



WASHINGTON SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

902 140TH AVE NE BELLEVUE, WA 98005-3480 (425)644-4800

To: FASB

Technical Director File Reference 1650-100

RE: Proposed Statement of Financial Accounting Standards, Going Concern

While we appreciate the FASB's move to more principles based accounting standards, and their desire to converge with IAS, those of us who audit management's implementation of these accounting standards are concerned about how to audit management's consideration of all available information about the future. We have the following two suggestions.

- 1. We recommend that the language of the first sentence of paragraph 4. be changed to "In assessing whether the going concern assumption is appropriate, management shall take into account all available information about the future, which is at least five years from the end of the reporting period." The five year period is consistent with the forward looking disclosures of repayment of long-term debt, commitments, etc. This still leaves a bright line, but addresses the FASB's concern of events occurring just outside the 12 months from the end of the reporting period.
- 2. The ASB should address required audit procedures regarding going concern, specifically requiring the auditor to consider all information made available to the auditor at the time of the audit that is significant and material regarding the entity's ability to continue as a going concern. Although audit procedures/requirements are not the purview of the FASB, please recognize that auditors have to be able to audit the standards the FASB promulgates.

Respectfully,

Laura Lindal CPA Chair, WSCPA AARS Committee

On behalf of Accounting, Auditing and Review Standards Committee Washington Society of CPA'S

c: Chairman, Auditing Standards Board