

NEW TECHNICAL STANDARDS RELEASED

By: Gary A. Porter, CPA

The American Institute of CPAs (AICPA) and the Financial Accounting Standards Board (FASB) remained busy in recent months, issuing several new technical standards for CPAs to follow in the conduct of their practices.

The AICPA has issued three new Statements on Auditing Standards (SAS), and one Exposure Draft in recent months that have direct application to common interest realty associations.

80 Amendment to Statement on Auditing Standards No. 31, Evidential Matter - issued December 1996, with an effective date of “for engagement beginning on or after January 1, 1997.”

This Statement was fully analyzed in the Winter 1997 issue in the article titled “How Electronic Transactions Can Aid an Audit.” The article was written from the AICPA exposure draft. There have been no substantial changes from the exposure draft to the final statement.

80 Auditing Investments - issued December 1996, with an effective date of “for audits of financial statements for periods ending on or after December 15, 1997.” Early application is permissible.

This Statement was fully analyzed in the Winter 1997 issue in the article titled “Exposure draft Modifies Investment Audit Procedures.” The article was written from the AICPA exposure draft. There have been no substantial changes from the exposure draft to the final statement.

81 - Consideration of Fraud in a Financial Statement Audit - issued February 1997, effective for audits of financial statements for periods ending on or after December 15, 1997. Early application of the Statement is permissible.

This statement is discussed in detail in this issue.

Exposure Draft - Communications between Predecessor and Successor Auditors - issued March 7, 1997.

This exposure draft will be reviewed in the next issue.

The FASB has issued two new Statements of Financial Accounting Standards:

128 Earnings per share - issued February 1997.

This statement does not apply to associations, since (at least to my knowledge) associations do not issue publicly held stock subject to regulation by the Securities and Exchange Commission.

129 Disclosure of Information about Capital Structure - issued February 1997, effective for financial statements for periods ending after December 15, 1997.

This statement may apply to certain stock cooperatives, and to certain timeshare associations that have limited time memberships. It is discussed in detail in this issue.

Note: A modified version of this article was published in CAI's "Ledger Quarterly," Summer 1997 Issue

