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**Year-End Report of Committee on Practice Review, To the Council  
of the American Institute of Certified Public Accountants,  
September, 1967**

American Institute of Certified Public Accountants. Committee on Practice Review

Emmett S. Harrington

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YEAR-END REPORT  
OF THE  
COMMITTEE ON PRACTICE REVIEW

To the Council of the American Institute  
of Certified Public Accountants

The committee on practice review has held one meeting since its report to Council last May.

Review Cases

During the period of this report - May through September - the committee has completed 24 additional cases. The cumulative total of cases processed for the six years of the committee's operation is 204 cases. Of this total, 189 have been completed and 15 are still in process.

Second Publication on Departures

The committee, at its meeting yesterday, approved an outline for a proposed Practice Review Bulletin No. 2. This booklet will discuss the departures from accounting and reporting practices, which were uncovered in the cases completed since the issuance of the first publication in this series.

It is anticipated that the booklet will be completed and issued sometime early next Spring.

Disclosure of Material Deviations from APB Opinions

The committee received a charge from Council in 1964 to report on the extent of deviations from the requirement that material departures from APB Opinions must be disclosed. The committee on practice review is of the opinion that it is not in a position to undertake an overall study of published annual reports

for the purpose of determining the extent of deviations from the disclosure requirement nor does the AICPA have available staff at present to undertake such a project. Accordingly, the committee requests that members of Council, the AICPA staff working on the Accounting Trends and Techniques publication, and all other interested members bring to the committee's attention any such substandard reports which they may uncover.

#### General

The committee on practice review has requested the committee on auditing procedure to consider a restudy of the overall subject of the expression of negative assurance, in light of current practices, to ascertain whether paragraphs 19-20 of Chapter 10 of Statements on Auditing Procedure No. 33 should be revised to permit negative assurances in other specific limited instances. This request was based on what appears to be a developing practice by CPAs of expressing negative assurances in reports on mergers and acquisitions.

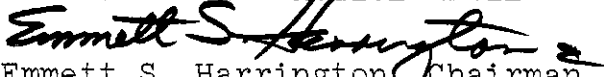
The committee on practice review has been informed that the auditing committee has approved the suggestion and the subject has been placed on its agenda for immediate study.

#### Conclusion

The committee on practice review requests the cooperation and active participation of all members and Council, as well as all AICPA members, in supporting the practice review program.

Respectfully submitted,

COMMITTEE ON PRACTICE REVIEW

  
Emmett S. Harrington, Chairman

September, 1967