

US Week in Review

Week ending 22 August 2024

The US Week in Review highlights this week's developments and emerging issues in the financial reporting world and gives you direct access to relevant technical accounting guidance and thought leadership produced by EY.

In this issue:

What's new from EY	1
Regulatory matters.....	2
Upcoming webcasts.....	2

What's new from EY

To the Point: AICPA issues draft updates to its accounting and valuation guide on privately held equity securities

Comment letter on PCAOB proposal on substantive analytical procedures

In our comment letter, we support the Board's efforts to modernize its standard related to substantive analytical procedures. However, we believe certain modifications and clarifications to the proposal are necessary to help auditors understand and consistently apply its principles, avoid unintended consequences and achieve the Board's objective of improving audit quality.

EY US 2024 update on audit quality is now available on ey.com

Our 2024 update on audit quality provides an overview of our 2023 PCAOB inspection results.

Register for our quarterly financial reporting webcast on 19 September

Our *What you need to know for Q3 2024 financial reporting* webcast will be held on 19 September from 1 p.m. to 2 p.m. Eastern time.

Regulatory matters

Securities and Exchange Commission (SEC)

SEC approves PCAOB new and amended standards on general responsibilities of the auditor and the use of technology-assisted analysis, and contributory liability rule for associated persons

The SEC **announced** it approved the PCAOB's amended standards related to the **use of technology-assisted analysis** in conducting an audit and ethics **rule** governing the liability of an associated person when they directly and substantially contribute to audit firm violations. It also approved the PCAOB's new auditing standard, **AS 1000, General Responsibilities of the Auditor in Conducting an Audit**, and related amendments.

In our **comment letter** to the SEC on its approval of the amendments related to the use of technology-assisted analysis, we generally supported approval but noted that certain amendments could be viewed as a departure from the foundational principles of the risk-based audit approach. The SEC stated in its **order** that the amendments do not preclude a risk-based approach to testing external information, and it encouraged the PCAOB to provide further implementation guidance on this point.

The amendments related to the auditor's general responsibilities are effective for audits of fiscal years beginning on or after 15 December 2024. For firms that provide audit opinions for 100 or fewer issuers during the 2024 calendar year, the accelerated documentation completion date requirement is effective for audits of fiscal years beginning on or after 15 December 2025. The amendments related to the use of technology-assisted analysis are effective for audits of fiscal years beginning on or after 15 December 2025. The amended ethics rule is effective on 21 October 2024.

Upcoming webcasts

What you need to know for Q3 2024 financial reporting

19 September 2024, 1 p.m. Eastern time

Information regarding upcoming events can be found on the **EY webcasts site**.

EY | Building a better working world

© 2024 Ernst & Young LLP.
All Rights Reserved.

ey.com/en_us/technical/accountinglink

EY exists to build a better working world, helping to create long-term value for clients, people and society and build trust in the capital markets.

Enabled by data and technology, diverse EY teams in over 150 countries provide trust through assurance and help clients grow, transform and operate.

Working across assurance, consulting, law, strategy, tax and transactions, EY teams ask better questions to find new answers for the complex issues facing our world today.

EY refers to the global organization, and may refer to one or more, of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. Information about how EY collects and uses personal data and a description of the rights individuals have under data protection legislation are available via ey.com/privacy. EY member firms do not practice law where prohibited by local laws. For more information about our organization, please visit ey.com. Ernst & Young LLP is a client-serving member firm of Ernst & Young Global Limited operating in the US.

This material has been prepared for general informational purposes only and is not intended to be relied upon as accounting, tax or other professional advice. Please refer to your advisors for specific advice.