

Please note that the comments expressed herein are solely my personal views

Public Company Accounting Oversight Board
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Actuary

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- **Release No. 2011-005**
- **PCAOB Rulemaking Docket Matter No. 036**
- **Proposed Auditing Standard on Auditing Supplemental Information Accompanying Audited Financial Statements and Related Amendments to PCAOB Standards**

Dear Sir,

Thank you for giving us the opportunity to comment on your Proposed Auditing Standard on Auditing Supplemental Information Accompanying Audited Financial Statements and Related Amendments to PCAOB Standards. The proposed standard will certainly benefit users of financial statements (users) by establishing the audit procedures and the auditor's responsibilities when the financial statement auditor is also engaged to audit and report on accompanying supplemental information.

In general I support the proposed standard. I have some specific comments, which I will address in answer to your specific questions.

Answers to specific questions raised by the PCAOB

1. The proposed definition of supplemental information is sufficient and complete given the objective outlined in Appendix 1.

5. The proposed “in relation to” audit opinion is an appropriate degree of responsibility for supplemental information. Anything stronger would be overburdensome given the nature, content and purpose of supplemental information compared with the audited financial statements.
8. I would suggest that the auditor should consider the complexity of the methodology used to prepare supplemental information, particularly where complex analytical or sampling techniques have been employed in the preparation of underlying data.
9. Appendix 3. I. D. b. requires the auditor to: “Obtain an understanding of the methods of preparing the supplemental information... and, if the methods have changed, determine the reasons for and evaluate the appropriateness of such changes”. This requires the auditor to evaluate the “appropriateness” of any changes to methods, but not to evaluate the appropriateness of the methods themselves. I would rather recommend that the auditor should be required to evaluate the appropriateness of the methods of preparing the supplemental information, as well as any changes thereon.

Appendix 3. I. D. c. requires the auditor to: “Inquire of management about any significant assumptions or interpretations underlying the measurement or presentation of the supplemental information”. I would suggest here that the auditor should also give an opinion on the appropriateness of such significant assumptions or interpretations, as these could affect whether the supplemental information is reasonable, rather than just “accurate” in the sense of “calculated correctly”.
10. The required audit procedures are sufficiently clear. I believe that they could be more appropriate (see my comments under question 9).
11. / 12. Yes.
13. Appendix 3. I. G. e. is very important. I support that the auditor should provide: “An opinion on whether the supplemental information is fairly stated in all material respects, in relation to the financial statements as a whole”. This would be sufficient and complete, and would provide meaningful information to users.

Yours faithfully

C.R.B.

Chris Barnard