



National State Auditors Association

April 29, 2010

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Ms. Sherry Hazel
Audit and Attest Standards
AICPA
1211 Avenue of the Americas
New York, NY 10036-8775

Dear Ms. Hazel:

On behalf of the National State Auditors Association, we appreciate the opportunity to respond to the AICPA Auditing Standards Board's proposed Statement on Auditing Standards entitled *Using the Work of an Auditor's Specialist*.

We have reviewed the proposed SAS and generally agree with the provisions contained therein. Below we have provided our response to the guide for respondents, and have provided, by paragraph, comments or suggestions that we believe the Board should consider as it finalizes this document.

Guide for Respondents

In response to the questions posed by the Board with regard to the proposed SAS, we believe the objectives; convergence revisions; and differences between the proposed SAS and ISA 620, and other language changes are appropriate.

With regard to considerations for audits of governmental entities, we noted that paragraph A12 includes a comment that is not accurate for government audit organizations. Therefore, with respect to paragraph A12, we believe a comment should be added, or an application paragraph should be included, that acknowledges that the SQCSs are not applicable to governmental entities, rather, governmental entities would have to follow quality control requirements contained in *Government Auditing Standards* when auditors are conducting audits in accordance with those standards.

Other Comments

- *Paragraph A1* – We recommend the Board include an additional example in paragraph A1 related to information technology and information systems. In practice, as technology has advanced, many audit firms have begun employing specialists in these fields. During the course of an audit, their expertise is often necessary in gaining an understanding of an auditee's information systems controls.
- *Appendix 2, paragraph A35* – The Board should consider referencing the proposed SAS, *Communicating Internal Control Related Matters Identified in an Audit*, when referring to significant deficiencies or material weaknesses.

Editorial Comment

- *Appendix 2, paragraph A43-A44* – There are three occurrences where “an specialist” should be “a specialist.”

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We appreciate the opportunity to respond to such an important document. Should you have any questions or need additional information regarding our response, please contact Sherri Rowland of NSAA at (859) 276-1147 or me at (602) 553-0333.

Sincerely,

A handwritten signature in black ink, appearing to read "Debbie Davenport". The signature is fluid and cursive, with a large initial "D" and a long, sweeping underline.

Debbie Davenport
President, NSAA