



Status of Auditing Standards in US

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The Current Status of Auditing Standards in the US

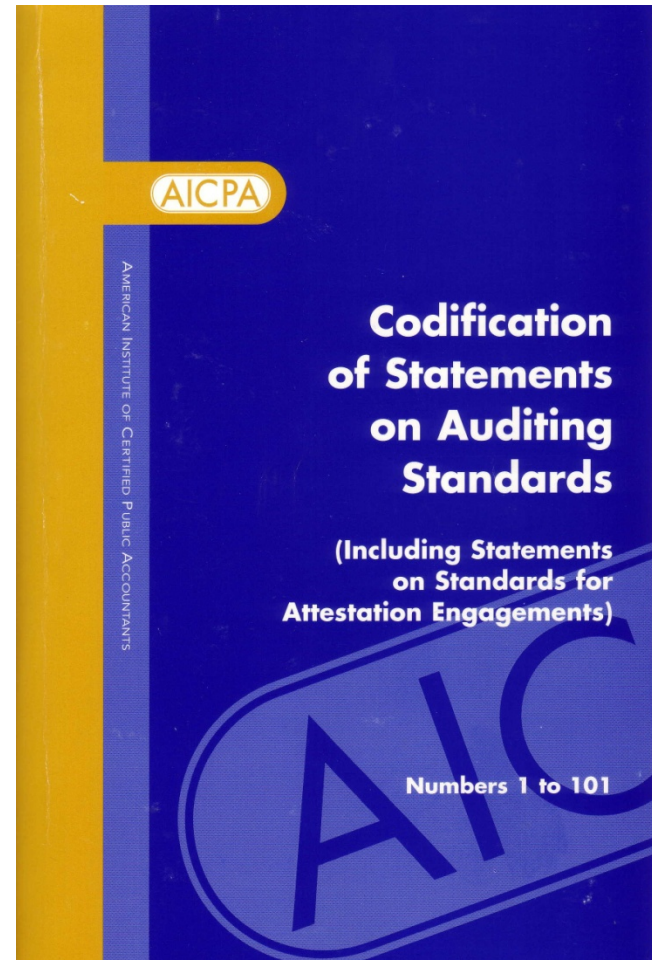
Standards Setting 2004



- PCAOB – Public
- AICPA – Not PCAOB
- GAO – A-133, Gov.
- NASBA – Regulate State Licensing

Standards Setting – To April 2003

- **Standards**
 - Audit and Attest Services
 - Quality Control
 - Independence and Ethics
- **Audit and Accounting Guides**

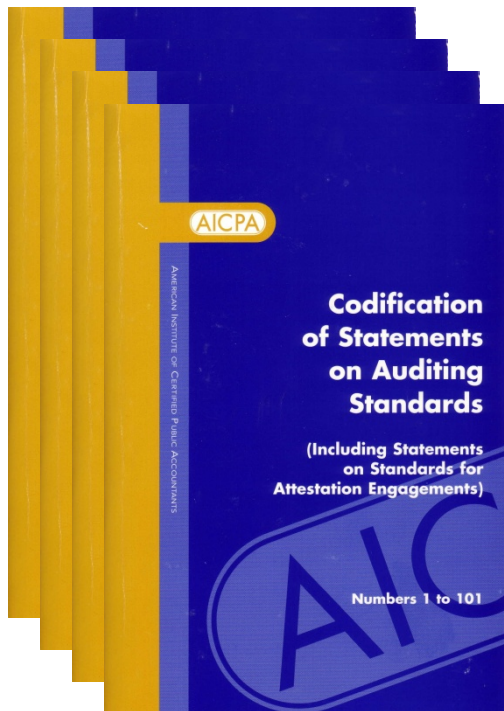




Professional Standards 2004

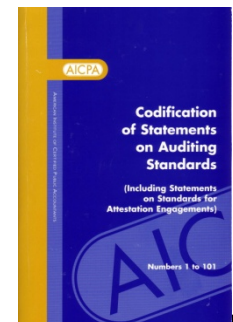


- Private – AICPA
- SAS 102,
- Continues to Advance
- Public – PCAOB
- Adopt April 03 AICPA Standards (Frozen)
- PCAOB Standards will Overlay / Overlap
- **Not** Conform AICPA April 2003 Standards ????



PCAOB
Public Company Accounting Oversight Board

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Analysis of Audit Practices

- Less than 100 firms have more than 10 SEC clients
- 15,000+ public company audits
- Hundreds of thousands of non public company audits



Implications

- **Reports of Public Companies in 2004 will Reference “Standards of the P.C.A.O.B”**
 - Includes Standards, Independence, Ethics, Quality
- **Reports of Others will Reference “Generally Accepted Auditing Standards” Must Reference Relevant Standards**
 - e.g., PCAOB has no jurisdiction over nor any intention of inspecting private company engagements.

Future of Standards Setting – Private Companies

- **ASB Restructured**
 - NASBA representatives
 - User groups
 - State Societies
 - International Convergence
- **Voluntary Election?**
- **Proposed GAO – PCAOB – ASB Standards Group**





Questions ??