



December 19, 2008

Mr. Russell G. Golden
Technical Director
Financial Accounting Standards Board
401 Merritt 7
P.O. Box 5116
Norwalk, CT 06856-5116

File Reference No. 1650-100

Dear Mr. Golden:

We appreciate the opportunity to comment on the Financial Accounting Standards Board's (the "FASB" or "Board") Exposure Draft of a Proposed Statement of Financial Accounting Standards, *Going Concern* (the "Exposure Draft"). Huron Consulting Group helps clients address accounting issues arising from complex business transactions, as well as issues that arise in litigation, disputes and investigations. Huron provides services to a wide variety of organizations, including Fortune 500 companies, medium-sized businesses, leading academic institutions, healthcare organizations, and the law firms that represent these various organizations.

We agree with the Board's decision to include the going concern guidance in AU Section 341, *The Auditor's Consideration of an Entity's Ability to Continue as a Going Concern* ("AU 341"), in US generally accepted accounting principles. While we do not expect it will change practice, we believe it is helpful to acknowledge management's responsibility to assess a reporting entity's ability to continue as a going concern. We also agree with the Board's decision to align the guidance in AU 341 with the guidance in International Accounting Standard 1, *Presentation of Financial Statements* ("IAS 1"). However, while we believe the FASB should avoid issuing standards containing "bright-lines," we are concerned about the ability of preparers and auditors to apply the proposed guidance without additional guidance that would not be necessary if the Board incorporated the guidance in AU 341 without change. Given the legal and regulatory environment in the US, we believe the Board needs to provide application guidance in the final standard if it decides to use the time horizon in IAS 1 rather than the time horizon in AU 341.

We believe application guidance is necessary for there to be a reasonable possibility that companies will apply the standard consistently. We believe the Board should provide guidance that assists management in assessing the effect of events or circumstances that will occur more than 12 months from the end of the reporting period on the reporting entity's ability to continue as a going concern. For example, should management of a reporting entity consider the effect of a significant amount of debt maturing in two years on the entity's ability to continue as a going concern? If so, given the absence of liquidity in the credit markets, how should management evaluate the effect of that event on its ability to continue as a going concern as of the reporting date? Should it assume that credit markets will return to pre-crisis levels, or should it assume that illiquidity in the credit markets will continue? That issue would not be relevant under AU 341, which focuses on the entity's ability to continue as a going concern for the 12 months after the reporting date. It is not clear whether management would have to conclude there is doubt about

the reporting entity's ability to continue as a going concern with the broadening of the time horizon. We believe application guidance that helps clarify such issues would be helpful.

Recognizing that the FASB can't (and probably shouldn't) address all implementation issues, we believe it should consider revising the disclosure requirements in the Exposure Draft to require disclosure of the factors considered by management in determining there is not substantial doubt about the reporting entity's ability to continue as a going concern. We believe disclosing the management's assumptions would be helpful to users of financial statements, particularly when the assessment of the reporting entity's ability to continue as a going concern was not clear-cut. We believe such a disclosure would relieve some of the pressure that expanding the time horizon for events or circumstances that may affect the reporting entity's ability to continue as a going concern will place on preparers. Continuing with the example in the prior paragraph, if management assumed that credit markets would return to normal so that the reporting entity could refinance its maturing debt, that information would be useful information to users who have a more pessimistic outlook on the likelihood that credit markets will recover.

Finally, we believe the Board should consider incorporating the guidance in paragraphs .08 and .09 of AU 341 into the final standard. While those paragraphs relate to evidence the auditor should obtain in testing management's conclusions that there is not substantial doubt about the reporting entity's ability to continue as a going concern, we believe they provide guidance that is helpful to management in making its assessment. We assume that preparers already comply with the guidance in those paragraphs when making their assessments, so incorporating those paragraphs in the final standard would not require significant additional effort by preparers.

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We would be pleased to discuss any of our comments with the Board or the FASB staff. Please direct any questions or comments to Jeff Ellis at 312-880-3019.

Sincerely,

/s/ Jeffrey H. Ellis

Jeffrey H. Ellis
Managing Director