

# **PART 1**

## **AUDITING STANDARDS OF THE PCAOB**

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# **PCAOB 1 REFERENCES IN AUDITORS’ REPORTS TO THE STANDARDS OF THE PUBLIC COMPANY ACCOUNTING OVERSIGHT BOARD**

An audit report on the financial statements of a public company regulated by the PCAOB should (1) be titled “Report of Independent Registered Public Accounting Firm,” (2) refer to “the standards of the Public Company Accounting Oversight Board (United States),” (3) not include any reference to generally accepted auditing standards, and (4) include the city and state (or country, if a non-US auditor) from which the audit report is issued. A sample standard report follows:

## **Report of Independent Registered Public Accounting Firm**

We have audited the accompanying balance sheet of [*company name*] as of (at) [*date*] and the related statements of income, retained earnings, and cash flows for the year then ended. These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of [*company name*] as of (at) [*date*], and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

[*Signature*]

[*City and State or Country*]

[*Date*]

Guidance for modifying the standard report applicable to financial statements of a public company regulated by the PCAOB may be found in AU Section 508.

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