

PCAOB Issues Staff Audit Practice Alert on Auditor Considerations Regarding Fair Value Measurements, Disclosures, and Other-Than-Temporary Impairments

Washington, DC, April 21, 2009 – The Public Company Accounting Oversight Board today issued a Staff Audit Practice Alert to inform auditors of public companies about potential implications on reviews of interim financial information and annual audits of three recently-issued Financial Accounting Standards Board Staff Positions ("FSPs"). The recently-issued FSPs that are the subject of this alert are:

- FSP FAS 157-4, *Determining Fair Value When the Volume and Level of Activity for the Asset or Liability Have Significantly Decreased and Identifying Transactions That Are Not Orderly*
- FSP FAS 115-2 and FAS 124-2, *Recognition and Presentation of Other-Than-Temporary Impairments*
- FSP FAS 107-1 and APB 28-1, *Interim Disclosures about Fair Value of Financial Instruments*

"This alert is intended to remind auditors of their responsibilities in conducting reviews of interim financial information and annual audits in light of the new FSPs related to fair value measurements and other-than-temporary impairments. The alert will be helpful to auditors as they conclude their work related to the first quarter of 2009 or prepare for the review of the second quarter and the audit of the financial statements, including the integrated audit," said Martin F. Baumann, Chief Auditor and Director of Professional Standards.

The Staff Audit Practice Alert discusses the following matters:

- Reviews of interim financial information
- Audits of financial statements, including integrated audits
- Disclosures
- Auditor reporting considerations

These alerts are prepared to highlight new, emerging, or otherwise noteworthy circumstances that may affect how auditors conduct audits under the existing requirements of PCAOB standards and relevant laws. The statements contained in Staff Audit Practice Alerts are not rules of the Board and do not reflect any Board determination or judgment about the conduct of any particular firm, auditor, or any other person.

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