commenter, an accounting firm, also suggested using a single transition date as opposed to a date dependent on the year end of an issuer, broker, or dealer as from that firm's perspective a single date would facilitate a more efficient transition to the reorganization.

After considering the comments received and the timing of the adoption of the reorganization, the Board has determined that the accompanying reorganization and related amendments

<sup>59</sup> For example, the amendments would not preclude an unregistered firm that applies PCAOB standards from omitting "Registered" from the title of its report.

will be effective, subject to SEC approval, as of December 31, 2016. If the adopted amendments accompanying this release are approved by the SEC, nothing precludes auditors and others from using and referencing the reorganized standards before the effective date, as the amendments do not substantively change the standards' requirements.

#### Other Comments

The Board received other comments that are not directly related to the amendments. Some comments generally related to possible other enhancements to the Board's standards or the presentation of standards on the PCAOB website, in many cases consistent with potential enhancements discussed in the original proposal and supplemental request. In general, these suggested enhancements involved:

- Updating outdated references to generally accepted accounting principles ("GAAP") within the auditing standards;
- Reorganizing PCAOB guidance into an integrated topical structure;
- Adding links on the website from the auditing standards to related guidance; and
- Adding features to the Board's standards on the website, such as converting cross-references into hyperlinks.

The Board plans to address GAAP references in its standards in the context of future standard-setting activities because updating these references could involve substantive changes to the auditing standards that are outside the near-term scope of this project. Also, the Board plans to consider ways to enhance the usability of PCAOB guidance. Additionally, the Board continues to consider opportunities for improving its website.<sup>60</sup>

The Board also received comments advocating other actions besides reorganizing PCAOB auditing standards as described in the original proposal. For example, some of those commenters suggested full convergence with the IAASB or ASB standards or adopting the standards of the IAASB or ASB and adding incremental requirements for the auditor to perform when conducting an audit of an issuer. As the Board has explained previously:

[B]ecause the Board's standards must be consistent with the Board's statutory mandate, differences will continue to exist

<sup>60</sup> The Board updates its website to reflect changes to the Board rules and standards that are approved by the SEC. Accordingly, if the amendments are approved by the SEC, the PCAOB would update its website to reflect the auditing standards as reorganized.

between the Board's standards and the standards of the IAASB and ASB *e.g.*, when the Board decides to retain an existing requirement in PCAOB standards that is not included in IAASB or ASB standards. Also, certain differences are often necessary for the Board's standards to be consistent with relevant provisions of the federal securities laws or other existing standards or rules of the Board. Also, the Board's standards-setting activities are informed by and developed to some degree, in response to observations from its oversight activities.<sup>61</sup>

Nevertheless, the PCAOB continues to consider carefully the work of the IAASB and ASB in PCAOB standard-setting projects. Additionally, the Board will consider the organization and content of individual standards during the course of future standard-setting projects.

For a discussion on comments received on the cost and benefits of the reorganization, see section D.

#### *D. Economic Considerations and Application to Audits of Emerging Growth Companies*

This section discusses economic considerations related to the reorganization, specifically, the need for rulemaking, alternatives considered, description of the baseline, and consideration of benefits and costs. It also discusses considerations related to audits of EGCs and audits of brokers and dealers.

##### Need for Rulemaking

As discussed in more detail in section A, the reorganization creates a standardized organizational structure of PCAOB auditing standards to enhance the usability of the standards, including helping users navigate the standards more easily. This could help auditors, for example, find more easily the relevant requirements in PCAOB standards for a particular area of the audit, which could facilitate compliance with PCAOB standards.

The reorganization also could help avoid potential confusion between the Board's standards and the recently reorganized standards of the ASB, if the same AU section reference was used for different standards covering different topics.

In addition, the reorganization would provide a structure for updating PCAOB standards in the future.

Commenters generally supported the reorganization of PCAOB auditing standards.

##### Consideration of Alternatives

In the original proposal, the Board outlined three alternatives to the

proposed approach<sup>62</sup> for reorganizing the standards:

1. Continue issuing sequentially numbered standards until all of the interim standards are replaced;
2. Retain the organizational structure of the existing interim standards and assign section numbers to Board-issued standards that would fit into the existing organizational structure; or
3. Adopt the organizational structure of another auditing standard setter, such as the IAASB.

The first alternative would eventually result in a single structure and would avoid the potential confusion between PCAOB auditing standards and the standards of other standard setters. However, this alternative would take years for users to receive its benefits, and, under this approach, the standards would be more difficult to navigate than a topical system.

The second alternative would provide little benefit to users because it has few categories and is less intuitive than an organized structure that follows the flow of the audit process. In addition, as the ASB continues to use a three-digit system to reference its standards, the potential for confusion between the standards of the Board and the standards of the AICPA, as previously discussed in section A, would remain.

The third alternative could be confusing to users if PCAOB standards and IAASB standards used the same section numbers for standards that address different topics. Similar issues would arise if the PCAOB adopted the organizational structure of the clarified ASB standards.

Other commenters suggested that the PCAOB collaborate with other standard setters to develop a unified framework for auditing standards or to develop a codification of the auditing standards in a manner similar to the approach taken by the FASB with its accounting standards.<sup>63</sup> Another commenter suggested that the Board limit time spent on this project and instead focus its efforts on other matters on the Board's standard-setting agenda. The Board's reorganization of the auditing standards provides immediate benefits to users, such as making standards easier to navigate and establishing a structure for future updates of the standards. Thus, the Board decided to proceed with this project.

As previously discussed, the majority of commenters were in favor of the

Board using a distinguishable organizational structure. Those commenters supported the organization as proposed or offered suggestions to the proposed reorganization such as changes to the titles, categorization, or sequence of existing standards and guidance. The Board has made some refinements to the organizational structure and amendments presented in the original proposal and supplemental request, as discussed above.

##### Baseline

The existing organizational structure of PCAOB auditing standards is described in section A as consisting of sequentially numbered AS standards and AU sections representing the remaining interim standards that the Board has not superseded. The Board believes this current organizational structure is generally reflected in references made in firm methodologies, commercially published guidance, and other technology tools, and therefore constitutes the baseline against which impacts can be considered.

##### Consideration of Benefits and Costs

The reorganization of PCAOB auditing standards involves amendments that do not impose additional requirements on auditors or substantively change the requirements of PCAOB standards. Thus, the reorganization is not expected to affect the manner in which audits are performed and reported under PCAOB standards.

As discussed previously, benefits of the reorganization stem from a single, integrated organizational structure for PCAOB auditing standards that is easier for auditors and others to use. Among other things, this could help auditors find more easily the relevant requirements in PCAOB standards for a particular area of the audit, which could facilitate compliance with PCAOB standards. It also could help avoid the potential for confusion between PCAOB standards and ASB standards.

As discussed in the original proposal, the primary incremental costs of the changes related to the reorganization would be costs to registered firms of updating references within firm methodologies, related reference materials, and practice aids to reflect the new citations to PCAOB auditing standards, as well as training on the new organizational structure. The adopted reorganization is likely to have less cost than approaches suggested by some commenters—for example, a unified framework or FASB-like codification—that would involve substantial redrafting of PCAOB

<sup>62</sup> The Board proposed the approach described in section A because it addresses more fully the reasons for the reorganization.

<sup>63</sup> For example, this approach might apply an Area, Topic, Subtopic, and Section structure.

<sup>61</sup> See PCAOB Release 2010-004, at A10-91-A10-92.

auditing standards and therefore the potential for more extensive modifications to registered firms' methodologies and related materials.

Comments on potential benefits and costs of the proposal generally were consistent with these views. Commenters who advocated using the IAASB or ASB organizational structure or working with other standard setters to develop a unified organizational structure cited additional costs associated with supporting compliance with two different sets of auditing standards. However, the costs cited by the commenters stem principally from differences in the standards themselves rather than how they are organized. Furthermore, the reorganization involves changing the titles, categorization, or sequence of existing standards and guidance; it does not create a new set of auditing standards. In addition, reorganizing the standards to make them easier to navigate should help users of the standards compare PCAOB standards to IAASB and ASB standards.

#### Application to Audits of Emerging Growth Companies

The Board does not anticipate that the preceding economic considerations would be different for audits of EGCs, as defined by the Jumpstart Our Business Startups Act of 2012 ("JOBS Act").<sup>64</sup>

<sup>64</sup> See Section 101 of the JOBS Act. As of September 30, 2014, based on the PCAOB's research, 1,726 SEC registrants have identified themselves as EGCs in SEC filings. These companies operate in diverse industries with Standard Industrial Classification codes such as pharmaceutical preparations, blank checks, real estate investment trusts, prepackaged software services, business services, metal mining, and computer processing/data preparations services. For EGCs in which audited financial statements were available, those companies reported assets ranging from zero to approximately \$13.0 billion, with an average and median of \$199.0 million and approximately \$2.4 million, respectively. The companies reported revenue ranging from zero to approximately \$993.5 million, with an average and median of \$59.8 million and \$21 thousand, respectively. Approximately 44 percent of the companies were audited by accounting firms that issued audit reports for more than 100 public company audit clients, and the remainder of the companies were audited by firms that issued audit reports for 100 or fewer public company audit clients.

Pursuant to Section 104 of the JOBS Act, any rules adopted by the Board subsequent to April 5, 2012, do not apply to the audits of EGCs (as defined in Section 3(a)(80) of the Exchange Act) unless the SEC "determines that the application of such additional requirements is necessary or appropriate in the public interest, after considering the protection of investors and whether the action will promote efficiency, competition, and capital formation."<sup>65</sup>

As discussed previously, the reorganization of PCAOB auditing standards would involve amendments that do not impose additional requirements on auditors or change substantively the requirements of PCAOB standards. Thus, the reorganization, including the amendments, is not expected to affect the manner in which audits are performed and reported under PCAOB standards, including audits of EGCs. The Board sought comment on the effect, if any, the reorganization would have specifically on audits of EGCs. Commenters indicated that they were not aware of any costs that would be specific to audits of EGCs when compared to costs of non-EGC audits.

Accordingly and pursuant to the above discussion, the PCAOB requests that the Commission determine that it is necessary or appropriate in the public interest, after considering the protection of investors and whether the action will promote efficiency, competition, and capital formation, to apply these amendments to audits of EGCs.

#### Audits of Brokers and Dealers

Section 982 of the Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank Act")<sup>66</sup> expanded the authority of the Board to oversee the audits of brokers and dealers that are required under SEC rules. On July 30, 2013, the SEC amended its rules, including SEC Rule 17a-5 under the Exchange Act, to require, among other things, that audits of brokers' and dealers' financial statements and examinations of reports regarding

<sup>65</sup> See JOBS Act, Public Law 112-106, § 104.

<sup>66</sup> Public Law 111-203, 124 Stat. 1376 (July 21, 2010).

compliance with SEC requirements be performed in accordance with the standards of the PCAOB, effective for fiscal years ending on or after June 1, 2014.<sup>67</sup> Commenters agreed with the Board's view that the reorganization is appropriate for all audits, including audits of brokers and dealers.

#### III. Date of Effectiveness of the Proposed Rules and Timing for Commission Action

Pursuant to Section 19(b)(2)(A)(ii) of the Exchange Act, and based on its determination that an extension of the period set forth in Section 19(b)(2)(A)(i) of the Exchange Act is appropriate in light of the PCAOB's request that the Commission, pursuant to Section 103(a)(3)(C) of the Sarbanes-Oxley Act, determine that the proposed rules apply to audits of emerging growth companies, as defined in Section 3(a)(80) of the Exchange Act, the Commission has determined to extend to September 23, 2015 the date by which the Commission should take action on the proposed rules.

#### IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rules are consistent with the requirements of Title I of the Act. Comments may be submitted by any of the following methods:

##### *Electronic Comments*

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/pcaob.shtml>); or
- Send an e-mail to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number PCAOB-2015-01 on the subject line.

##### *Paper Comments*

- Send paper comments in triplicate to Brent J. Fields, Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549-1090.

<sup>67</sup> See SEC, *Broker-Dealer Reports*, Securities Exchange Act of 1934 Release No. 70073 (July 30, 2013), 78 *Federal Register* 51910 (August 21, 2013), which includes the final rules.

All submissions should refer to File Number PCAOB–2015–01. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission’s Internet website (<http://www.sec.gov/rules/pcaob.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rules that are filed with the Commission, and all written communications relating to the

proposed rules between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission’s Public Reference Room, 100 F Street NE., Washington, DC 20549–1090, on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of such filing will also be available for inspection and copying at the principal office of the PCAOB. All comments received will be posted without change; we do not edit personal

identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number PCAOB–2015–01 and should be submitted on or before July 16, 2015.

For the Commission, by the Office of the Chief Accountant, by delegated authority.<sup>68</sup>

**Robert W. Errett,**  
*Deputy Secretary.*

[FR Doc. 2015–15571 Filed 6–24–15; 8:45 am]

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<sup>68</sup> 17 CFR 200.30–11(b)(2).