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In Our Opinion...

The Newsletter of the AICPA Audit and Attest Standards Team

Vol. 15 No. 1

January 1999

AICPA Publishes Revenue Recognition Guidance

By Julie Anne Dilley

In January 1999, the AICPA published *Audit Issues in Revenue Recognition* on its Web site (www.aicpa.org). The publication brings together in one source the audit and accounting guidance on revenue recognition for sales of goods and services in the ordinary course of business. Its primary objective is to help auditors fulfill their professional responsibilities with regard to auditing assertions about revenue. A related objective is to help other members of the financial community, including preparers of financial statements and audit committees, appreciate the importance of accurate revenue recognition. The publication—

- ◆ Discusses the responsibilities of management, boards of directors, and audit committees for reliable reporting of revenue. It summarizes deterrents to improper financial reporting that have been recommended by the National Commission on Fraudulent Financial Reporting (the Treadway Commission) and others including the Public Oversight Board and the Securities and Exchange Commission (SEC). Among the recommendations are an ethical “tone at the top,” vigilant audit committee oversight of financial reporting, the internal audit function, and internal control.
- ◆ Summarizes key accounting guidance regarding whether and when revenue should be recog-

nized in accordance with generally accepted accounting principles. The following pronouncements are among those discussed:

- ✎ Financial Accounting Standards Board (FASB) Statement of Financial Accounting Standards No. 48, *Revenue Recognition When Right of Return Exists*
- ✎ SEC Accounting and Auditing Enforcement Release No. 108 on bill and hold transactions
- ✎ Statement of Position (SOP) 81-1, *Accounting for Performance of Construction-Type and Certain Production-Type Contracts*
- ✎ SOP 97-2, *Software Revenue Recognition*, as amended by SOP 98-9, *Modification of SOP 97-2, Software Revenue Recognition, With Respect to Certain Transactions*
- ✎ FASB Statement No. 57, *Related Party Disclosures*
- ✎ Accounting Principles Board Opinion No. 22, *Disclosure of Accounting Policies*
- ◆ Identifies circumstances and transactions that may signal improper revenue recognition, including fraud risk factors that are particularly relevant to revenue recognition. Issues that may require special attention are discussed, such as related party transactions, side agreements (hidden arrangements with customers that may alter the terms and conditions of sales transac-

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AICPA

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tions in ways that preclude revenue recognition, such as granting a customer the right to return goods on more liberal terms than expressed in the original contract), and channel stuffing (a marketing practice to augment sales by inducing distributors to buy substantially more inventory than they can promptly resell, possibly resulting in greater than normal sales returns). The publication also lists specific examples of sales transactions that may be recorded improperly as a result of the absence of an agreement, lack of delivery, or an incomplete earnings process.

- ◆ Summarizes key aspects of the auditor's responsibility to plan and perform an audit under generally accepted auditing standards. The auditor's responsibility to obtain knowledge of the entity's business and an understanding of the entity's internal control are discussed with an emphasis on matters relevant to management's assertions about revenue. Similarly, responsibilities under other auditing standards, including the following, are discussed with a focus on revenue recognition issues.

- ☛ Statement on Auditing Standards (SAS) No. 82, *Consideration of Fraud in a Financial Statement Audit*
- ☛ SAS No. 45, *Related Parties*
- ☛ SAS No. 67, *The Confirmation Process*
- ☛ SAS No. 57, *Auditing Accounting Estimates*

- ◆ Describes procedures that the auditor may find effective in limiting audit risk arising from improper revenue recognition. For example, the publication discusses numerous analytical procedures relevant to assertions about revenue and describes substantive tests of details including revenue cutoff tests and vouching.

The SEC staff applauded the release of the publication. Its development is one of several AICPA activities that mirror recent SEC initiatives to address "earnings management" practices that threaten the integrity of the financial reporting process. *Audit Issues in Revenue Recognition* will be available in a paperbound edition late in February 1999. To obtain a copy, call the AICPA Order Department at (888) 777-7077 and request product number 022506TL. ◆

New ASB Members

By Kim M. Gibson

The AICPA Board of Directors approved the nominations of the following six new Auditing Standards Board (ASB) members, whose terms began on January 1, 1999.

John T. Barnum is a partner with McGladrey & Pullen, LLP where he serves as director of auditing for the firm. John was assigned to the national office of McGladrey & Pullen in 1987 where he specialized in auditing matters. Since 1995 he has been in charge of the firm's auditing policies and procedures, and is responsible for the firm's audit manual. John has served on several ASB task forces, including the Year 2000, Electronic Dissemination of Audited Financial Information, and the Technical Audit Advisory Task Forces.

Robert F. Dacey is director of consolidated audit and computer

security issues in the General Accounting Office's Accounting and Information Management Division. His responsibilities include the overall planning, coordination, and direction of the audit of the consolidated financial statements of the U.S. government. Bob is a member of the federal government's Accounting and Auditing Policy Committee. In addition to being a CPA, Bob is also a Certified Information Systems Auditor, Certified Government Financial Manager, and a member of the Virginia State Bar.

Sally L. Hoffman is the partner in charge of litigation services and technical standards at Perelson, Weiner in New York. Sally is experienced in consultation on the application of accounting principles and auditing standards. In addition, she has served as an expert witness pro-

viding testimony on the application of generally accepted accounting principles and auditing standards. Sally also is a certified fraud examiner experienced in all phases of fraud audits and financial investigations.

Keith O. Newton is a partner with Grant Thornton LLP where he serves as the southwest Florida regional director of assurance services. His overall responsibilities include overseeing the accounting, auditing, and SEC practice of nine offices of the firm. Keith brings to the ASB expertise in mergers and acquisitions, computer auditing techniques, and experience with real estate, manufacturing, and retail organizations.

Robert C. Steiner is a partner with Deloitte & Touche LLP where he serves as the consultation partner in the business assurance and advisory

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Highlights of Technical Activities

The Auditing Standards Board (ASB) performs its work through task forces composed of members of the ASB and others with technical expertise in the subject matter of the project. The findings of the task forces periodically are presented to the ASB for their review and discussion. Listed below are the current task forces of the ASB and a brief summary of their objectives and activities.

SAS and SSAE Task Forces

Attestable Criteria Task Force (Staff Liaison: Judith M. Sherinsky; Task Force Chair: George H. Tucker). The task force is revising paragraphs 11-21 of Statement on Standards for Attestation Engagements (SSAE) No. 1, *Attestation Standards*, which address the criteria for attestation engagements. The objective of the task force is to improve and clarify the guidance on criteria so that it will be easier for practitioners to craft new engagements under the attestation standards. At the November 1998 ASB meeting, the task force presented a revised draft of paragraphs 11-21 of SSAE No. 1. The ASB tentatively concluded that the attributes of reasonable criteria presented in the draft (objectivity, measurability, completeness, and representational faithfulness) are appropriate. The work of the task force is being held in abeyance until the Attestation Recodification Task Force—Revision of Standards makes additional progress.

Attestation Recodification Task Force — Direct Reporting (Staff Liaison: Jane M. Mancino; Task Force Chair: W. Ronald Walton). In September 1998, the ASB

voted to ballot the draft SSAE, *Amendments to SSAE No. 1, SSAE No. 2, and SSAE No. 3*, for issuance as a final standard. The final standard, SSAE No. 9 (product no. 023027), which was published in mid-January, will revise the SSAEs to enable direct reporting on subject matter. The SSAE will be effective for reports issued on or after June 30, 1999.

Attestation Recodification Task Force — Revision of Standards (Staff Liaison: Jane M. Mancino; Task Force Chair: Charles E. Landes). The task force is examining the SSAEs to improve their understandability and utility. The task force also will develop nonauthoritative guidance to help practitioners determine whether engagements are subject to the attestation standards, the consulting standards, or the auditing standards.

Audit Adjustments (Staff Liaison: Judith M. Sherinsky; Task Force Chair: Richard Dieter). In response to concerns expressed by the SEC, the task force is considering amendment of several SASs to establish audit requirements aimed at encouraging audit clients to record all or most proposed audit adjustments. The task force also is considering means to enhance communication with audit committees about proposed audit adjustments. The task force will present proposed amendments of SAS No. 61, *Communication With Audit Committees*, SAS No. 85, *Management Representations*, and AU Section 310, *Appointment of the Independent Auditor*, at the February 1999 ASB meeting.

Electronic Dissemination of Audited Financial Information Task Force (Staff Liaison: Kim M. Gibson; Task Force Chair: John L. Archambault). The

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New ASB Members *(continued from page 2)*

services department of the national office of Deloitte & Touche. He provides consultation on accounting and auditing matters, financial reporting, risk management and SEC related matters. In addition, Bob has extensive experience in property, casualty and accident insurance, health insurance, and construction and defense contractors. Bob is currently serving on the Attestable Criteria, Audit Materiality, and Audit Issues Task Forces.

O. Ray Whittington is the Ledger & Quill Director at DePaul University's School of Accountancy. Ray has authored numerous accounting and auditing articles and co-authored several accounting and auditing text books. Prior to joining DePaul University, Ray was the director at the School of Accountancy at San Diego State University. Ray received his Ph.D from the University of Houston and in addition to being a CPA, is a

Certified Management Accountant, and a Certified Internal Auditor. Ray was also director of audit research in the AICPA's auditing standards division from July 1989 to August 1991.

Thanks and best wishes are extended to the following former ASB members whose terms recently expired: John (Arch) Archambault, John Fogarty, Norwood (Woody) Jackson, Steve McEachern, Kurt Pany, and Ron Walton. ❖

Highlights of Technical Activities *(continued from page 3)*

task force has drafted an article on the electronic dissemination of audited financial statements which will appear in the *Journal of Accountancy* during the first half of 1999. In addition to questions and answers, the article also will include a discussion of Interpretation No. 4, "Other Information in Electronic Sites Containing Audited Financial Statements" of SAS No. 8, *Other Information in Documents Containing Audited Financial Statements*, as it relates to this topic.

Going Concern (Staff Liaison: Judith M. Sherinsky; Task Force Chair: To Be Determined). A working group consisting of two members each from the Financial Accounting Standards Board, the Accounting Standards Executive Committee, and the ASB has been formed to consider whether guidance on going-concern disclosure, such as the guidance in paragraphs 10 and 11 of SAS No. 59, *The Auditor's Consideration of an Entity's Ability to Continue as a Going Concern*, might be developed in the accounting standards and deleted from the auditing standards.

Ownership, Existence, and Valuation Task Force (Staff Liaison: Judith M. Sherinsky; Task Force Chair: Stephen D. Holton). The task force is considering the auditor's responsibility for auditing financial statement assertions about financial instruments. The task force has drafted a proposed SAS that provides a framework for auditing all financial instruments. The proposed SAS would supersede SAS No. 81, *Auditing Investments*, the scope of which only includes (1) debt and equity securities, as that term is defined in FASB Statement No. 115, *Accounting for Certain Investments in Debt and Equity Securities*, and (2) investments accounted for under APB Opinion No. 18, *The Equity Method of Accounting*. At the November 1998 ASB meeting, the task force presented a revised draft of the proposed SAS and is currently circulating that draft to various AICPA industry committees for comment. The task force also has begun working on an outline of nonauthoritative implementation guidance that would serve as a companion to the SAS.

Reporting on Consistency Task Force (Staff Liaison: Kim M. Gibson; Task Force Chair: Richard Dieter). Members of the task force met with the Association of Investment Management and Research (AIMR) for their consideration of the task force's proposal to eliminate the requirement to add a consistency explanatory paragraph to the auditor's report for mandatory changes in accounting principles. After discussion, the AIMR decided that it would not support the proposal because they believe (1) all consistency paragraphs,

whether they relate to mandatory or voluntary changes in accounting principle, serve as "red flags" to users of the auditor's report, and (2) the benefit derived by users from a consistency explanatory paragraph outweighs the additional reporting responsibility for auditors. As a result, the task force will not revise SAS No. 58, *Reports on Audited Financial Statements*, to eliminate the required explanatory paragraph. However, the task force did draft an amendment of AU Section 420, *Consistency of Application of Generally Accepted Accounting Principles*, to clarify that the consistency standard applies when there is a change in the reporting entity, as discussed in APB Opinion No. 20. The amendment also would eliminate the requirement that the auditor's report be modified for both a GAAP departure and a consistency exception when a pooling of interests has been incorrectly accounted for. This amendment will be included in an omnibus SAS that will be issued in connection with the Audit Adjustments Task Force.

Other Task Forces and Committees

Accounting and Review Services Committee (ARSC) (Staff Liaison: Judith M. Sherinsky; Committee Chair: Diane S. Conant). The ARSC has been considering various exemptions from Statement on Standards for Accounting and Review Services (SSARS) No. 1, *Compilation and Review of Financial Statements*, but has temporarily suspended its standard-setting activities with respect to the applicability of SSARS until the AICPA's Board of Directors (Board) fully considers this matter. At its December 1998 meeting, the Board discussed various alternatives for addressing the issues created by recent Florida legislation that permits CPAs to perform a financial statement service below a compilation. SSARS No. 1 requires a CPA to at least compile financial statements that he or she submits to a client or others. The Florida rules were enacted by the Florida Legislature to comply with a recent federal court ruling decreeing that CPAs employed by unlicensed firms, such as American Express Tax and Business Services, should be permitted to hold out as CPAs and be associated with the financial statements they prepare. To comply with this requirement, Florida enacted rules that permit CPAs, including CPAs working for unlicensed firms, to perform a financial statement service known as an "assembly service." Florida rules prohibit CPAs working for unlicensed firms from compiling financial statements in accordance with SSARS and reporting on them as such.

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Highlights of Technical Activities *(continued from page 4)*

The Florida legislation creates a dilemma because a CPA who performs an assembly service, as permitted by Florida rules, would be in violation of AICPA rules. At the December 1998 meeting, the Board had an extensive discussion of various alternatives for resolving the inconsistency between Florida and AICPA rules. In addition, the Board heard presentations by several state CPA societies on their positions regarding this issue. The subject will be discussed again at the February 1999 Board meeting and at the AICPA Regional Council meetings in March.

Audit Issues Task Force (Staff Liaison: Julie Anne Dilley; Task Force Chair: Deborah D. Lambert). The task force meets on a monthly basis to (1) oversee the ASB's planning process, (2) evaluate technical issues raised by various constituencies and determine their appropriate disposition, including referral to an ASB task force or development of an interpretation or other guidance; (3) address emerging audit and attestation practice issues and provide guidance for communication, as necessary, (4) provide advice on ASB task force objectives and composition and monitor the progress of task forces, and (5) assist the ASB Chair and the Audit and Attest Standards staff in carrying out their functions, including liaison with other groups.

Computer Auditing Subcommittee (CAS) (Staff Liaison: Jane M. Mancino; Chair: Carol A. Langelier). The Subcommittee presented an issues paper at the December 1998 ASB meeting that identifies areas of the SASs and SSAEs that may require revision to reflect the effect of information technology (IT). The CAS is also reviewing the Quality Control Standards for any IT impact, and developing a joint study with the Canadian Institute of Chartered Accountants (CICA) on continuous auditing.

FASB 125 Audit Issues Task Force (Staff Liaison: Julie Anne Dilley; Task Force Chair: Tracey Barber). The task force recently amended an interpretation, "The Use of Legal Interpretations As Evidential Matter to Support Management's Assertion That a Transfer of Financial Assets Has Met the Isolation Criterion in Paragraph 9(a) of Statement of Financial Accounting Standards No. 125," of SAS No. 73, *Using the Work of a Specialist*. The amendment provides guidance on the kind of language in a communication from a legal specialist to a client that does, and does not, adequately communicate permission for the auditor to use the legal specialist's opinion as evidential matter. The task force also will develop auditing guidance that addresses the

use of legal interpretations as evidential matter for transfers of financial assets by banks for which a receiver, if appointed, would be the Federal Deposit Insurance Corporation or its designee.

International Auditing Practices Committee (IAPC) U.S. Member: Robert Roussey; U.S. Technical Advisors: Thomas Ray and John Archambault). The current agenda of the IAPC includes developing a framework for all assurance engagements, including assurance on financial and nonfinancial information, and revising the International Standards on Auditing (ISAs) that address going concern, confirmations, prospective financial information, and fraud. The IAPC is currently considering adding projects on auditing derivative financial instruments and reporting on internal control to its active agenda. An analysis comparing the ISAs with the SASs that identifies instances in which the ISAs specify procedures not specified by U. S. auditing standards is included in Appendix B of the *Codification of Statements on Auditing Standards*. An updated Appendix B will appear in the 1999 Codification.

International Auditing Standards Subcommittee (Staff Liaison: Gretchen Fischbach; Task Force Chair: James S. Gerson). The ASB created this subcommittee to support the development of international standards. Subcommittee activities include providing technical advice and support to the AICPA representative and technical advisors to the IAPC, commenting on exposure drafts of international assurance standards, participating in and identifying U.S. volunteer participants for international standards-setting projects, identifying opportunities for establishing joint standards with other standards setters, identifying international issues that affect auditing and attestation standards and practices, and assisting the ASB and other AICPA committees in developing and implementing AICPA international strategies.

Joint Task Force on Quality Control Standards — Accounting and Auditing (Staff Liaison: Anthony J. Pugliese; Task Force Chair: Barry Barber). The task force is considering how the Statements on Quality Control Standards (SQCS) should be revised to incorporate an experience requirement for performing professional services under the SASs, SSARs, and SSAEs. The need to incorporate an experience requirement in professional standards became relevant when the final version of the Uniform Accountancy Act (UAA) was issued in January 1998 because UAA 7-2 states that "any

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Highlights of Technical Activities *(continued from page 5)*

individual licensee who is responsible for supervising attest services and signs or authorizes someone to sign the accountant's report shall meet the experience requirements set out in the professional standards for such services." The task force concluded and the ASB agreed that a new SQCS should be developed that incorporates the concept of auditors meeting certain minimum competencies and focuses on individuals who assume responsibility for signing attest reports. Competencies have been defined by the task force as the knowledge, skills, and abilities that enable a practitioner in charge to be appropriately qualified to perform an accounting and auditing engagement. The proposed new standard would clarify the requirements for the "personal management" element of a firm's system of quality control to require that a firm establish policies and procedures to provide the firm with reasonable assurance that personnel who are responsible for supervising attest engagements and signing or authorizing someone to sign the accountant's report for such engagements are competent. The task force agreed that although experience gained in public accounting typically would be the most expedient way to gain a particular competency, experience gained in other areas, such as in industry or the governmental sector, should count toward fulfilling the requirements of the new standard. The task force expects to present a revised draft of the proposed SQCS to the ASB in April 1999.

SEC Auditing Practice (Staff Liaison: Jane M. Mancino; Task Force Chair: Stephen J. Lis). The task force monitors regulatory developments affecting accountants' involvement with financial information in filings with the Securities and Exchange Commission (SEC). It considers the need for, and develops as necessary, guidance in the form of SASs, SSAEs, auditing interpretations, or guides. Liaison with the SEC is maintained through the Audit Issues Task Force.

Technical Audit Advisors Task Force (Task Force Chair: Thomas Ray). The task force receives assign-

ments, on an on-going basis, from the Audit and Attest Standards staff and the Audit Issues Task Force. The task force currently is considering principal auditor and outsourcing issues.

Auditing Procedure Studies APSs/Auditing Practice Releases (APRs)

The title of this series of publications has been changed from "Auditing Procedures Studies" to "Auditing Practice Releases." The series is designed to provide auditors with practical guidance to assist them in applying generally accepted auditing standards in audits of financial statements.

Analytical Procedures (Kim M. Gibson). This APR is designed to help practitioners effectively use analytical procedures. It includes a description of how analytical procedures are used in audit engagements, relevant questions and answers, and case studies, including a case study using regression analysis. The APR is currently available and can be obtained from the AICPA Order Department by requesting product number 021069.

Audit Sampling (Gretchen Fischbach). This APR will supersede the existing audit guide, *Audit Sampling*, and has been revised to reflect recently issued auditing standards. The APR will be available in the second quarter of 1999.

Service Organizations: Applying SAS No. 70 (Judith M. Sherinsky). This APR provides guidance to service auditors engaged to issue reports on a service organization's controls that may affect a user organization's internal control as it relates to an audit of financial statements. It also provides guidance to user auditors engaged to audit the financial statements of entities that use service organizations. This APR supersedes the existing auditing procedure study, *Implementing SAS No. 70, Reports on the Processing of Transactions by Service Organizations*, and will be available in February; the product number is 060457. ♦

Ordering Information

To order publications, call: (888) 777-7077 (menu selection #1); write: AICPA Order Department, CLA3, P.O. Box 2209, Jersey City, NJ 07303-2209; or fax: (800) 362-5066. AICPA members should have their membership numbers ready when they call. Non-members may also order AICPA products. Prices do not include shipping and handling.

Are You Up to the Task?

The Auditing Standards Board (ASB) relies on task forces to develop performance, reporting, and practice guidance. Task Forces are formed throughout the year to execute projects identified by the ASB. Although the frequency of meetings and life span of a task force vary with the nature of the project, task forces generally meet once a month for about a year and represent a substantial time commitment. Task force members are selected based on how closely their technical skills match the task force's objective, and their willingness and ability to work in a team environment and complete the project in a timely manner. To be considered for service on a task force, please submit a copy of your resume highlighting your area(s) of expertise to Gretchen Fischbach at AICPA, 1211 Avenue of the Americas, New York, NY 10036-8775; fax: (212) 596-6091; e-mail: gfischbach@aicpa.org.

Projected Status of ASB Projects

Codes: DI—Discussion of issues, DD—Discussion of draft document, ED—Vote to ballot a document for exposure, EP—Exposure Period, CL—Discussion of comment letters, FI—Vote to ballot a document for final issuance, SU—Status Update.

Project	ASB Meeting Date		
	Nov. 10-12 1998 New York, NY	Dec. 15-17, 1998 New York, NY	Feb. 9-11, 1998 Miami, FL
Attestation Recodification — Revision of Standards	DI	DD	DD
Audit Adjustments	ED	EP	CL
Revenue Recognition	DI		
Fraud		SU	
Going Concern		DI	
Quality Control Standards		ED	EP
Ownership, Existence, and Valuation		ED	EP

For additional information about projects of the Audit and Attest Standards Staff and the ASB, call (212) 596-6036.

Recently Issued and Approved Documents

Title (Product Number)	Issue Date	Effective Date
Statements on Auditing Standards (SASs)		
SAS No. 86, <i>Amendment to SAS No. 72, Letters for Underwriters and Certain Other Requesting Parties</i> (060688)	March 1998	Effective for comfort letters issued on or after June 30, 1998
SAS No. 87, <i>Restricting the Use of an Auditor's Report</i> (060689)	September 1998	Effective for reports issued after December 31, 1998
Statements on Standards for Attestation Engagements (SSAEs)		
SSAE No. 8, <i>Management's Discussion and Analysis</i> (023026)	March 1998	Effective upon issuance
SSAE No. 9, <i>Amendments to SSAE Nos. 1, 2 and 3</i> (023027)	January 1999	Effective for reports issued on or after June 30, 1999
Interpretations of SASs		
Interpretation of SAS No. 62, <i>Special Reports</i> , titled "Evaluating the Adequacy of Disclosure in Financial Statements Prepared on the Cash, Modified Cash, or Income Tax Basis of Accounting"	January 1998	Interpretations are effective upon publication in the <i>Journal of Accountancy</i> . This interpretation was published in the January 1998 <i>Journal of Accountancy</i> . Interpretations are also available on the AICPA Web site
Interpretation of AU Section 311, <i>Planning and Supervision</i> , titled "Audit Considerations for the Year 2000 Issue"	January 1998	January 1998
Interpretation of SAS No. 70, <i>Reports on the Processing of Transactions by Service Organizations</i> titled, "Responsibilities of Service Organizations and Service Auditors With Respect to Information About the Year 2000 Issue in a Service Organization's Description of Controls"	March 1998	March 1998
Interpretation of SAS No. 59, <i>The Auditor's Consideration of an Entity's Ability to Continue as a Going Concern</i> titled, "Effect of the Year 2000 Issue on the Auditor's Consideration of an Entity's Ability to Continue as a Going Concern"	July 1998	July 1998

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Recently Issued and Approved Documents *(continued from page 9)*

Title (Product Number)	Issue Date	Effective Date
Interpretation of SAS No. 31, <i>Evidential Matter</i> , titled "Applying Auditing Procedures to Segment Disclosures in Financial Statements"	August 1998	August 1998
Interpretation of SAS No. 72, <i>Letters for Underwriters and Certain Other Requesting Parties</i> titled "Commenting in a Comfort Letter on Quantitative Disclosures About Market Risk Made in Accordance with Item 305 of Regulation S-K"	August 1998	August 1998
Amended Interpretation of SAS No. 73, <i>Using the Work of a Specialist</i> , titled "The Use of Legal Interpretations As Evidential Matter to Support Management's Assertion That a Transfer of Financial Assets Has Met the Isolation Criterion in Paragraph 9(a) of Statement of Financial Accounting Standards No. 125"	October 1998	This amended interpretation was published in the October 1998 <i>Journal of Accountancy</i> and is available on the AICPA Web site.

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James S. Gerson, <i>Vice Chair</i>	PricewaterhouseCoopers LLP
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Andrew J. Capelli	KPMG LLP
Robert F. Dacey	United States General Accounting Office
Richard Dieter	Arthur Andersen LLP
Sally L. Hoffman	Perelson, Weiner, CPAs
Stephen D. Holton	Martin, Dolan & Holton
J. Michael Inzina	Stagni & Co. LLC
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