



January 22, 2021

Auditing Standards Board
American Institute of Certified Public Accountants
220 Leigh Farm Road
Durham, NC 27707-8110

Via email to CommentLetters@aicpa-cima.com

Members of the Board:

The Financial Management Standards Board (FMSB) of the Association of Government Accountants (AGA) appreciates the opportunity to provide comments to the AICPA Auditing Standards Board on its exposure draft (ED) of a proposed statement on auditing standards titled *Amendments to AU-C Sections 501, 540, and 620 Related to the Use of Specialists and the Use of Pricing Information Obtained from External Information Sources*. We generally agree with the ED and with the proposed implementation date. Our responses to the issues for consideration are as follows:

Request for Comment Specific to AU-C Section 540

1. Do you agree that the proposed amendments to incorporate appendix A, “Special Topics,” of AS 2501 as guidance to AU-C section 540 are appropriate? If not, why not?

Response: Yes, we consider the proposed guidance as beneficial, as it informs auditors of factors to consider and procedures to complete when assessing the reliability of pricing information.

2. Do you believe the amendments to incorporate appendix A, “Special Topics,” of AS 2501 into AU-C section 540 should include requirements? If so, please specify which paragraphs of appendix A, “Special Topics,” of AS 2501 should be included as requirements.

Response: No. We consider the existing requirements of standards as sufficient and that the appendix is most appropriately provided as application guidance.

To improve the readability of AU-C 501.A71, we propose indenting the last two bullets with a different bullet format as they are to be read in conjunction with the preceding bullet. The current presentation makes it appear like they are stand-alone items.

The FMSB is comprised of 24 members (listed below) with accounting and auditing backgrounds in federal, state, and local government, as well as academia and public accounting. The FMSB reviews and responds to proposed standards and regulations of interest to AGA members. The views of the FMSB do not necessarily represent those of AGA and the local AGA chapters and

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individual members are also encouraged to comment separately. If there are any questions regarding the comments in this letter, please contact me at (517) 334-8069.

Sincerely,



Craig M. Murray, CGFM, CPA, CIA
Chair, Financial Management Standards Board

cc: Wendy Morton-Huddleston, CGFM, PMP, AGA National President

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Financial Management Standards Board
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