

**MEMO# 31760**

May 15, 2019

## **ICI Letter to PCAOB Recommending Changes to Audit Opinion**

[31760]

May 15, 2019 TO: Accounting/Treasurers Committee RE: ICI Letter to PCAOB  
Recommending Changes to Audit Opinion

The Institute recently filed the attached letter with the Public Company Accounting Oversight Board recommending a change to fund audit opinions. Recently effective amendments to AS 3101, *The Auditor's Report on an Audit of Financial Statements When the Auditor Expresses an Unqualified Opinion* require the auditor to indicate the date of, or period covered by, each individual financial statement. Funds often combine financial statements for several different funds into one shareholder report book and the audit opinion covers all the funds in the book.

When the periods covered by each financial statement of each fund included in the shareholder report book are identical, the requirement to identify the period covered by each financial statement works well. However, in instances where the periods audited for each fund vary due to differing commencement dates (*i.e.*, certain of the funds are new funds), the opinion can include many different dates, making it awkward and unwieldy. To comply with the new standard, some auditors have incorporated a table or chart into their opinions listing the different funds and the financial statement periods covered.

In the attached letter the Institute recommends that the Board permit fund auditors to comply with AS 3101 by referencing in the opinion the periods covered on the financial statements themselves, rather than stating the dates in the opinion. The letter notes that auditors often followed this practice prior to the recent amendments to AS 3101.

Several fund sponsors have sent a letter to the PCAOB supporting the Institute's recommendation. If your complex is interested in sending such a letter, please contact me by May 31 at [smith@ici.org](mailto:smith@ici.org).

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