

## 2012 PUBLIC ENTITIES OVERVIEW FOR KNOWLEDGE COACH USERS

### PURPOSE

This document is published for the purpose of communicating, to users of the toolset, updates and enhancements included in the current version. This document is not, and should not be used as an audit program to update the audit documentation of an engagement started in a previous version of this product

### WORKPAPER UPDATES AND ROLL FORWARD NOTES

#### General Roll Forward Note:

You must be the current editor of all Knowledge Coach workpapers to update to the latest content, and you must be the current editor upon opening the updated workpaper for the first time to ensure you see the updated workpaper.

The 2012 edition of *Knowledge-Based Audits of Public Entities* includes the following updates:

#### Knowledge-Based Audit Documents (KBAs)

- Instructions have been modified to:
  - Provide additional guidance on KBA Methodology to enhance usability;
  - Better reflect auditing standard requirements; and
  - Better describe the use of the document.
- A number of **KBAs** have been renumbered to remove “A” designations and to align numbering schemes.
- Excel versions of **KBA-s 403-409** have been replaced with interactive Word versions to improve customer usability by enhancing workflow to better facilitate documenting processes and controls identified. Changes include combining tables and removing individual narrative boxes.

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
	<b>KBA-101 Overall Audit Strategy</b>				You should consider publishing a copy of this workpaper prior to update or roll forward, so you can reference data the you have selected to keep. <ul style="list-style-type: none"> <li>• Specialist table has a new column where you must select either Audit Specialist or Management Specialist to enable the insertion of AUD-603 Audit Program: Using the Work of An Auditor’s Specialist or AUD-604 Audit Program: Using the Work of a Management’s Specialist, respectively.</li> </ul>
Modify	Modified language in the instructions.	Instruction	Yes	AU 300	
Modify	Modified the language in Section I Reporting Requirements table.		No	N/A	Responses in KBA-201 will now flow into Reporting requirements table. Your existing answers will be overridden by the KBA-201 information. Review these answers to ensure they are appropriate.

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
New and Modify	Added practice point regarding group engagements to Section 1, Audit Coverage; changed "subsidiaries, divisions" to "multiple components, multiple locations" throughout document.	Practice Point	No	N/A	
Delete	Deleted the table on affiliates, while maintaining a single table on "other independent auditors."	Table	Yes	AU 543	Data added to the Other Auditor and Affiliate Auditor tables will be mapped into the new Component Auditor Table
Delete	Deleted table regarding which of the client's records would be delivered electronically and in what format. In current environment, nearly all documentation is delivered electronically.	Table	No	N/A	
New	Section II, added table to document the timetable of deliverables and communications with third parties, such as when regulatory and contractual reporting requirements exist.	Table	No	N/A	
New	Section III, question 2 table, added "Property, plant and equipment" and "Other assets" to the significant class of transactions list.	Table	No	N/A	Significant Class of Transaction Table is now tailored by your transaction area selection in KBA-400 Scoping and Mapping of Significant Account Balances, Classes of Transactions, and Disclosures.
New	Added practice point regarding operating effectiveness of controls to Section III, question 2.	Practice Point	No	N/A	
<b>KBA-102 Information for Substantive Analytical Procedures</b>					
Delete	Workpaper deleted from toolset.		N	N/A	This workpaper will remain in your binder until you delete it. It will not be updated nor will information continue to flow out of it. You will need to add any required information from this document into the AUD-800 series of workpapers.
<b>KBA-102 Engagement Completion Document</b>					
Modify	Renumbered from KBA-103 to KBA-102	Instructions	N	N/A	
New	Added additional guidance to the instruction section to better define significant findings or issues.	Instructions	Yes	AS 3	
<b>KBA-103 Evaluating and Communicating Internal Control Deficiencies</b>					
New	Renumbered from KBA-104 to KBA-103.		N	N/A	
<b>KBA-104 Summary and Evaluation of Misstatements and Omitted, Inaccurate, or Incomplete Disclosures</b>					
New	Renumbered from KBA-105 to KBA-104.		N	N/A	
Modify	Modified "omitted" to "omitted, inaccurate, or incomplete"	Instructions	Yes	AS 13	

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
	disclosure throughout the document.				
<b>KBA-105 Review of Significant Accounting Estimates</b>					
New	Renumbered from KBA-106 to KBA-105.		N	N/A	
<b>KBA-201 Client/Engagement Acceptance and Continuance Form</b>					
Modify	Table Change: The single row 5 column sign-off tables throughout the workpaper have been updated to the correct table structure to enable the add rows feature.	Table Change	N	N/A	Publish this workpaper prior to update so that you can reference data the you have selected to keep. Existing responses will not be maintained on update.
NEW	Section 1, Table 1, added new step 3: Financial reporting framework applied in the preparation of the financial statements.	Table	Yes	AS 13	Information added to this step will flow into KBA-101 Overall Audit Strategy
New	<p>Section III step 6, reformatted step a. and added additional considerations:</p> <p>Are the preconditions for an audit present and do we understand the following:</p> <ul style="list-style-type: none"> <li>- The purpose for which the financial statements are prepared and whether the financial reporting framework applied in the presentation of the financial statements is a fair presentation framework;</li> <li>- The intended users of the financial statements;</li> <li>- The acceptability of the financial reporting framework applied in the preparation of the financial statements, including the steps taken by management to determine that it is acceptable in the circumstances;</li> <li>- The agreement of management and, where appropriate, those charged with governance, including those overseeing the financial reporting process, to the premise on which an audit is conducted; and</li> <li>- If applicable, our legal responsibilities if we plan to use the form and content of the auditor's report of another country.</li> <li>- Are the financial reporting standards established by an authorized or recognized standard setting organization supplemented by law or regulation?</li> <li>- Does our firm have experience with the relevant regulatory or reporting requirements?</li> </ul>	Table	No	N/A	

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
	<ul style="list-style-type: none"> <li>- Does our firm have individuals meeting the criteria and eligibility requirements to perform an engagement quality control review available when applicable?</li> <li>- Does our firm have the ability to comply with relevant ethical requirements?</li> <li>- If specialists are needed, are they available?</li> <li>- Does our firm have the ability to complete the engagement within the reporting deadline?</li> <li>- Does the engagement partner assigned to this engagement have the appropriate competence, capabilities, and authority; and have the related responsibilities been clearly defined and communicated to the engagement partner?</li> <li>- If the engagement is for group financial statements, is there any indication that sufficient appropriate audit evidence could not be attained related to the consolidation process and financial information of the components?</li> </ul>				
<b>KBA-302 Understanding the Entity and Its Environment: Complex Entities</b>					
New	Added additional guidance to the instructions to further emphasize the responsibilities of the auditor.	Instructions	Yes	AS 13	
New	<p>7. Selection and Application of Accounting Principles, Including Related Disclosures (i.e., Financial Reporting)</p> <p>Added: Requirements of the applicable financial reporting framework relevant to accounting estimates, including related disclosures.</p> <p>Management's process that identifies those transactions, events, and conditions that may give rise to the need for accounting estimates to be recognized, revised, or disclosed in the financial statements.</p> <p>Management's process for making accounting estimates and any changes in that process including the underlying assumptions and any models or specialists used.</p> <p>The outcome of accounting estimates included in the previous period financial statements, or, where applicable,</p>	Table	No	N/A	

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
	<p>their subsequent reestimation for the purpose of the current period, including their nature and relevance to assessing the risk of material misstatement.</p> <p>Methods used by management in determining segment information (sales, transfers and charges between segments, and eliminations of intersegment amounts; comparisons with budgets and other expected results; allocation of assets and costs among segments; and consistency with previous periods, and the adequacy of the disclosures for inconsistencies).</p>				
New	Added "tolerance for petty" to Attitudes and Rationalizations.	Table	Yes	AU 316	
New	<p>Added to Noncompliance with Laws and Regulations</p> <p>Payments for goods or services made other than to the country from which the goods or services originated.</p> <p>Adverse media comment.</p> <p>Noncompliance with laws or regulations cited in reports of examinations by regulatory agencies that have been made available to the auditor.</p> <p>Failure to file tax returns or pay government duties or similar fees that are common to the entity's industry or the nature of its business.</p>	Table	Yes	AU 317	
<b>KBA-303 Inquiries of Management and Others within the Entity about the Risks of Fraud</b>					
New	Added new inquiries for management, as well as new questions regarding the description of management's processes and practices, modified the inquires for those charged with governance, new inquires added for internal audit function	Table	Yes	AU 316	
<b>KBA-400 Scoping and Mapping of Significant Account Balances, Classes of Transactions, and Disclosures</b>					There are new audit areas added to AUD-100 for this title. After update or roll forward, ensure any new applicable audit areas have been selected in AUD-100 Tailoring Question Workpaper so that they appear in the scoping table.
Modify	Changed the title from "Understanding Internal Controls: Scoping and Mapping" to "Scoping and Mapping of Significant Account Balances, Classes of Transactions,	Instructions	No	N/A	

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
	and Disclosures" - to better describe the purpose of the tool.				
Modify	Flow Change: Only the audit areas selected as significant account balances but not as significant class of transactions will flow into the Reconciliation Table.	Flow Change	N	N/A	You should consider publishing a copy of this workpaper prior to update, so you can reference the reconciliation table. This information will not be kept on content update because of flow changes.
New	Added recommended workpapers to Table I - Scoping and Mapping.	Table	No	N/A	All responses that were in the mapping table of the prior version will automatically map to the new "Control Understanding/ Testing Workpaper" column of the Scoping Table.
New	New Table: Relevant Assertion table from the no obsolete AID-501 workpaper has moved to KBA-400.	Table Change	N	N/A	All responses included in the Relevant Assertions table in AID-501 will be mapped to this table. After update or roll forward, ensure any new significant audit areas flowing into this table are addressed.
Delete	Mapping Table has been removed.	Table Change	N	N/A	All responses that were in the mapping table of the prior version will automatically map to the new "Control Understanding/ Testing Workpaper" column of the Scoping Table.
Delete	"Further Understanding" column has been removed from the Risk Table	Table Change	N	N/A	You should consider publishing a copy of this workpaper prior to update, so you can reference the risk table. This information will not be kept on content update because of the removed column.
<b>KBA-401 Understanding Entity-Level Controls: Complex Entities</b>					
Delete	Deleted appendix and replaced with RES-008	Instructions	No	N/A	
<b>KBA-402 Understanding General Controls for Information Technology</b>					
Modify	Modified Section I table 1 to better accommodate software functionality.	Table	No	N/A	
New	Significant Class of Transaction Table is now tailored by your transaction area selection in KBA-400 Scoping and Mapping of Significant Account Balances, Classes of Transactions, and Disclosures.	Table - other than procedures	N	N/A	Publish this workpaper prior to update to confirm the tailoring from the scoping table in KBA-400 is correct.
<b>KBA-403 Understanding Activity-Level Controls: Revenue, Accounts Receivable, and Cash Receipts</b>					
New	Created Word version; modified workflow to better facilitate documenting the processes and controls identified, including combining tables and removing individual narrative boxes.	Table - other than procedures	N	N/A	Choose to use either the word or excel versions. The excel version has not been updated for the 2012 version.

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
Delete	Deleted the Excel version; all example controls and what could go wrong have been moved to RES 009.		N	N/A	
<b>KBA-404 Understanding Activity-Level Controls: Inventory</b>					
New	Created Word version; modified workflow to better facilitate documenting the processes and controls identified, including combining tables and removing individual narrative boxes.	Table - other than procedures	N	N/A	Choose to use either the word or excel versions. The excel version has not been updated for the 2012 version.
Delete	Deleted the Excel version; all example controls and what could go wrong have been moved to RES 010.		N	N/A	
<b>KBA-405 Understanding Activity-Level Controls: Property, Plant, and Equipment</b>					
New	Created Word version; modified workflow to better facilitate documenting the processes and controls identified, including combining tables and removing individual narrative boxes.	Table - other than procedures	N	N/A	Choose to use either the word or excel versions. The excel version has not been updated for the 2012 version.
New	New Activity Level Controls document for Property, Plant and Equipment.		N	N/A	
Delete	Deleted the Excel version; all example controls and what could go wrong have been moved to RES 011.		N	N/A	
<b>KBA-406 Understanding Activity-Level Controls: Other Assets</b>					
New	Created Word version; modified workflow to better facilitate documenting the processes and controls identified, including combining tables and removing individual narrative boxes.	Table - other than procedures	N	N/A	Choose to use either the word or excel versions. The excel version has not been updated for the 2012 version.
Delete	Deleted the Excel version; all example controls and what could go wrong have been moved to RES 012.		N	N/A	
<b>KBA-407 Understanding Activity-Level Controls: Accounts Payable and Disbursements</b>					
New	Created Word version; modified workflow to better facilitate documenting the processes and controls identified, including combining tables and removing individual narrative boxes.	Table - other than procedures	N	N/A	Choose to use either the word or excel versions. The excel version has not been updated for the 2012 version.
Delete	Deleted the Excel version; all example controls and what could go wrong have been moved to RES 013.		N	N/A	
<b>KBA-408 Understanding Activity-Level Controls: Payroll</b>					

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
New	Created Word version; modified workflow to better facilitate documenting the processes and controls identified, including combining tables and removing individual narrative boxes.	Table - other than procedures	N	N/A	Choose to use either the word or excel versions. The excel version has not been updated for the 2012 version.
Delete	Deleted the Excel version; all example controls and what could go wrong have been moved to RES 014.		N	N/A	
<b>KBA-409 Understanding Activity-Level Controls: Treasury</b>					
New	Created Word version; modified workflow to better facilitate documenting the processes and controls identified, including combining tables and removing individual narrative boxes.	Table - other than procedures	N	N/A	Choose to use either the word or excel versions. The excel version has not been updated for the 2012 version.
Delete	Deleted the Excel version; all example controls and what could go wrong have been moved to RES 015.		N	N/A	
<b>KBA-410 Understanding Activity-Level Controls: Income Taxes</b>					
New	Created Word version; modified workflow to better facilitate documenting the processes and controls identified, including combining tables and removing individual narrative boxes.	Table - other than procedures	N	N/A	Choose to use either the word or excel versions. The excel version has not been updated for the 2012 version.
Delete	Deleted the Excel version; all example controls and what could go wrong have been moved to RES 016.		N	N/A	
<b>KBA-411 Understanding Activity-Level Controls: Financial Reporting and Closing Process</b>					
New	Created Word version; modified workflow to better facilitate documenting the processes and controls identified, including combining tables and removing individual narrative boxes.	Table - other than procedures	N	N/A	Choose to use either the word or excel versions. The excel version has not been updated for the 2012 version.
Delete	Deleted the Excel version; all example controls and what could go wrong have been moved to RES 017.		N	N/A	
<b>KBA-412 Understanding Controls Maintained by a Service Organization</b>					
New	Added new steps: We performed procedures to become satisfied as to: <ul style="list-style-type: none"> <li>- The service auditor's professional competence.</li> <li>- The service auditor's independence from the service organization.</li> <li>- The adequacy of the standards under which the</li> </ul>	Procedure	Yes	AU 324	

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
	<p>service auditor's report was issued.</p> <p>If we plan to use a Type 1 or a Type 2 report that excludes the services provided by a subservice organization and those services are relevant to the audit of the financial statements, we applied the requirements of AU Section 324, <i>Service Organizations</i>, with respect to the services provided by the subservice organization.</p> <p>If our audit report opinion is unmodified, we did not refer to the work of the service auditor unless required by law or regulation to do so. If such reference is required by law or regulation, our report indicates that the reference does not diminish our responsibility for the audit opinion.</p> <p>If we were unable to obtain sufficient appropriate audit evidence regarding the services provided by the service organization relevant to the audit of the user entity's financial statements, we modified our audit opinion appropriately.</p> <p>If reference to the work of a service auditor is relevant to an understanding of a modification to our audit opinion, our report indicates that such reference does not diminish our responsibility for that opinion.</p>				
Modify	<p>Modified conclusion language to better reflect the standard: We determined whether a sufficient understanding of the nature and significance of the services provided by the service organization and their effect on the client's internal control relevant to the audit has been obtained to provide a basis for the identification and assessment of the risks of material misstatement, or whether we need to perform updating or other procedures with respect to the service organization.</p> <p>We also determined whether we can rely on the service auditor's report or whether we need to perform updating or other procedures with respect to the service organization. We considered the following in making this conclusion:</p> <ul style="list-style-type: none"> <li>- The reputation of the service auditor;</li> <li>- The date of the service auditor's report; and</li> </ul>	Table	Yes	AU 324	

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
	- Our review of the service auditor's report.				
<b>KBA-501 Team Discussion of the Risks of Material Misstatement</b>					
New	<p>Added the following questions for consideration during the team meeting:</p> <p>Ways in which management could originate and post inappropriate journal entries or other adjustments (e.g., debiting accounts payable and crediting cost of sales in order to understate liabilities and increase earnings).</p> <p>The kinds of unusual combinations of debits and credits that the engagement team should be looking for (e.g., debiting a liability account and crediting an equity account in order to understate liabilities and increase equity).</p> <p>The types of journal entries or other adjustments that could result in a material misstatement that would not likely be detected by standard audit procedures (e.g., consolidating entries and entries involving intercompany transactions).</p> <p>The entity's selection and application of accounting principles, including related disclosure requirements.</p>	Instructions	Yes	AU 316	
<b>KBA-502 Summary of Risk Assessments</b>					There are new audit areas added to AUD-100 for this title. After update, ensure any new applicable audit areas have been selected in AUD-100 and addressed in KBA-400 so that they appear in KBA-502.
New	New selection option in the risk pane to identify the risk as either "Cash Receipt" or "Cash Disbursement"	Risk Pane			Address this for all cash receipt or cash disbursement risks that were added prior to PCAOB 2012
New	Overall inherent risk assessment will be performed in Section II, rather than AID-501.	Flow Change	N	N/A	Inherent risk assessment previously addressed in AID-501 will be mapped to Section II.
<b>KBA-503 Basis for Inherent Risk Assessment</b>					
New	New workpaper to replace AID 501 to document the auditor's basis for inherent risk assessments.	Table - other than procedures	N	N/A	
<b>KBA-901 Financial Statement Disclosures Checklist</b>					
New	When main disclosure steps are answered N/A, all sub-	Auto	N	N/A	

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
	disclosure steps will auto-populate with N/A.	Answer			
Modify	This Financial Statement Disclosures Checklist is updated for disclosure and key presentation requirements in effect as of June 30, 2012. There were no Accounting Standards Updates (ASUs) issued since ASU No. 2011-12, Comprehensive Income (Topic 220) – Deferral of the Effective Date for Amendments to the Presentation of Reclassifications of Items Out of Accumulated Other Comprehensive Income in Accounting Standards Update No. 2011-05.	Disclosure Update	Y	Various	If you are updating from the 2010 <i>Knowledge-Based Audits™ of Public Entities</i> or 2011 <i>Knowledge-Based Audits™ of Public Entities</i> , note that the formatting of the Disclosure checklist has changed. In the 2012 version, the check list has changed and not all of you answers will be updated or roll forward. Please verify your answers are still correct after updating or rolling forward.
<b>KBA-901A SEC Financial Statement Disclosures Checklist</b>					
Modify	This checklist is updated for disclosure and key presentation requirements in effect as of June 30, 2012.	Disclosure Update	Y	Various	
<b>KBA-901B MD&amp;A Disclosures Checklist</b>					
Modify	This checklist is updated for disclosure and key presentation requirements in effect as of June 30, 2012.	Disclosure Update	Y	Various	
<b>KBA-901C SEC Incremental Certifications, Disclosures, and Reporting Mandated by Sarbanes-Oxley Requirement Checklist</b>					
Modify	This checklist is updated for disclosure and key presentation requirements in effect as of June 30, 2012.	Disclosure Update	Y	Various	
<b>KBA-901D Form 10-Q Checklist</b>					
Modify	This checklist is updated for disclosure and key presentation requirements in effect as of June 30, 2012..	Disclosure Update	Y	Various	
<b>KBA-902 Audit Review and Approval Checklist</b>					
Modify	Table Change: The single row 5 column sign-off tables throughout the workpaper have been updated to the correct table structure to enable the add rows feature.	Table Change	N	N/A	Publish this workpaper prior to update so that you can reference data the you have selected to keep. Existing responses will not be maintained on update.
New	Added the following steps to detail review:  The engagement was directed, supervised, and performed in accordance with the applicable auditing standards, professional standards, applicable laws and regulations, and firm policies and procedures.  I have considered the results of the firm's monitoring	Procedures	Yes	AS 10	

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
	<p>process as evidenced in the latest information circulated by the firm and, if applicable, by other network firms and whether deficiencies noted in that information may affect the audit engagement.</p> <p>We held appropriate and timely discussions among the audit engagement personnel about (1) the susceptibility of the entity's financial statements to risks of material misstatement, including those due to fraud throughout the engagement and (2) the application of the applicable financial reporting framework to the entity's facts and circumstances.</p> <p>If applicable, I supervised the work of an engagement team member with expertise in a specialized area of audit and accounting and determined that the nature, scope, and objectives of that work were properly communicated and appropriate under the circumstances and that the work performed was adequate and the findings or conclusions reached were reasonable.</p> <p>If applicable, an engagement quality control reviewer, with the proper experience, has been appointed and properly consulted with on significant matters, in accordance with firm policies and the auditor's report has not been dated until the engagement quality control review has been completed.</p> <p>The financial statements are presented in accordance with the applicable financial reporting framework and disclosures are appropriately presented, complete, and understandable.</p> <p>The opinion expressed in the auditor's report is appropriate in the circumstances.</p>				
New	<p>Added the following steps to engagement partner review:</p> <p>The engagement team has properly evaluated the firm's independence in relation to the audit engagement and the appropriate consultations have taken place on matters involving differences of opinion or other difficult matters,</p>	Procedures	Yes	AS 10	

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
	<p>in accordance with firm policies.</p> <p>I have performed an objective review, in accordance with firm policies, of significant accounting, auditing, and reporting judgments, including:</p> <ul style="list-style-type: none"> <li>- Discussions of significant matters with the engagement partner.</li> <li>- Review of audit documentation relevant to significant accounting, auditing, and reporting judgments made by the engagement team and the conclusions reached, to the extent required by firm policies.</li> <li>- Review of the financial statements and the proposed auditor's report.</li> </ul> <p>There are no unresolved matters that would cause me to believe that the significant judgments made and the conclusions reached by the engagement team were not appropriate.</p> <p>The engagement quality control review was completed on or before the date of the auditor's report.</p>				
Delete	<p>Deleted the following step from engagement partner review:</p> <p>The audit was conducted in accordance with generally accepted auditing standards, professional standards, applicable laws and regulations, and firm policies and procedures. Was replaced by a reworded added step.</p>	Procedure	No	N/A	
<b>KBA-903 Review and Approval Checklist: Interim Review</b>					
Modify	Table Change: The single row 5 column sign-off tables throughout the workpaper have been updated to the correct table structure to enable the add rows feature.	Table - other than procedures	N	N/A	Publish this workpaper prior to update so that you can reference data the you have selected to keep. Existing responses will not be maintained on update.
New	Renamed from KBA-902A				
<b>KBA-904 Tax Specialist Review Checklist</b>					
Modify	Table Change: The single row 5 column sign-off tables throughout the workpaper have been updated to the correct table structure to enable the add rows feature.	Table - other than procedures	N	N/A	Publish this workpaper prior to update so that you can reference data the you have selected to keep. Existing responses will not be maintained on update.

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
New	Renamed from KBA-903				
Delete	Deleted the following step:  No financial statement effects have been recognized for a tax position unless it is more likely than not, based on the evidence obtained, that the position will be sustained upon examination.	Procedure	No	N/A	

### Audit Programs (AUDs)

- Where applicable, relevant assertions and audit objectives have been updated.

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
<b>AUD-100 Tailoring Question Workpaper</b>					
New	New tailoring questions have been added.	Tailoring	N	N/A	Review and answer. All of these new tailoring questions will impact other workpapers. Be sure to add additional audit areas (AUD 814-817) when applicable.
<b>AUD-101 Overall Audit Program</b>					
New	Added Practice Point on professional judgment.	Practice Point	N	N/A	
New	Determine that the financial reporting framework to be applied in the preparation of the financial statements is acceptable.	Procedure	N	N/A	
New	Determine that the auditor has the ability to adhere to the fundamental principles and ethical requirements of professional standards including: a. Integrity; b. Objectivity; c. Professional competence and due care; d. Confidentiality; and e. Professional behavior.	Procedure	Yes	AS 9	
New	Determine that the auditor has an understanding of the applicable auditing standards such that the requirements and objectives applicable to the engagement may be properly applied.	Procedure	Yes	AS 10	
Modify	Combined acceptance continuance steps. New step reads	Procedure	No	N/A	

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	as follows:  If this is the initial audit for a new client or an audit of a recurring engagement, perform client acceptance procedures.				
New	If this is a recurring engagement, assess whether circumstances require the terms of the audit engagement to be revised and whether there is a need to remind the entity of the existing terms of the audit engagement.	Procedure	Yes	AS 9	This procedure step will be tailored into the audit program, if applicable.
Modify	Step related to engagement letter modified as follows:  Agree the terms of the audit engagement with management or those charged with governance, including those overseeing the financial reporting process, as appropriate, and record the agreed terms of the audit engagement in an audit engagement letter or other suitable form of written agreement, including: <ul style="list-style-type: none"> <li>a. The objective, timing, and scope of the audit of the financial statements;</li> <li>b. The responsibilities of the auditor;</li> <li>c. The responsibilities of management;</li> <li>d. Identification of the applicable financial reporting framework for the preparation of the financial statements; and</li> <li>e. Reference to the expected form and content of any reports to be issued by the auditor and a statement that there may be circumstances in which a report may differ from its expected form and content.</li> </ul>	Procedure	Yes	AS 9	
New	Added Practice Point on written agreement of engagement terms.	Practice Point	Yes	AS 9	
New	Communicate an overview of the planned scope and timing of the audit to those charged with governance, including those overseeing the financial reporting process.	Procedure	Yes	AS 9	
Modify	Step related to access to audit documentation was modified as follows:  If management has communicated that access to audit documentation will be granted to outside parties, communicate the terms of this access to management and the outside parties (e.g., statutory or contractual reporting	Procedure	No	N/A	

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	responsibilities, such as regulators and government entities).				
New	Step modified related to establishing overall audit strategy as follows:  Establish and document the overall audit strategy and that sets the scope, timing, and direction of the audit, and that guides the development of the audit plan.	Procedure	No	N/A	
New	Added Practice Point on audit strategy and audit plan.	Practice Point	No	N/A	
New	Plan the nature, timing, and extent of the direction and supervision of engagement team members and the review of their work.	Procedure	Yes	AS 10	
Modify	Preliminary analytical procedures step modified to include expectations as follows:  Perform analytical procedures, including developing expectations about plausible relationships among both financial and nonfinancial data, to assist in planning the nature, timing, and extent of audit procedures and to identify: <ul style="list-style-type: none"> <li>a. Unusual transactions or events, amounts or ratios.</li> <li>b. Significant audit areas requiring special consideration, and.</li> <li>c. Unusual or unexpected relationships or trends involving revenue or other accounts that may indicate a material misstatement due to fraud.</li> </ul>	Procedure	Yes	AU 329	
Modify	Step modified related to team discussion as follows:  Hold a discussion among the audit engagement team, which should include the engagement partner and other key engagement team members, including affiliate or members in different locations, including any component auditors, to: <ul style="list-style-type: none"> <li>a. Discuss the susceptibility of the entity's financial statements to material misstatements due to error or fraud.</li> <li>b. Discuss the entity's selection and application of accounting principles, including related disclosure requirements.</li> </ul>	Procedure	Yes	AU 316	

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	<ul style="list-style-type: none"> <li>c. “Brainstorm” about how and where the entity’s financial statements might be susceptible to material misstatement due to fraud; consideration of known external and internal factors affecting the entity that might create incentives, pressures, and opportunities; how management could perpetrate and conceal fraudulent financial reporting, and how assets of the entity could be misappropriated; and consideration of risk of management override of internal controls. The discussion should occur setting aside beliefs that management and those charged with governance, including those overseeing the financial reporting process, are honest and have integrity.</li> <li>d. Emphasize the importance of maintaining professional skepticism throughout the audit regarding the potential for material misstatement due to fraud and, when issues arise, remind engagement team members of the need to probe the issues, acquire additional evidence; and consult with other team members.</li> <li>e. Enable the engagement partner to determine which matters discussed are to be communicated to the team members not involved in the discussion.</li> </ul>				
Modify	<p>Step modified related to gaining an understanding of entity and its environment as follows:</p> <p>Obtain or update the auditor’s understanding of the entity and its environment, including:</p> <ul style="list-style-type: none"> <li>a. The legal and regulatory framework applicable to the entity and the industry or sector in which it operates, and how the entity is complying with that framework;</li> <li>b. Industry, regulatory, and other external factors.</li> <li>c. The nature of the entity.</li> <li>d. The entity’s selection and application of accounting policies, including related disclosures and the reasons for any changes</li> </ul>	Procedure	No	N/A	

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	<p>thereto.</p> <ul style="list-style-type: none"> <li>e. Objectives and strategies and the related business risks.</li> <li>f. Measurement and analysis of the entity's financial performance.</li> <li>g. Fraud risk factors and how those charged with governance, including those overseeing the financial reporting process exercise oversight of management's process for identifying and responding to the risks of fraud and the controls established to mitigate these risks;</li> <li>h. Whether application of the auditing standards relevant to the audit requires special consideration in the circumstances of the engagement; and</li> <li>i. The outcome of accounting estimates included in the prior period financial statements, or, where applicable, their subsequent re-estimation for the purpose of the current period.</li> </ul>				
New	<p>Make inquiries of management, and others considered to have information that is likely to assist in identifying risks of material misstatement.</p> <p>Consider inquiring of:</p> <ul style="list-style-type: none"> <li>a. Those charged with governance, including those overseeing the financial reporting process, regarding the environment in which the financial statements are prepared, including changes in that environment;</li> <li>b. Internal audit personnel regarding procedures performed relating to internal controls;</li> <li>c. Employees involved in initiating, processing, or recording complex or unusual transactions regarding the application of accounting policies;</li> <li>d. In-house legal counsel regarding litigation, compliance, fraud, and potential liabilities and commitments;</li> <li>e. Marketing or sales personnel regarding marketing strategy, sales trends, and customer agreements; and</li> </ul>	Procedure	Yes	AS 12	

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	f. Management regarding fraud risk factors, risk assessment processes and procedures, and related activities.				
New	Perform observation and inspection procedures to obtain information about the entity and its environment.  Consider observation and inspection of the following: a. The entity's operations; b. Documents (such as business plans, strategies, and organizational charts), records, and internal control and policy manuals; c. Reports prepared by management and those charged with governance, including those overseeing the financial reporting process; and d. The entity's premises and plant facilities.	Procedure	Yes	AS 12	
New	Evaluate whether the entity's accounting policies are appropriate for its business and consistent with the applicable financial reporting framework and accounting policies used in the relevant industry.	Procedure	Yes	AS 12	
New	Document the understanding of the entity and its environment including: a. The discussion among the engagement team and the significant decisions reached; b. The key elements of the entity and its environment, the sources of information from which they were obtained, and the procedures performed.	Procedure	Yes	AS 12	
Modify	Step for relevant assertions modified to include disclosure expectations. Identify and document relevant assertions for the following: a. Significant classes of transactions; b. Significant account balances; and c. Significant disclosures and disclosure expectations; and d. Related controls.	Procedure	Yes	AS 12	
Modify	Step modified to include identifying potential litigation and claims. Identify and document the following: a. Potential litigation and claims; b. Commitments and contingencies; c. Concentrations of risk; d. Related-party transactions;	Procedures	No	N/A	

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	<p>e. Significant management estimates and judgments; and</p> <p>f. New or significant accounting issues.</p>				
Modify	<p>Step modified to include documenting other areas requiring special audit consideration as follows:</p> <p>Identify and document other areas requiring special audit consideration.</p>	Procedures	No	N/A	
New	Added Practice Point on auditor judgment and testing of internal controls.	Practice Point	No	N/A	
Modify	<p>Entity-level control step modified to include obtaining an understanding of what could go wrong as follows:</p> <p>Identify and perform risk assessment procedures to gather information about and obtain an understanding of relevant entity-level controls and the client's financial reporting process, including consideration of "what could go wrong.</p>	Procedures	No	N/A	
New	For clients with multiple locations or business units, identify significant accounts, classes of transactions, and disclosures, and their relevant assertions based on the financial statements, and assess the risk of material misstatement to the financial statements to determine the extent to which audit procedures should be performed at selected locations or business units to obtain sufficient appropriate audit evidence about whether the financial statements are free of material misstatement.	Procedures	No	N/A	This procedure step will be tailored into the audit program, if applicable.
New	Document the understanding obtained of internal controls relevant to the audit and of each of the internal control components, the sources of information from which the understanding was obtained, and the risk assessment procedures performed.	Procedures	No	N/A	
Modify	<p>Team discussion step modified as follows:</p> <p>Document the understanding obtained of internal controls relevant to the audit and of each of the internal control components, the sources of information from which the understanding was obtained, and the risk assessment procedures performed.</p> <p>The auditor may have previously performed this step during the "Risk Assessment Procedures: Obtaining an</p>				

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	<p>Understanding of the Entity, Its Environment, and Its Internal Control over Financial Reporting” phase. However, now that information has been gathered about the client and the industry in which it operates, consider holding another discussion among the audit engagement team, which should include the auditor with final responsibility for the engagement (e.g., the engagement partner) and other key engagement team members, to again:</p> <ol style="list-style-type: none"> <li>a. Discuss the susceptibility of the entity’s financial statements to material misstatements due to error or fraud.</li> <li>b. Discuss the entity’s selection and application of accounting principles, including related disclosure requirements.</li> <li>c. “Brainstorm” about how and where the entity’s financial statements might be susceptible to material misstatement due to fraud; including how fraud might occur, consideration of known external and internal factors affecting the entity that might create incentives, pressures, and opportunities; how management could perpetrate and conceal fraudulent financial reporting, and how assets of the entity could be misappropriated; and consideration of risk of management override. of internal controls. The discussion should occur setting aside beliefs that management and those charged with governance, including those overseeing the financial reporting process, are honest and have integrity;</li> <li>d. Emphasize the importance of maintaining professional skepticism throughout the audit regarding the potential for material misstatement due to fraud and, when issues arise, remind engagement team members of the need to probe the issues, acquire additional evidence;, and consult with other team members.</li> <li>e. Enable the engagement partner to determine which matters discussed are to be</li> </ol>				

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	communicated to the team members not involved in the discussion.				
Modify	Risk assessment procedure modified to include consideration of estimation uncertainty as follows:  Identify, assess, and document the risks of material misstatement, including: <ul style="list-style-type: none"> <li>a. Risks of material misstatement at the financial statement level.</li> <li>b. Risks for at the relevant assertion level for all significant account balances, classes of transactions, and disclosures.</li> <li>c. Significant risks, including fraud risks.</li> <li>d. Risks for which substantive procedures alone do not provide sufficient appropriate audit evidence.</li> <li>e. The degree of estimation uncertainty associated with accounting estimates, including whether estimates with high estimation uncertainty give rise to significant risks.</li> </ul>	Procedures	No	AS 12 AU 329	
New	Document the controls related to the identified risks about which the auditor has obtained an understanding.	Procedures	No	N/A	
New	Design, document, and implement overall responses to address the assessed risks of material misstatement at the financial statement level.	Procedures	No	N/A	
Modify	Update strategy step modified to include distinction of auditor's specialist from management's specialist.	Procedures	Yes	AU 336	
Modify	The design further audit procedures step modified to include the financial statement closing process as follows:  If necessary, update the overall audit strategy and audit plan. For example, consider the continuing appropriateness of the auditor's planned reliance on the work of: <ul style="list-style-type: none"> <li>a. Internal auditors.</li> <li>b. Auditor's specialists.</li> <li>c. Management's specialists</li> <li>d. Component auditors.</li> </ul>	Procedures	No	N/A	
New	Design audit procedures in order to identify litigation and claims involving the entity which may give rise to a risk of material misstatement.	Procedures	No	N/A	
New	Determine that the nature, timing and extent of the	Procedures	No	N/A	

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	procedures are based on, and responsive to, the assessed risks of material misstatement at the assertion level for each material class of transactions, account balance, and disclosure.				
New	Perform substantive audit procedures related to the financial statement closing process.	Procedures	No	N/A	
New	If substantive procedures were performed at an interim date, cover the remaining period by performing further substantive procedures (combined with tests of controls when necessary) that provide a reasonable basis for extending the audit conclusions from the interim date to the period-end.	Procedures	No	N/A	
New	Perform audit procedures to evaluate whether the overall presentation of the financial statements, including the related disclosures, is in accordance with the applicable financial reporting framework.	Procedures	No	N/A	
New	Determine whether additional audit procedures are necessary to meet the objectives stated in the applicable auditing standards.	Procedures	No	N/A	
Modify	Final analytical step verbiage modified as follows:  Perform analytical procedures near the end of the audit that assist the auditor when forming an overall conclusion as to whether the financial statements are consistent with the auditor's understanding of the entity. This review should help in: <ul style="list-style-type: none"> <li>a. Corroborating conclusions reached during the audit of individual components or elements of the financial statements; and</li> <li>b. Identifying balances or relationships that are unexpected or that were not identified during the audit.</li> </ul>	Procedures	No	N/A	
New	Reevaluate the established materiality level or levels including performance materiality and tolerable misstatement when due to changes in circumstances or when information comes to the auditor's attention, such as: <ul style="list-style-type: none"> <li>a. Materiality level or levels including performance materiality and tolerable misstatement were established initially based on estimated or preliminary financial statement</li> </ul>	Procedures	Yes	AS 14	

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	<p>amounts that differ significantly from actual amounts.</p> <p>b. Events or changes in conditions occurring after the materiality level or levels including performance materiality or tolerable misstatement were established initially are likely to affect financial statement users' perceptions about the entity's financial position, results of operations, or cash flows.</p>				
New	Added Practice Point on the following: If the reevaluation results in a lower amount for the materiality level or levels or tolerable misstatement than initially established, the auditor should (1) evaluate the effect, if any, on his or her risk assessments and audit procedures, and (2) modify the nature, timing, and extent of audit procedures to obtain sufficient appropriate audit evidence.	Practice Point	No	N/A	
Modify	Conclusion step modified to include term "inquiry letter."	Procedures	No	N/A	
New	Evaluate, based on the audit procedures performed and the audit evidence obtained, whether the assessments of the risks of material misstatement at the financial statement and assertion levels remain appropriate.	Procedures	No	N/A	
Modify	<p>Accumulate misstatements step modified as follows:</p> <p>Accumulate and document identified misstatements, other than those that are clearly trivial, and the consideration of the nature and amount of the misstatements in relation to the nature and amount of the affected financial statement items, including:</p> <ol style="list-style-type: none"> <li>The amount below which misstatements would be regarded as clearly trivial;</li> <li>Whether or not the misstatements have been corrected;</li> <li>The quantitative and qualitative effects of individual misstatements;</li> <li>The quantitative and qualitative effects of the aggregated misstatements;</li> <li>The effect in the current period of prior-period misstatements; and</li> <li>The basis for the conclusion on the effects of misstatements, and whether or not they are material, individually and in the aggregate.</li> </ol>	Procedures	No	N/A	

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
Modify	Control deficiencies step modified as follows:  Evaluate the impact of material deficiencies in internal control, whether individually, or in combination, they constitute significant deficiencies, and other audit findings on the audit as a whole.	Procedures	No	N/A	
New	Ensure that all changes to the overall audit strategy and audit plan have been documented.	Procedures	No	N/A	
New	Determine whether all relevant objectives of the applicable auditing standards have been achieved. If an objective in a relevant auditing standard cannot be achieved, evaluate whether this prevents the auditor from achieving the overall objectives of the audit and thereby requires a modified opinion or withdrawal from the engagement (where withdrawal is possible under applicable law or regulation). Failure to achieve an objective represents a significant matter requiring documentation.	Procedures	Yes	AU 150	
Modify	Draft report step verbiage modified as follows:  Draft an appropriate auditor's report dated no earlier than the date on which we obtained sufficient appropriate audit evidence that supports the completed financial statements and that those with recognized authority have asserted that they have taken responsibility for the completed financial statements.	Procedures	No	N/A	
Modify	Read financial statements step verbiage modified as follows:  Read the financial statements to ensure that the financial information and related disclosures are presented fairly, in all material respects, in conformity with the applicable financial reporting framework, by determining that: <ul style="list-style-type: none"> <li>a. The financial statements adequately disclose the significant accounting policies selected and applied;</li> <li>b. The accounting policies selected and applied are consistent with the applicable financial reporting framework and are appropriate;</li> <li>c. The accounting estimates made by management are reasonable;</li> <li>d. The information presented in the financial</li> </ul>	Procedures	No	N/A	

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	<p>statements is relevant, reliable, comparable, and understandable;</p> <p>e. The financial statements provide adequate disclosures to enable the intended users to understand the effect of material transactions and events on the information conveyed in the financial statements;</p> <p>f. The financial statements use appropriate terminology, including the title of each financial statement;</p> <p>g. For financial statements prepared in accordance with a fair presentation framework, the overall presentation, structure, and content including the related notes represent the underlying transactions and events in a manner that achieves fair presentation; and</p> <p>h. The financial statements, including the related notes, adequately refer to or describe the applicable financial reporting framework.</p>				
Modify	<p>Rep letter step verbiage modified as follows:</p> <p>Obtain signed management representation letter addressed to the auditor signed by management with appropriate responsibilities for the financial statements and knowledge of the matters concerned.</p>	Procedures	No	N/A	
<b>AUD-201 Audit Program: Opening Balances and Additional Audit Procedures for an Initial Audit Engagement</b>					Tailoring modified to reflect changes noted below.
Modify	Title modified to include Opening Balances	Title	No	N/A	
Modify	Prior to beginning the initial audit engagement, we have requested the client to authorize the predecessor auditor to release his or her information to us, respond fully to all inquiries by us, and we have communicated with the predecessor auditor in accordance with professional standards.	Procedures	Yes	AS 9	
New	We read the most recent financial statements, if any, and the predecessor auditor's report thereon, if any, for information relevant to opening balances, including disclosures and consistency in the application of accounting principles	Procedures	Yes	AS 9	
New	We determined whether the prior period's closing balances	Procedures	Yes	AS 9	

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	have been correctly brought forward to the current period or, when appropriate, have been restated.				
New	We determined whether the opening balances reflect the application of appropriate accounting policies.	Procedures	Yes	AS 9	
New	We performed specific audit procedures to obtain evidence regarding the opening balances.	Procedures	Yes	AS 9	
New	Practice Point: The nature and extent of audit procedures necessary to obtain sufficient appropriate audit evidence regarding opening balances depend on such matters as: <ul style="list-style-type: none"> <li>- The accounting policies followed by the entity.</li> <li>- The nature of the account balances, classes of transactions and disclosures, and the risks of material misstatement in the current period's financial statements.</li> <li>- The significance of the opening balances relative to the current period's financial statements. Whether the prior period's financial statements were audited and, if so, whether the predecessor auditor's opinion was modified.</li> </ul>	Practice Point	N	N/A	
New	We reviewed the predecessor auditor's report on the financial statements and other reports as necessary (such as the management letter or communication of significant deficiencies in internal control; attorney response letters to audit inquiries; the management representation letter; and permanent file documents that are pertinent to the audit, such as articles of incorporation and significant agreements and legal documents).	Procedures	Yes	AS 9	
New	We reviewed the predecessor auditor's audit documentation for all significant audit areas, including documentation of planning, internal control, audit results, conclusion memos, and other matters of continuing accounting and auditing significance and obtained copies of the applicable audit documentation.	Procedures	Yes	AS 9	
New	We identified the accounting policies reflected in the opening balances and determined whether they have been consistently applied in the current period's financial statements, and whether any changes in such accounting policies have been appropriately accounted for and adequately presented and disclosed in accordance with the applicable financial reporting framework.	Procedures	Yes	AS 9	
Modify	We reviewed the predecessor auditor's year-end adjusting	Procedures	Yes	AS 9	

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	journal entries and any uncorrected misstatements and evaluated their potential impact on the current period's audit.				
New	If opening balances contain misstatements that exist in the current period's financial statements, we communicated the misstatements to management and those charged with governance, including those overseeing the financial reporting process.	Procedures	Yes	AS 9	
New	If the prior period's financial statements were audited by a predecessor auditor and there was a modification to the auditor's opinion, we evaluated the effect of the matter giving rise to the modification in assessing the risks of material misstatement in the current period's financial statements.	Procedures	Yes	AS 9	
New	If we determined that the prior-period audited financial statements may require revision: <ul style="list-style-type: none"> <li>a. We requested that management inform the predecessor auditor and arrange a discussion to resolve the matter.</li> <li>b. We communicated the information requiring consideration to the predecessor auditor.</li> <li>c. If management refuses to inform the predecessor auditor or if the matter is not resolved, we evaluated the implications on the current engagement and considered whether to withdraw from the engagement or disclaim an opinion.</li> </ul>	Procedures	Yes	AS 9	
New	If the current period's accounting policies are not consistently applied in relation to opening balances in accordance with the applicable financial reporting framework, or if a change in accounting policies is not appropriately accounted for or not adequately presented or disclosed in accordance with the applicable financial reporting framework, we expressed a qualified opinion or an adverse opinion as appropriate.	Procedures	Yes	AS 9	
New	If we were unable to obtain sufficient appropriate audit evidence regarding the opening balances, we expressed a qualified opinion or disclaimed an opinion on the financial statements, as appropriate.	Procedures	Yes	AS 9	
New	If we concluded that the opening balances contain a misstatement that materially affects the current period's	Procedures	Yes	AS 9	

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	financial statements, and the effect of the misstatement is not appropriately accounted for or not adequately presented or disclosed, we expressed a qualified opinion or an adverse opinion, as appropriate.				
New	If the predecessor auditor's opinion regarding the prior period's financial statements included a modification to the auditor's opinion that remains relevant and material to the current period's financial statements, we modified the auditor's opinion on the current period's financial statements as appropriate.	Procedures	Yes	AS 9	
New	We did not, in our report, make reference to the predecessor auditor as a basis for our opinion.	Procedures	Yes	AS 9	
Modify	Conclusion paragraph modified as follows: As a result of the procedures performed in this area, we have obtained sufficient appropriate evidence (1) about whether opening balances contain misstatements that materially affect the current period's financial statements, (2) about whether appropriate accounting policies reflected in the opening balances have been consistently applied in the current period's financial statements, or changes thereto have been appropriately accounted for and adequately presented and disclosed in accordance with the applicable financial reporting framework, and (3) to assess risks and create an audit plan to gain assurance over the beginning balance sheet of the current-year audit.	Conclusion	No	N/A	
<b>AUD-601 Audit Program: Testing and Evaluating Internal Auditors' Work</b>					
New	Added Practice Point regarding some jurisdictions, laws or regulations may prohibit, or restrict to some extent, the external auditor's use of the internal auditor to provide direct assistance	Practice Point	No	N/A	
Modify	Section II - Step I b modified as follows: Audit programs used were adequate and the evidence obtained was adequate to draw reasonable conclusions.	Procedures	Yes	AS 9 AU 322	
New	Section II Step 1 f: Any exceptions or unusual matters were properly resolved.	Procedures	Yes	AS 9 AU 322	
New	Section II Step 2 c. Observing procedures performed by the internal auditors.	Procedures	Yes	AS 9 AU 322	
Modify	Section II Step 3 modified as follows: We compared the results of our tests with the results of the internal auditors' work and documented our conclusions on the adequacy of	Procedures	No	N/A	

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	the work performed by internal auditors.				
Modify	Section III step 1 was modified as follows: We have properly directed, supervised (in accordance with PCAOB AS 10, Supervision of the Audit Engagement), reviewed, evaluated, and tested the work performed by internal auditors, recognizing that the internal auditors are not independent and that the work performed by them is presumed to provide less reliable audit evidence than the work performed by an external auditor.	Procedures	Yes	AS 10	
<b>AUD-602 Audit Program: Involvement of a Component Auditor</b>					
Modify	Titled changed to "Audit Program: Involvement of Other Auditors"	Title	No	N/A	The new AUD-602 will be updated in your binder and most of your answers will be mapped to the new workpaper. You will be required to re-conclude on your reference to the component auditor because of the additional steps in this workpaper.
Modify	Instructions modified to better reflect practice.	Instructions	No	N/A	
Modify	General Information Step 2 modified to include "competence" as follows: 2. Other auditor's professional qualifications and competence:	Procedure	Yes	AU 543	
Modify	General Information Step 4 modified as follows: We obtained a confirmation from the other auditor of various matters regarding the group audit engagement, including, but not limited to, his or her understanding of, compliance with, and independence under the applicable ethical requirements of [insert jurisdiction, laws, regulations, or professional standards].  Refer to COR-208 Principal Auditor's Request for Representation from Other Auditor Who Audits the Financial Statements of a Subsidiary, Division, or Branch.	Procedure	Yes	AU 543	
Modify	Communications with the other auditor instructions modified to include additional factors to consider.	Instructions	Yes	AU 543	
New	New section: Procedures Performed for Involvement of Other Auditors		No	N/A	
New	We assessed the independence of the other auditor participating in the audit and determined that he or she is independent under the applicable ethical requirements of [insert jurisdiction, laws, regulations, or professional standards]. We have also assessed whether the other auditor operates in a regulatory environment that actively oversees auditors [insert regulatory body]. Our procedures	Procedures	Yes	AU 543	

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	to assess the independence (or reference to independence representations) and regulatory oversight are described below:				
New	New step to identify the procedures performed to supervise and review the work performed by other auditors.	Procedures	Yes	AU 543	
New	We have performed the following procedures to test management's consolidation process and evaluate the appropriateness, completeness, and accuracy of the consolidation adjustments and reclassifications. We have also evaluated whether any fraud risk factors or indicators of possible management bias exist [insert description of findings or conclusions].	Procedures	Yes	AU 543	
Modify	Step on Summarizing the conclusions of the other auditor modified to include "uncorrected misstatements."	Procedures	Yes	AU 543	
New	We have determined that the work performed by the other auditor provides sufficient appropriate audit evidence to support our opinion on the group financial statements.	Procedures	Yes	AU 543	
New	We have included the required communications regarding matters identified during the audit of the component entity in our communication with those charged with governance, including those overseeing the financial reporting process.	Procedures	Yes	AU 543	
New	Sign off for "performed by" and "reviewed by" added.		No	N/A	
<b>AUD-603 Audit Program: Using the Work of An Auditor's Specialist</b>					
New	New Workpaper – Audit Program: Using Work of Auditor's Specialist	Audit Program	Y	AU-C 600	After update, answer new tailoring question for auditor specialist and complete specialist table in KBA-101 to note a auditor specialist has been used before inserting AUD-603.
Delete	DELETE 2011 PCAOB AUD-603 Audit Program: Affiliate Auditor	Procedure steps	Y	AU-C 600	After update, insert AUD-602 BEFORE deleting "old" AUD-603 so that data transfers into the new AUD-602. You'll need to insert as many AUD-602s as you had "Affiliate Auditor" wps in previous versions.
<b>AUD-604 Audit Program: Using the Work of a Management's Specialist</b>					
New	New Workpaper – Audit Program: Using the Work of a Management's Specialist	Audit Program	Y	AU-C 600	After update, answer new tailoring question for management specialist and complete specialist table in KBA-101 to note a management specialist has been used before inserting AUD-604.

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
Delete	DELETE 2011 PCAOB AUD-604 Audit Program: Using the Work of a Specialist.	Procedure steps	Y	AU-C 600	This version of the workpaper is "obsolete". You must add the applicable new workpaper (AUD-603 or AUD-604) and manually transfer data from the obsolete workpaper. A diagnostic will note this as an obsolete wp. This workpaper is no longer functional. No data flows in or out.
<b>AUD-701 Audit Program: Designing Tests of Controls</b>					
Modify	Instructions modified to better reflect practice	Instructions	No	N/A	
Delete	Deleted sample narrative, replaced by RES-006, also removed background from instructions, as it is capture in audit guide.				
Modify	Added to question on regarding "for controls for which we plan to use audit evidence about their operating effectiveness obtain in prior periods: We determined such controls were not being relied on to mitigate a risk identified as a significant risk."	Procedures	Yes	AS 5	
Modify	Procedure verbiage modified to reflect new auditor's specialist language.	Procedure steps	Y	AU-C 620	Publish this workpaper before update so that you can reference your prior year data. Review and answer the auditor specialist question in AUD-100 to determine what is applicable for this workpaper.
<b>AUD-800's Audit Programs</b>					
Modify	Updated Practice Point for analytical procedures	Practice Point	N	N/A	
New	<p>Modified procedures related to analytical procedures including new steps as follows:</p> <p>We documented the following items when an analytical procedure was, either alone or in combination with tests of details, as a substantive procedure: used as the principal substantive test:</p> <ol style="list-style-type: none"> <li>a. Our determination of the suitability of the substantive analytical procedures for given assertions, taking account of the assess risks of material misstatement and tests of details, if any, for these assertions.</li> <li>b. Our evaluation of the reliability of the data used to develop our expectations. We have considered the source, comparability, and nature and relevance of information available, and controls over preparation.</li> </ol>	Procedure	Yes	AU 329	

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	<ul style="list-style-type: none"> <li>c. Our expectation of the recorded amounts or ratios and the factors that were considered in developing the expectation. We considered whether the expectation is sufficiently precise to identify misstatements (either individually or in the aggregate) that may cause the financial statements to be materially misstated.</li> <li>d. The amount of difference from the expected value that should lead to further investigation.</li> <li>e. Inquiries of management regarding any results of analytical procedures that did not meet our expectations.</li> <li>f. We also obtained appropriate audit evidence to support management's responses.</li> </ul>				
Modify	Modified instructions	Instructions	No	N/A	
New	Following procedure added to all AUD 800s - 2. We plan to test controls based on our risk assessment at KBA-502 Summary of Risk Assessments.	Procedure	No	N/A	
Modify	Modified verbiage on cancelled checks to include copies and ACH documentation.	Procedure	No	N/A	
New	<p>Procedures for substantive analytical procedures (all AUD 800s) modified to include new substeps from the AICPA audit guide as follows:</p> <ul style="list-style-type: none"> <li>a. Our determination of the suitability of the substantive analytical procedures for given assertions, taking account of the assessed risks of material misstatement and tests of details, if any, for these assertions.</li> <li>b. Our evaluation of the reliability of the data used to develop our expectations. We have considered the source, comparability, and nature and relevance of information available, and controls over preparation.</li> <li>c. Our expectation, if not readily determinable from the documentation of the work performed, recorded amounts or ratios and the factors that were considered in developing the expectation. We considered whether the expectation is sufficiently precise to identify misstatements (either individually or in the aggregate) that</li> </ul>	Procedure steps	N	N/A	This step has been moved from the results section of the workpaper and moved into the Program Step Library. New tailoring question related to these steps. All answers and customizations will retain per your roll forward selections.

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	<p>may cause the financial statements to be materially misstated.</p> <p>d. The amount of difference from the expected value that should lead to further investigation.</p> <p>f. Inquiries of management regarding any results of analytical procedures that did not meet our expectations. We also obtained appropriate audit evidence to support management's responses.</p>				
<b>AUD-800 Audit Program: Custom</b>					
Modify	Instruction language modified to enhance user understanding of methodology.	Instructions	No	N/A	
<b>AUD-802 Audit Program: Investments in Securities, Derivative Instruments, and Hedging Activities</b>					Tailoring added and modified to reflect changes noted below.
Delete	Main step deleted - For investments such as bonds, stocks, and mutual funds: Substeps elevated to main step level.	Procedure	No	N/A	
New	Added to new transfers of Financial Instruments section. For transfers or sales of financial assets, we determined that the transaction has been accounted for in accordance with the applicable financial reporting framework.	Procedure	No	N/A	
New	Added to new transfers of Financial Instruments section. For securities which the entity has transferred ownership, we have evaluated whether the entity has retained any of the risks and rewards of ownership or control over the assets and properly recognized the transfer or sale of the assets, including performing the following procedures:	Procedure	No	N/A	
New	Added to new transfers of Financial Instruments section. Evaluated the entity's exposure, before and after the transfer, with the variability in the amounts and timing of the net cash flows of the transferred asset.	Procedure	No	N/A	
New	<p>Added to new transfers of Financial Instruments section.</p> <p>Evaluated the entity's exposure, before and after the transfer, with the variability in the amounts and timing of the net cash flows of the transferred asset.</p> <p>Computed and compared the entity's exposure to the variability in the present value of the future net cash flows before and after the transfer, using as the discount rate an</p>	Procedure	No	N/A	

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	<p>appropriate current market interest rate.</p> <p>Assessed the entity’s ability to sell the asset in its entirety to an unrelated third party and whether the entity is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer and therefore, has not retained control over the asset.</p> <p>Assessed whether the entity has retained the right to service the asset for a fee and therefore should recognize either a servicing asset or a servicing liability for that servicing contract.</p>				
New	<p>Added to new transfers of Financial Instruments section.</p> <p>For assets which have been transferred or sold, we have performed the following procedures:</p> <ul style="list-style-type: none"> <li>a. If a transfer of financial assets has been accounted for as a sale by the client, we determined that all of the requisite conditions have been met.</li> <li>b. Recomputed the profit or loss recognized by the entity on the sale or transfer of the asset.</li> <li>c. If the transferred or sold asset is part of a larger financial asset, recomputed the allocation of previous carrying amount of a larger financial asset between the part that continues to be recognized and the part that is derecognized and evaluated the fair value of the part that continues to be recognized by the entity.</li> <li>d. If applicable, we have evaluated the entity’s continuing involvement in the assets, including the entity’s recognition of an associated liability (e.g., guarantee, purchase option or cash-settled option).</li> </ul>	Procedure	No	N/A	
New	<p>Added to new transfers of Financial Instruments section.</p> <p>Upon completion of a transfer of assets by a client that satisfies the conditions to be accounted for as a sale, we determined that the client:</p> <ul style="list-style-type: none"> <li>(1) Has derecognized all assets sold.</li> </ul>	Procedure	No	N/A	

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	<p>(2) Has recognized all assets obtained and liabilities incurred in consideration as proceeds of the sale.</p> <p>(3) Has initially measured at fair value assets obtained and liabilities incurred in a sale or, if it is not practicable to estimate the fair value of an asset or a liability, has applied alternative measures.</p> <p>(4) Has recognized in profit or loss any gain or loss on the sale.</p>				
New	<p>Added to new transfers of Financial Instruments section.</p> <p>Upon completion of any transfer of financial assets in which the client is the transferor, we determined that the client:</p> <p>(1) Has continued to carry in its statement of financial position any retained interest in the transferred assets, including, if applicable, servicing assets, beneficial interests in assets transferred to a qualifying special-purpose entity in a securitization, and retained undivided interests.</p> <p>(2) Has allocated the previous carrying amount between the assets sold, if any, and the retained interests, if any, based on their relative fair values at the date of transfer.</p>	Procedure	No	N/A	
New	<p>Added to new transfers of Financial Instruments section.</p> <p>If the client is the transferee, we determined that the client has recognized all assets obtained and any liabilities incurred and initially measured them at fair value (in aggregate, presumably the price paid).</p>	Procedure	No	N/A	
New	<p>Added to new transfers of Financial Instruments section.</p> <p>If a transfer of financial assets in exchange for cash or other consideration (other than beneficial interests in the transferred assets) does not meet the criteria for a sale, we determined that the transferee continues to recognize the financial asset and recognizes a financial liability for the consideration received.</p>	Procedure	No	N/A	
New	<p>Added to new Equity Method section.</p>	Procedure	No	N/A	

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	<p>The percentage of ownership (e.g., 20 percent or more of the voting power of the investee is presumed to provide the investor with significant influence), including the consideration of currently exercisable potential voting rights.</p> <p>For an investment accounted for using the equity method, we inquired of management as to whether the entity has the ability to exercise significant influence over the operating and financial policies of the investee and evaluated the attendant circumstances that serve as a basis for management's conclusions.</p> <p>We read executed partnership or similar underlying agreements and other forms of supporting documentation underlying investments in closely held corporations and partnerships and investments carried on the equity method.</p> <p>We determined that management has properly accounted for the investments in closely held corporations and partnerships using the equity method of accounting, when appropriate. If the entity has determined that the equity method is not the appropriate method of accounting for this investment or that the investment no longer meets the criteria for recognition under the equity method, we obtained an understanding of management's rationale and determined that management properly accounted for the investment at fair value in accordance with the applicable financial reporting framework.</p> <p>If management has determined that it no longer can exert significant influence over the closely held corporation or partnership and therefore the entity should no longer account for the investment in the closely held corporation or partnership under the equity method, we recomputed the gain or loss previously recorded in other comprehensive income under the equity method and verified that the gain or loss had been properly reclassified to profit or loss.</p>				
New	Added to new Joint Ventures section.	Procedure	No	N/A	

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	<p>We prepared (or obtained from the client) a detailed analysis of interests in joint ventures, showing the following:</p> <ul style="list-style-type: none"> <li>a. The name and type (e.g., jointly controlled operation, jointly controlled asset or jointly controlled entity) of each joint venture.</li> <li>b. For an investment accounted for using the equity method, we inquired of management as to whether ownership and identification of the operator or manager of the entity joint venture (i.e., joint control implies that no single venturer is in a position to control the activity unilaterally).</li> </ul> <p><i>Note:</i> If the operator or manager of the joint venture has the ability power to exercise significant influence over the operating and govern the financial and operating policies of the investee and evaluated the attendant circumstances that serve as a basis for management's conclusions economic activity, it controls the venture and the venture is therefore a subsidiary of the operator and not a joint venture.</p> <ul style="list-style-type: none"> <li>c. The accounting policies of the client/investor.</li> <li>d. For jointly controlled operations: <ul style="list-style-type: none"> <li>(1) The assets that the entity controls, the liabilities that the entity has incurred, and the expenses that the entity has incurred.</li> <li>(2) Its share of the income that it earned from the sale of goods or services by the joint venture.</li> </ul> </li> <li>e. For jointly controlled assets and liabilities: <ul style="list-style-type: none"> <li>(1) Its share of the jointly controlled assets, classified according to the nature of the assets rather than as an investment.</li> <li>(2) Any liabilities that it has incurred.</li> <li>(3) Its share of any liabilities incurred jointly with</li> </ul> </li> </ul>				

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	<p>the other venturers in relation to the joint venture.</p> <p>(4) Any income from the sale or use of its share of the output of the joint venture, together with its share of any expenses incurred by the joint venture.</p> <p>(5) Any expenses that it has incurred in respect of its interest in the joint venture.</p> <p>f. For jointly controlled entities:</p> <p>(1) The cash or other resources contributed to the joint venture.</p> <p>(2) The entity's share of profits of the jointly controlled entity.</p>				
New	<p>Added to new Joint Ventures section.</p> <p>We read executed underlying contractual agreements and other forms of documentation supporting interests in joint ventures (e.g., minutes of discussions between venturers, articles or other by-laws of the joint venture).</p> <p>We determined the proper method of accounting for the interests in joint ventures (i.e., proportionate consolidation or equity method) and ensured that the accounting properly reflected the substance and the economic reality of the arrangement, rather than the joint ventures particular structure or form.</p> <p>If applicable, if the entity ceases to have joint control over an entity, we obtained an understanding of the circumstances and determined that management properly accounted for the investment at fair value in accordance with the applicable financial reporting framework.</p> <p>We obtained and reviewed copies of the joint venture's most recent financial statements and the accompanying audit report or management's account analysis, if any, and/or tax returns. If necessary (i.e., joint venture is not consolidated), we determined whether an adjustment to record the current-year equity investment should be made.</p> <p>We reviewed information in the entity's files that relates to</p>	Procedure	No	N/A	

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	<p>the joint venture (e.g., investee minutes, and budgets and cash flows information about the investee).</p> <p>If the entity has been identified as the operator or manager of the joint venture and received management fees for its services, we have ensured that the fees have been accounted for in accordance with the applicable financial reporting framework.</p>				
New	<p>Added to new Joint Ventures section.</p> <p>If applicable, if the joint venture became a subsidiary or closely held corporation or partnership of the entity, we obtained an understanding of the circumstances and determined that management properly accounted for the transaction in accordance with the applicable financial reporting framework We also evaluated whether management has properly recognized in profit and loss:</p> <ol style="list-style-type: none"> <li>a. The fair value of any retained investment and any proceeds from disposing of the part interest in the jointly controlled entity.</li> <li>b. The carrying amount of the investment at the date when joint control is lost.</li> </ol>	Procedure	No	N/A	
New	<p>Added to new Joint Ventures section.</p> <p>We made inquiries of the entity’s management about, and obtained sufficient evidence in support of, the joint venture’s financial results.</p> <p>If applicable, if the entity contributes or sells assets to the joint venture, we recomputed the gain or loss from the transaction to ensure the entity only recognized gain or loss in the amount attributable to the other venturers.</p>	Procedure	No	N/A	
New	<p>Added to new Joint Ventures section.</p> <p>If applicable, if the entity purchases assets from the joint venture, we have ensured that the entity has not recognized any profit from the transactions, unless the assets were subsequently sold to an independent party. If the entity purchases assets from the joint venture and the transaction results in a loss, we have ensured that the entity has recognized the loss immediately if the loss represents a</p>	Procedure	No	N/A	

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	<p>reduction in the net realizable value of current assets or an impairment loss.</p> <p>Note: If the loss on the purchase of assets from a joint venture does not represent a reduction in the net realizable value of current assets or an impairment loss, the loss should not be recognized until the asset is subsequently sold to an independent party.</p>				
New	<p>Added to new Joint Ventures section.</p> <p>If applicable, we applied, or requested that the investor arrange with the joint venture to have another auditor apply, appropriate auditing procedures to the joint venture's financial statements, if the joint venture's financial statements are not audited or if the joint venture auditor's report is not satisfactory.</p> <p>We determined whether the joint venture is properly classified in the financial statements and whether the required disclosures have been made.</p>	Procedure	No	N/A	
New	<p>Added- new Joint Venture - proportionate consolidation section added including new step.</p> <p>For a joint venture accounted for using the proportionate consolidation method, we recomputed the entity's share of the assets and liabilities it controls jointly and determined whether these amounts were properly stated in the statement of financial position and recomputed the entity's share of income and expenses of the jointly control venture and determined whether these amounts were properly stated in the statement of comprehensive income.</p> <p>Note: It is inappropriate to offset any assets or liabilities; or any income and expenses, unless a legal right of set-off exists and the offsetting represents the expectation as to the realization of the asset or the settlement of the liability.</p>	Procedure	No	N/A	
New	<p>Added to the new Joint Ventures Using the Equity Method section.</p> <p>For joint ventures using the equity method, we have obtained an understanding of management's rationale for</p>	Procedure	No	N/A	

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	<p>its use of that method of accounting.</p> <p>We determined that management has properly accounted for the interest using the equity method of accounting, when appropriate. If the entity has determined that the equity method is not the appropriate method of accounting for this interest or that the interest no longer meets the criteria for recognition under the equity method, we obtained an understanding of management’s rationale and determined that management properly accounted for its interest in accordance with the applicable financial reporting framework.</p> <p>If management has determined that it will no longer account for the interest under the equity method, we recomputed the gain or loss previously recorded in other comprehensive income under the equity method and verified that the gain or loss had been properly reclassified to profit or loss.</p> <p>We obtained and reviewed copies of the joint venture’s most recent financial statements and the accompanying audit report, if any, and/or tax returns. If necessary, we determined whether an adjustment to record the current-year equity interest should be made.</p> <p>We reviewed information in the investor’s files that relates to the joint venture (e.g., venturer minutes, and budgets and cash flows information about the joint venture).</p> <p>We made inquiries of the investor’s management about, and obtained sufficient evidence in support of, the joint venture’s financial results.</p> <p>We applied, or requested that the investor arrange with the joint venture to have another auditor apply, appropriate auditing procedures to the venture’s financial statements, if the venture’s financial statements are not audited or if the venture auditor’s report is not satisfactory.</p> <p>If the carrying amount of the security reflects factors that</p>				

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	<p>are not recognized in the venture's financial statements or fair values of assets that are materially different from the venture's carrying amounts, we obtained sufficient evidence in support of these amounts.</p> <p>If a time lag between the date of the entity's financial statements and those of the venture (no more than three months) has a material effect on the entity's financial statements, we determined whether the entity's management has properly considered the lack of comparability.</p> <p>If a change in time lag occurs that had a material effect on the venture's financial statements, we added an explanatory paragraph to the auditor's report.</p> <p>We evaluated the sufficiency of audit evidence because of significant differences in fiscal year-ends, significant differences in accounting principles, changes in ownership, changes in conditions affecting the use of the equity method, or the materiality of the investment to the venture's financial position or financial performance.</p> <p>We obtained evidence about material transactions between the entity and the joint venture and evaluated (a) the propriety of the elimination of unrealized profits and losses on such transactions when the equity method of accounting is used to account for an investment under the applicable financial reporting framework and (b) the adequacy of disclosures about material related-party transactions.</p> <p>For subsequent events and transactions of the joint venture occurring after the date of the investee's financial statements but before the date of the joint venture auditor's report, we read available interim financial statements of the investee and made appropriate inquiries of the investor to identify subsequent events and transactions that are material to the venture's financial statements.</p> <p>For joint ventures that are accounted for under the equity</p>				

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	method, we determined whether the venture is properly classified in the financial statements as non-current assets and whether the required disclosures have been made.				
New	<p>Added to the new Derivative Instruments and Hedging Activities section. We have obtained an understanding of how management has identified derivative instruments and hedging activities: including whether the derivative has been properly separated from its host contract.</p> <p>We evaluated management's calculation of the fair value of the derivative. If applicable, if management has not been able to measure the embedded derivative separately from its host contract, we have evaluated management's calculation of the entire hybrid (combined) contract at fair value.</p>	Procedure	No	N/A	
New	<p>Added to the new Derivative Instruments and Hedging Activities section.</p> <p>For derivative instruments and hedging activities:</p> <ol style="list-style-type: none"> <li>a. We evaluated whether the transactions were between other entities within the group or divisions of the entity and therefore, do not qualify for hedge accounting in accordance with the applicable financial reporting framework.</li> <li>b. We supported evaluated whether the recorded change ineffectiveness of the hedge can be reliably measured (i.e., the fair value or cash flows of the hedged item's fair value item that is attributable to the hedged hedge risk and the fair value of the hedging instrument can be reliably measured.</li> </ol>	Procedure	No	N/A	
Modify	All Procedures in Tests of Valuations section have modified verbiage.	Procedure	No	N/A	
New	<p>Added to new evaluation of impairment section.</p> <p>We evaluated management's conclusion about whether a loss event has occurred that has an impact on the estimated future cash flows of the financial assets or group of financial assets that can be reliably estimated and determined whether the entity has appropriately followed the applicable financial reporting framework.</p>	Procedure	No	N/A	

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	For assets or asset groups for which an impairment loss has been recognized in the prior period, if evidence exists that indicates the impairment loss has decreased, we recomputed the difference and verified that management properly reversed a portion of the previously recognized impairment loss, either directly or through an adjustment to an allowance account.				
New	Added to Other Audit Procedures Section.  We reviewed financial statement disclosures related to this cycle to ensure: <ul style="list-style-type: none"> <li>a. Disclosed events and transactions have occurred and pertain to the entity.</li> <li>b. All disclosures that should have been included in the financial statements have been included.</li> <li>c. Financial information is appropriately presented and described and disclosures are clearly expressed.</li> <li>d. Financial and other information is disclosed fairly and at appropriate amounts.</li> </ul>	Procedure	No	N/A	
<b>AUD-803 Audit Program: Accounts Receivable and Revenue</b>					Tailoring added and modified to reflect changes noted below.
New	We compared monthly or quarterly sales by product line, location, or geographic area for the current year with monthly or quarterly sales for the prior year and the first ___ months subsequent to year-end.	Procedure steps	N	N/A	
New	We compared monthly sales returns and allowances and credit memos for the current year with those of the prior year and the first ___ months subsequent to year-end.	Procedure steps	N	N/A	
New	We compared gross margins by product line, location, or geographic area for the current year with the prior year, the budget, and industry data.	Procedure steps	N	N/A	
New	We compared other operating relationships (e.g., both sales and cost of sales to units shipped) for the current year with those of the prior year.	Procedure steps	N	N/A	
New	We inquired of the credit manager or other appropriate personnel about the entity's policies for approving sales orders before shipping goods or providing services, including how: <ul style="list-style-type: none"> <li>a. New customer's creditworthiness is determined;</li> </ul>	Procedure steps	N	N/A	

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	<ul style="list-style-type: none"> <li>b. Standing customer's credit limits are established and reviewed;</li> <li>c. Exceptions are handled if orders outside predetermined limits are received; and.</li> <li>d. Management monitors the functioning of controls over the extension of credit.</li> </ul>				
New	We inspected documents supporting the various steps of the credit authorization process and observed how the authorization of customer orders is executed by the appropriate personnel.	Procedure steps	N	N/A	
Modify	Verbiage modified in step related to mailing confirmations	Procedure steps	N	N/A	
New	<p>For confirmations for which we have doubts about the reliability of the response:</p> <ul style="list-style-type: none"> <li>(1) We performed appropriate alternative procedures.</li> <li>(2) We evaluated the implications on the assessment of risk (including the risk of fraud) and on other substantive procedures.</li> </ul>	Procedure steps	N	N/A	
Modify	Verbiage was modified for steps related to testing allowance for uncollectible accounts receivable.	Procedure steps	N	N/A	
New	If applicable, we considered whether specialized skills, in accordance with AU Section 336, Using the Work of a Specialist, are needed in performing the audit of revenue depending on the nature of the industry in which the entity does business (e.g., computer software industry).	Procedure steps	N	N/A	
New	<p>We have obtained an understanding and reviewed documentation of the following types of transactions:</p> <ul style="list-style-type: none"> <li>a. Value-Added-Resellers (e.g., many entities use VARs to sell their products to end-users).</li> <li>b. "Solution selling" and bundled sales (e.g., entities in some industry sectors are migrating toward providing total, customized solutions and other bundled sales to their customers. These bundled sale arrangements include the sale of hardware and some or all of the following: software, peripherals, installation, customization, and other services. When transactions contain multiple elements, it may be difficult to determine the amount and timing of the related revenue recognition.)</li> </ul>	Procedure steps	N	N/A	

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	<ul style="list-style-type: none"> <li>c. The potential for side agreements (e.g., when an entity and its customers enter into side arrangements that remain either undocumented or documented in agreements separate from the main contract, there is a greater risk that accounting personnel will not be aware of all of the terms of the transaction, which may result in improper revenue recognition. The potential for side agreements is greater for complex or material transactions when side agreements exist.)</li> <li>d. Transactions near the end of the period (e.g., these transactions may be characterized by significant sales incentives and other conditions that affect revenue recognition.)</li> </ul>				
New	<p>We were alert for transactions that indicate the earnings process may not be complete, such as:</p> <ul style="list-style-type: none"> <li>a. Bill and hold sales.</li> <li>b. Unfinished products shipped to customers.</li> <li>c. Unauthorized products shipped to customers.</li> <li>d. Sales or shipments to entities other than the customer.</li> </ul>	Procedure steps	N	N/A	
New	<p>Examining supporting documents for the following:</p> <ul style="list-style-type: none"> <li>a. Entries made to the sales, accounts receivable, and allowance for doubtful accounts.</li> <li>b. Significant reconciling items between the accounts receivable subsidiary ledger and the general ledger.</li> <li>c. Significant reconciling items between the sales journal and the general ledger.</li> <li>d. Reversals of sales or large returns in the period subsequent to the balance sheet date.</li> <li>e. Matching sales returns to original sales.</li> <li>f. Comparing sales price to the price list.</li> <li>g. Ascertaining that shipped merchandise actually arrived at the customer's location and that the merchandise was not shipped to a warehouse or location controlled by the client.</li> <li>h. Examining original documents for sales invoices and shipping documents and being alert for possible alterations.</li> </ul>	Procedure steps	N	N/A	

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	<ul style="list-style-type: none"> <li>i. Reviewing customer complaints and looking for unusual trends.</li> <li>j. Considering circumstances in which salespeople are trying to meet or exceed sales goals in order to achieve quotas or increase their commissions or bonuses.</li> <li>k. Comparing details of units shipped with revenues and production records and considering whether revenues are reasonable compared to levels of production and average sales price.</li> <li>l. Comparing the number of weeks of inventory in distribution channels with that in prior periods for unusual increases that may indicate channel stuffing.</li> <li>m. Analyzing and reviewing deferred revenue accounts for propriety and reasonableness of deferral.</li> <li>n. Entries made to the sales, accounts receivable, and allowance for doubtful accounts.</li> <li>o. Significant reconciling items between the accounts receivable subsidiary ledger and the general ledger.</li> <li>p. Significant reconciling items between the sales journal and the general ledger.</li> <li>q. Reversals of sales or large returns in the period subsequent to the balance sheet date.</li> </ul>				
Delete	<p>Deleted the detailed substeps regarding transfers of accounts receivable. Step now reads as follows:</p> <p>For transfers of accounts receivable to a third party, we determined that the transaction had been accounted for in accordance with ASC 860, Transfers and Servicing.</p>				
<b>AUD-804 Audit Program: Inventories and Cost of Revenue</b>					
New	We performed additional audit procedures on inventory items held by third parties such as attending the third party's inventory count, obtaining another auditor's report on the third party's internal control regarding inventory, or inspecting documentation regarding the inventory.	Procedure	No	N/A	
<b>AUD-805 Audit Program: Prepaid Expenses, Deferred Charges, and Other Assets</b>					
Modify	Verbiage modified for immaterial prepaid and other assets.	Procedure	No	N/A	

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
Modify	Verbiage modified for immaterial prepaid property tax.	Procedure	No	N/A	
New	We agreed the balances on the schedule to the accounting records.	Procedure	No	N/A	
New	We scanned the accounting records for additions and deletions.	Procedure	No	N/A	
New	We compared current period's ending balances per the general ledger to the prior period's balances and investigated any significant or unexpected variations.	Procedure	No	N/A	
New	We compared current period's income statement-related account balances to the prior period's balances and current period budget and investigated any significant or unexpected variations.	Procedure	No	N/A	
New	We calculated current period account balances as a percentage of the related expenses and compared to the prior period's percentages.	Procedure	No	N/A	
New	We recomputed amortization expense either by major asset classification (by making approximations on an overall basis) or by testing amortization recorded for individual assets, compared the computed amounts to actual, and investigated significant or unexpected differences.	Procedure	No	N/A	
<b>AUD-806 Audit Program: Intangible Assets</b>					
Delete	Deleted practice point on FASB AUS 2010-028.				
New	We determined that the intangible asset was recorded in accordance with the applicable financial reporting framework.	Procedure	No	N/A	
New	We evaluated the reasonableness of the amount amortization method and the amortization period, including the entity's policy for reviewing them.	Procedure	No	N/A	
New	We determined that the entity's policy for measurement after recognition is appropriate and consistently applied in accordance with the applicable financial reporting framework (e.g., cost or revaluation method).	Procedure	No	N/A	
New	We determined that the entity assessed whether there is any indication that an asset may be impaired, and if such indication existed, that the entity estimated the fair value of the affected assets.	Procedure	No	N/A	
New	Market interest rates or other market rates of return on investments have increased during the period, and those increases are likely to affect the discount rate used in	Procedure	No	N/A	

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	calculating an asset's value in use and decrease the asset's fair value materially.				
New	The carrying amount of the net assets of the entity is more than its market capitalization.	Procedure	No	N/A	
New	Evidence is available of obsolescence or physical damage of an asset.	Procedure	No	N/A	
New	We determined whether the carrying values of these assets are recoverable.	Procedure	No	N/A	
Modify	If there is an indication that an asset may be impaired, we determined that the entity reviewed the remaining useful life, the depreciation (amortization) method, and the residual value for the asset and, if needed, adjusted it in accordance with the standard applicable to the asset, even if no impairment loss is recognized for the asset.	Procedure	No	N/A	
Modify	If an impairment loss should be or is recognized, we tested the calculation of the loss in accordance with the applicable financial reporting framework and ascertained that any impairments or write-offs have been authorized and approved by appropriate officials and examined related supporting documentation (e.g., board minutes, agreements, and correspondence).	Procedure	No	N/A	
New	We evaluated the entity's policy for reviewing assets for impairment and identifying indicators of impairment related to intangibles and goodwill.	Procedure	No	N/A	
Modify	Verbiage modified for goodwill impairment testing procedures.	Procedure	No	N/A	
<b>AUD-807 Audit Program: Property and Equipment, and Depreciation</b>					
Modify	Verbiage modified in procedures for immaterial PPE.	Procedure	No	N/A	
New	We concentrated on the substance of the transaction rather than the form of the contract and determined whether a lease that transfers substantially all the risks and rewards incidental to ownership is classified as a capital lease.	Procedure	No	N/A	
Modify	We determined whether the client properly considered direct costs incurred in connection with specific leasing activities, such as negotiating and securing leasing agreements that are directly attributable to activities performed by the lessee in computing the amount of lease cost capitalized.	Procedure	No	N/A	
New	We ensured that leases including both land and building elements were assessed separately as to each element,	Procedure	No	N/A	

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	unless classified as an investment property.				
New	We ensured that the amount originally recorded was equal to the lower of the fair value of the leased property of the present value of the minimum lease payments valued at the inception of the lease.	Procedure	No	N/A	
New	We reviewed changes to lease provisions for indications of changes in classification and verified that any such changes were regarded as new agreements over the lease term.	Procedure	No	N/A	
New	Evidence is available of obsolescence or physical damage of an asset.	Procedure	No	N/A	
Modify	Step on calculation of impairment loss modified.	Procedure	No	N/A	
Modify	Step on retirement obligations of long lived assets modified.	Procedure	No	N/A	
<b>AUD-808 Audit Program: Accounts Payable and Purchases</b>					
New	We compared gross margins by product line, location, or geographic area for the current year with the prior year, the budget, and industry data.	Procedure	No	N/A	
New	We compared other operating relationships (e.g., both sales and cost of sales to units shipped) for the current year with those of the prior year.	Procedure	No	N/A	
New	We compared the current year's composition of total product cost (i.e., materials, labor, and overhead) with the prior year's and industry data.	Procedure	No	N/A	
<b>AUD-809 Audit Program: Payrolls and Other Liabilities</b>					Tailoring added and modified to reflect changes noted below.
Modify and New	<p>If payroll and other short-term employee benefit liabilities are immaterial to the overall financial statements, or if our assessment of sufficiently low risk is supported by audit evidence from tests of controls, substantive testing of these liabilities was limited to only performing substantive analytical procedures as follows:</p> <ul style="list-style-type: none"> <li>We compared the relationships of current-year payroll expense to cost of sales and sales with those of the prior year's and industry data.</li> <li>We compared with the prior year the relationship of (a) current-year employee benefits, including vacation and sick pay to gross pay, and (b) pension expense to number of covered employees.</li> </ul>	Procedure	No	N/A	

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	<ul style="list-style-type: none"> <li>We computed average compensation divided by number of full-time equivalents (FTEs) and compared them with the prior year's and industry data.</li> <li>We computed payroll tax expense as a percentage of total wages and salaries and compared them with the prior year's and industry data.</li> </ul>				
Modify	Verbiage modified on short term employee benefit liabilities.	Procedure	No	N/A	
Modify	Verbiage modified on Accrued absences procedures.	Procedure	No	N/A	
New	For profit-sharing and bonus plans, <ul style="list-style-type: none"> <li>a. We examined client policy, personnel manuals, or other supporting documentation to gain an understanding of the related policies</li> <li>b. On a test basis, we recomputed the client's calculation of accrued profit sharing and bonus plan liabilities and determined overall reasonableness of the accrual as of the balance sheet date.</li> </ul>	Procedure	No	N/A	
New	We reviewed management's disclosure of payroll and other short-term employee benefits for compliance with the applicable financial reporting framework.	Procedure	No	N/A	
New	We determined whether any assets, obligations or contingent liabilities (e.g., actuarial losses or obligations to fund shortfalls) were required to be recognized in relation to the employee benefit plans.	Procedure	No	N/A	
New	If the entity pays insurance premiums to fund its postemployment benefit plans, we obtained from the client and reviewed a copy of the insurance policy agreement and determined whether the client has properly accounted for its insurance premium payments.	Procedure	No	N/A	
New	We determined whether the actuary used the proper valuation method to determine the present value of the entity's defined benefit obligations and the related current service cost and, where applicable, past service cost.	Procedure	No	N/A	
Modify	We determined whether the financial statements included adequate disclosures, including proper classification of the type of employee benefit plan, as required by the applicable financial reporting framework.	Procedure	No	N/A	
New	If applicable, if the entity participates in a defined benefit	Procedure	No	N/A	

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	<p>plan that shares risks between various entities under common control, we determined whether the financial statements included adequate the following additional disclosures:</p> <ul style="list-style-type: none"> <li>(1) The contractual agreement or stated policy for charging the net defined benefit cost or the fact that there is no such policy.</li> <li>(2) The policy for determining the contribution to be paid by the entity.</li> <li>(3) If the entity accounts for an allocation of employee benefit plans the net defined benefit cost, all the information about the plan.</li> <li>(4) If the entity accounts for the contribution payable for the period, the information about the plan as required by GAAP.</li> </ul>				
New	<p>If the entity provides other long-term employee benefits (e.g., long-term compensated absences, sabbatical leave, long-term disability benefits, deferred compensation, etc.), we performed the following procedures:</p> <ul style="list-style-type: none"> <li>a. We obtained from management an understanding of the policies.</li> <li>b. We compared current-period liability amounts to prior-period balances and investigated unusual fluctuations.</li> <li>c. We compared actual amounts to budgeted amounts.</li> <li>d. We reviewed general ledger account activity and investigated any entries that appeared to be unusual.</li> <li>e. We compared amounts accrued as of the balance sheet date to subsequent payments made.</li> <li>f. We traced amounts accrued to payroll records as of the balance sheet date.</li> <li>g. We reviewed compensation agreements for potential additional liabilities.</li> </ul>	Procedure	No	N/A	
New	We obtained from management an understanding of the policies.	Procedure	No	N/A	
New	We compared current-period liability amounts to prior-period balances and investigated unusual fluctuations.	Procedure	No	N/A	
New	We compared actual amounts to budgeted amounts for each job classification.	Procedure	No	N/A	

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
New	We reviewed general ledger account activity and investigated any entries that appeared to be unusual.	Procedure	No	N/A	
New	We compared amounts accrued as of the balance sheet date to subsequent payments made.	Procedure	No	N/A	
New	We determined whether management properly disclosed postemployment benefit policies relating to key management personnel, as well as any contingent liabilities relating to postemployment benefits.	Procedure	No	N/A	
Modify	Verbiage modified on retirement obligations for long-lived assets.	Procedure	No	N/A	
<b>AUD-810 Audit Program: Income Taxes</b>					
Modify	Verbiage modified on tax uncertainties.	Procedure	No	N/A	
<b>AUD-811 Audit Program: Debt Obligations</b>					
New	We tested whether management has properly recorded new financial obligations at fair value, minus (where applicable) transaction costs that are directly attributable to the issuance of the liabilities.	Procedure	No	N/A	
New	For financial liabilities required to be measured at fair value (e.g., liabilities, including derivative liabilities, that do not qualify for derecognition due to continued involvement, financial guarantee contracts, and commitments to provide loans at below-market interest rates), we evaluated management's determination of the change in fair value and recomputed the profit or loss recognized as a result of the change in fair value. For all other financial liabilities, carried at amortized cost, we tested that the valuation of the liabilities was calculated using the effective interest method.	Procedure	No	N/A	
New	We inquired of management as to whether the entity had exchanged debt instruments with the lender in which the instrument had substantially different terms or substantial modification; and evaluated whether the exchanged instrument required recognition as a new financial liability.	Procedure	No	N/A	
New	If applicable, we recomputed the profit or loss recognized on the transfer, exchange or extinguishment of the financial liability or part of a financial liability, including any non-cash assets transferred and liabilities assumed.	Procedure	No	N/A	
New	Section header and tailoring question added fro restrictive	Procedure	No	N/A	

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	covenants.				
Delete	Derivatives and hedging procedures removed from debt program and appear only in investments program.				
Modify	Debt Extinguishment verbiage modified- two substeps deleted	Procedure	No	N/A	
<b>AUD-812 Audit Program: Equity</b>					
Delete	11b (1) Foreign currency transactions. (2) Available-for-sale securities. (3) Hedging activities. (4) Minimum pension liabilities.	Procedure steps	N	N/A	
<b>AUD-813 Audit Program: Other Income and Expenses</b>					
Delete	Deleted practice point on FASB ED, <i>Revenue from Contracts with Customers</i>				
Delete	We compared gross margins by product line or geographic area for the current year with the prior year, the budget, and industry data.				
Delete	We compared other operating relationships (e.g. both sales and cost of sales to units shipped) for the current year with those of the prior year.				
Delete	We compared other operating relationships (e.g. both sales and cost of sales to units shipped) for the current year with those of the prior year.				
Delete	We compared other operating relationships (e.g. both sales and cost of sales to units shipped) for the current year with those of the prior year. We compared				
Delete	We compared the relationships of current-year payroll expense to cost of sales and sales with those of the prior year's industry data				
Delete	We compared with the prior year the relationship of (a) current-year employee benefits, including vacation and sick pay to gross pay, and (b) pension expense to number of covered employees.				
Delete	We computed average compensation divided by number of full-time equivalents (FTEs) and compared them with the prior year's industry data.				
Delete	We computed payroll tax expense as a percentage of total wages and salaries and compared them with the prior year's.				

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
Delete	Repairs and maintenance;				
New	We reviewed supporting documentation for legal fees, considering potential environmental, eviction, and other legal matters, and documented any findings and conclusions.	Procedure	No	N/A	
<b>AUD-814 Audit Program: Journal Entries and Financial Statement Review</b>					This is one of the new audit areas add to the tailoring questions in AUD-100. Review the questions in AUD-100. New tailoring question related to these steps. All answers and customizations will retain per your roll forward selections.
Modify	Audit area is connected to the Risk Assessment and Program Step Library. Program Steps can be linked to risks, and audit areas are a part of the risk assessment.	Flow Change	N	N/A	After update, insert new workpaper before deleting the 2011 workpaper so that responses and customizations are retained per roll forward selections.
Delete and Modify	Deleted duplicate step on reading financial statements and modified remaining portion of step accordingly  Modified remaining step as follows: Performing analytical procedures to evaluate our conclusions regarding significant accounts and disclosures and to assist in forming an opinion on whether the financial statements as a whole are free of material misstatement.  Note: The auditor should perform analytical procedures relating to revenue through the end of the reporting period.	Procedure	No	N/A	
Modify	Modified the practice point to better mirror the requirements of substantive analytical requirements.	Procedure	No	N/A	
Modify	Modified steps related to Summary Financial Information, to include: 1. With respect to “Summary Financial Statements,” Engagements to Report on Summary Financial Statements: a. If we are engaged to report on the financial statements of an entity, while not engaged to report on the summary, single, or element of a financial statement, and we become aware that the entity plans to make a statement in a document that refers to us and the fact that summary, single, or an element of the financial statements are derived from	Procedure	No	N/A	

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	<p>the financial statements audited by us, we performed the necessary procedures to become satisfied that:</p> <ul style="list-style-type: none"> <li>i. The reference to the auditor is made in the context of the auditor’s report on the audited financial statements; and</li> <li>ii. The statement does not give the impression that the auditor has reported on the summary financial statements.</li> </ul> <p>b. If we cannot become satisfied of (1) and (2) above, we requested that management change the statement to meet the conditions above, or not to refer to the auditor in the document.</p> <p>c. If management refuses to change the statements to meet the conditions, delete the reference to us, or include an auditor’s report on the summary, single, or element of, the financial statements, we advised management that we disagree with the reference and carried out any other procedures considered necessary to prevent management from inappropriately referring to our firm.</p> <p>2. With respect to summary financial statements, we obtained written representations from management as of the date of the auditor’s report for the following matters for all summary statements and all periods referred to in the auditor’s report:</p> <ul style="list-style-type: none"> <li>a. Management has fulfilled its responsibility for the preparation of the summary financial statements in accordance with the applied criteria and believes the applied criteria are acceptable.</li> <li>b. Management has made the audited financial statements readily available to the intended users of the summary</li> </ul>				

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	<p>financial statements, when the summary financial statements will not be accompanied by the audited financial statements.</p> <p>c. If the date of the auditor's report on the summary financial statements is later than the date of the auditor's report on the audited financial statements:</p> <p>i. Whether any information has come to management's attention that would cause management to believe that any of the previous representations on the audited financial statements need to be modified; and</p> <p>3. (2) Whether any events have occurred subsequent to the date of the audited financial statements that may require adjustment of, or disclosure in, the audited financial statements.</p>				
New	<p>Supplementary Information in Relation to the Financial Statements as a Whole</p> <p>1. We obtained the agreement of management that it acknowledges and understands its responsibility:</p> <p>a. For the preparation of the supplementary information in accordance with the applicable criteria.</p> <p>b. To provide us with the required written representations.</p> <p>c. To include our report on the supplementary information in any document that contains the supplementary information and that indicates that we have reported on such supplementary information.</p> <p>d. To present the supplementary information with the audited financial statements or, if the supplementary information will not be presented with the audited financial statements, to make the audited financial statements readily</p>	Procedure	No	N/A	

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	<p>available to the intended users of the supplementary information no later than the date of issuance by the entity of the supplementary information and the auditor's report thereon.</p> <p>2. With respect to supplementary information presented outside the basic financial statements, excluding required information, that is not considered necessary for the financial statements to be fairly presented in accordance with the applicable financial reporting framework, we performed the following procedures using the same materiality level used in the audit of the financial statements:</p> <ul style="list-style-type: none"> <li>a. We inquired of management about the purpose of the supplementary information and the criteria used by management to prepare the supplementary information, such as an applicable financial reporting framework, criteria established by a regulator, a contractual agreement, or other requirements.</li> <li>b. We determined whether the form and content of the supplementary information complies with the applicable criteria.</li> <li>c. We obtained an understanding about the methods of preparing the supplementary information and determined whether the methods of preparing the supplementary information have changed from those used in the prior period and, if the methods have changed, the reasons for such changes.</li> <li>d. We compared and reconciled the supplementary information to the underlying accounting and other records used in preparing the financial statements or to the financial statements themselves.</li> </ul>				

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	<ul style="list-style-type: none"> <li>e. We inquired of management about any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.</li> <li>f. We evaluated the appropriateness and completeness of the supplementary information, considering the results of the procedures performed and other knowledge obtained during the audit of the financial statements.</li> <li>g. We obtained written representations from management: <ul style="list-style-type: none"> <li>i. That it acknowledges its responsibility for the presentation of the supplementary information in accordance with the applicable criteria.</li> <li>ii. That it believes the supplementary information, including its form and content, is fairly presented in accordance with the applicable criteria.</li> <li>iii. That the methods of measurement or presentation have not changed from those used in the prior period or, if the methods of measurement or presentation have changed, the reasons for such changes.</li> <li>iv. About any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.</li> </ul> </li> </ul> <p>3. That when the supplementary information is not presented with the audited financial statements, management will make the audited financial statements readily available to the intended users</p>				

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	of the supplementary information no later than the date of issuance by the entity of the supplementary information and the auditor's report thereon.				
New	<p>Required Supplementary Information</p> <p>(1) With respect to supplementary information that a designated accounting standard setter requires to accompany the basic financial statements, we performed the following procedures to the required supplementary information:</p> <ul style="list-style-type: none"> <li>a. We inquired of management about the methods of preparing the information, including (1) whether it has been measured and presented in accordance with prescribed guidelines, (2) whether methods of measurement or presentation have been changed from those used in the prior period and the reasons for any such changes, and (3) whether there were any significant assumptions or interpretations underlying the measurement or presentation of the information.</li> <li>b. We compared the information for consistency with (1) management's responses to the foregoing inquiries, (2) the basic financial statements, and (3) other knowledge obtained during the audit of the basic financial statements.</li> <li>c. We obtained written representations from management: <ul style="list-style-type: none"> <li>i. That it acknowledges its responsibility for the required supplementary information.</li> <li>ii. About whether the required supplementary information is measured and presented in accordance with prescribed guidelines.</li> <li>iii. About whether the methods of measurement or presentation</li> </ul> </li> </ul>	Procedure	No	N/A	

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	<p>have changed from those used in the prior period and, if so, the reasons for such changes.</p> <p>iv. About any significant assumptions or interpretations underlying the measurement or presentation of the required supplementary information.</p> <p>If we were unable to complete the above procedures, we considered whether management contributed to our inability to complete the procedures. If we concluded that the inability to complete the procedures was due to significant difficulties encountered in dealing with management, we informed or those charged with governance, including those overseeing the financial reporting process.</p>				
New	<p>Other Information in Documents Containing Audited Financial Statements</p> <p>With respect to “other information” (e.g. financial and nonfinancial) contained in the document containing audited financial statements and our report thereon, we performed the following procedures:</p> <ol style="list-style-type: none"> <li>a. We have read the other information as soon as practicable in order to identify material inconsistencies, if any, with the audited financial statements.</li> <li>b. We made appropriate arrangements with management or those charged with governance, including those overseeing the financial reporting process, to obtain the other information prior to the report release date, or as soon as practicable.</li> <li>c. If, on reading the other information, we identified a material inconsistency, we determined whether the audited financial statements or the other information needs to be revised.</li> <li>d. If we identified a material inconsistency prior to the report release date that requires revision of the audited financial statements and management refuses to make the revision, we modified the auditor’s opinion.</li> </ol>	Procedure	No	N/A	

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	<ul style="list-style-type: none"> <li>e. If we identified a material inconsistency prior to the report release date that requires revision of the other information and management refuses to make the revision, we communicated this matter to those charged with governance, including those overseeing the financial reporting process, and either (1) included an explanatory paragraph in the auditor’s report describing the material inconsistency, (2) withheld the auditor’s report, or (3) if possible under applicable law or regulation, withdrew from the engagement.</li> <li>f. If revision of the audited financial statements was necessary as a result of a material inconsistency with other information and the auditor’s report on the financial statements was already released, we applied the relevant requirements regarding this subsequent event.</li> <li>g. If revision of the other information was necessary after the report release date and management agreed to make the revision, we carried out the procedures necessary under the circumstances.</li> <li>h. If revision of the other information was necessary after the report release date but management refused to make the revision, we notified those charged with governance, including those overseeing the financial reporting process, of our concerns regarding the other information and took further appropriate action.</li> <li>i. If, on reading the other information for the purpose of identifying material inconsistencies, we became aware of an apparent material misstatement of fact, we discussed the matter with management.</li> <li>j. If, following such discussions we still consider that there is an apparent material misstatement of fact, we requested management to consult with a qualified third party, such as the entity’s legal counsel, and we considered the advice received by the entity in determining whether such matter is a material misstatement of fact.</li> <li>k. If we concluded that there is a material</li> </ul>				

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	misstatement of fact in the other information that management refuses to correct, we notified those charged with governance, including those overseeing the financial reporting process, of our concerns regarding the other information and took any further appropriate action.				
<b>AUD-815 Audit Program: Related-Party Transactions, Commitments and Contingencies, Estimates, and Concentrations</b>					This is one of the new audit areas add to the tailoring questions in AUD-100. Review the questions in AUD-100. New tailoring question related to these steps. All answers and customizations will retain per your roll forward selections.
Modify	Audit area is connected to the Risk Assessment and Program Step Library. Program Steps can be linked to risks, and audit areas are a part of the risk assessment.	Flow Change	N	N/A	After update, insert new workpaper before deleting the 2011 workpaper so that responses and customizations are retained per roll forward selections.
Modify	Instruction language modified to enhance user understanding of methodology.	Procedure	No	N/A	
Delete	Deleted duplicate step "We reviewed data filed with regulatory agencies for information about material transactions with related parties."	Procedure	No	N/A	
<b>AUD-816 Audit Program: Fair Value Measurements and Disclosures</b>					This is one of the new audit areas add to the tailoring questions in AUD-100. Review the questions in AUD-100. New tailoring question related to these steps. All answers and customizations will retain per your roll forward selections.
Modify	Audit area is connected to the Risk Assessment and Program Step Library. Program Steps can be linked to risks, and audit areas are a part of the risk assessment.	Flow Change	N	N/A	After update, insert new workpaper before deleting the 2011 workpaper so that responses and customizations are retained per roll forward selections.
<b>AUD-817 Audit Program: Variable Interest Entities</b>					This is one of the new audit areas add to the tailoring questions in AUD-100. Review the questions in AUD-100. New tailoring question related to these steps. All answers and customizations will retain per your roll forward selections.
Modify	Audit area is connected to the Risk Assessment and Program Step Library. Program Steps can be linked to risks, and audit areas are a part of the risk assessment.	Flow Change	N	N/A	After update, insert new workpaper before deleting the 2011 workpaper so that responses and customizations are retained per roll forward selections.
New	Added the following substeps to Step 13: d. We obtained an understanding of the rights of the client to obtain benefits from the variable interest entity. e. We obtained an understanding of the risks of	Procedure	No	N/A	

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	each party engaging in transactions with the variable interest entity.				
<b>AUD-901 Audit Program: Subsequent Events</b>					
Modify	Instruction language modified to enhance user understanding of methodology.	Instructions	No	N/A	
New	Added the following practice point: The subsequent events procedures that the auditor performs may depend on the information that is available and, in particular, the extent to which the accounting records have been prepared since the date of the financial statements. Where the accounting records are not up-to-date, and accordingly no interim financial statements (whether for internal or external purposes) have been prepared, or minutes of meetings of management or those charged with governance, including those overseeing the financial reporting process, have not been prepared, relevant audit procedures may take the form of inspection of available books and records, including bank statements.	Practice Point	No	N/A	
New	Added the following step: 3. We obtained an understanding of any procedures management has established to ensure that subsequent events are identified.	Procedure	Yes	AU 550	
Modify and Delete	Modified step 4 as follows: 4. We inquired of management, and where appropriate those charged with governance, including those overseeing the financial reporting process, as to whether: <ol style="list-style-type: none"> <li>a. There have been any new commitments, borrowings, or guarantees entered into.</li> <li>b. There have been any developments regarding contingencies. (new step)</li> <li>c. There have been any significant changes in capital or issuance of debt instruments, such as the issue of new shares or debentures, or an agreement to merge or liquidate has been made or is planned.</li> <li>d. Any unusual accounting adjustments have been made or are contemplated. (new step)</li> <li>e. There are commitments or plans for</li> </ol>	Procedure	Yes	AU 550	

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	<p>major purchases or sales of assets. (new step)</p> <p>f. Any assets have been appropriated by government or destroyed, for example, by fire or flood. (new step)</p> <p>g. Any events have occurred or are likely to occur that will bring into question the appropriateness of accounting policies used in the financial statements, as would be the case, for example, if such events call into question the validity of the going concern assumption</p> <p>h. Any events have occurred that are relevant to the recoverability of assets. (new step)</p> <p>i. Any events have occurred that are relevant to the measurement of estimates or provisions made in the financial statements. (new step)</p> <p>Deleted duplicative steps, represented elsewhere in list above</p>				
New	We read the entity's latest available budgets, cash flow forecasts and other related management reports for periods after the date of the financial statements.	Procedure	No	N/A	
<b>AUD-902 Audit Program: Going Concern</b>					
Modify	Instruction language modified to enhance user understanding of methodology.	Instructions	No	N/A	
New and Delete	<p>Added substep to 1(a): (3) Indications of withdrawal of financial support by creditors.</p> <p>Deleted substeps from 1(a) Working capital deficiencies</p>	Procedure	Yes	AU 341	
New	<p>Added the following steps to Section I:</p> <p>3. We remained alert throughout the audit for evidence of events or conditions that may cast significant doubt on the entity's ability to continue as a going concern.</p> <p>4. We determined whether management has already</p>	Procedure	Yes	AU 341	

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	<p>performed a preliminary assessment of the of the entity's ability to continue as a going concern.</p> <p>5. If management has not yet performed a preliminary assessment of the entity's ability to continue as a going concern, we discussed the basis for the intended use of the going concern assumption with management and inquired as to whether events or conditions have been identified that, individually or collectively, may cast significant doubt on the entity's ability to continue as a going concern.</p> <p>6. If management has performed a preliminary assessment of the entity's ability to continue as a going concern, we evaluated that assessment and discussed it with management and determined whether events or conditions have been identified that, individually or collectively, may cast significant doubt on the entity's ability to continue as a going concern.</p> <p>7. We inquired of management as to its knowledge of events or conditions beyond the period of their assessment that may cast significant doubt on the entity's ability to continue as a going concern</p> <p>8. In evaluating management's assessment, we:</p> <ul style="list-style-type: none"> <li>a. Covered the same period as that used by management to make its assessment as required by the applicable financial reporting framework, or by law or regulation if it specifies a longer period. If management's assessment of the entity's ability to continue as a going concern covers less than twelve months from the date of the financial statements, we requested management to extend its assessment period to at least twelve months from that date.</li> <li>b. Considered whether management's</li> </ul>				

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	<p>assessment includes all relevant information of which we are aware as a result of the audit.</p> <p>9. If management has identified events or conditions that may cast significant doubt on the entity's ability to continue as a going concern, we discussed the plan to address them with management.</p>				
New	<p>Added the following steps to Section II:</p> <ol style="list-style-type: none"> <li>1. If conditions or events are identified that may raise significant doubt about the entity's ability to continue as a going concern, and management has not yet performed an assessment of the entity's ability to continue as a going concern, we requested that management perform such an assessment.</li> <li>2. If management is unwilling to make or extend its assessment when requested to do so, we considered the implications for the auditor's report.</li> <li>3. We considered whether any additional facts or information have become available since the date on which management made its assessment.</li> </ol>	Procedure	Yes	AU 341	
New	<p>If conditions or events are identified that may raise significant doubt about the entity's ability to continue as a going concern, we obtained sufficient appropriate audit evidence to determine whether or not a material uncertainty exists, and performed the following procedures:</p>	Procedure	Yes	AU 341	
New	<p>Where the entity has prepared a cash flow forecast, and analysis of the forecast is a significant factor in considering the future outcome of events or conditions in the evaluation of management's plans for future action:</p> <ol style="list-style-type: none"> <li>a. We evaluated the reliability of the underlying data generated to prepare the forecast; and</li> </ol>	Procedure	Yes	AU 341	

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	<p>b. We determined whether there is adequate support for the assumptions underlying the forecast.</p> <p>c. We requested written representations from management and, where appropriate, those charged with governance, including those overseeing the financial reporting process, regarding their plans for future action and the feasibility of these plans.</p> <p>If the use of the going concern assumption is appropriate in the circumstances but a material uncertainty exists, we determined whether the financial statements:</p> <p>a. Adequately describe the principal events or conditions that may cast significant doubt on the entity’s ability to continue as a going concern and management’s plans to deal with these events or conditions; and</p> <p>b. Disclose clearly that there is a material uncertainty related to events or conditions that may cast significant doubt on the entity’s ability to continue as a going concern and, therefore, that it may be unable to realize its assets and discharge its liabilities in the normal course of business.</p> <p>c. If adequate disclosure is made in the financial statements, we expressed an unmodified opinion and included an emphasis of matter paragraph in the auditor’s report (RPT-923 Unqualified Opinion Including an Explanatory Paragraph Regarding a Going-Concern Uncertainty ) to:</p> <p>Highlight the existence of a material uncertainty relating to the event or condition that may cast significant doubt on the entity’s ability to continue as a going concern; and</p> <p>Draw attention to the note in the financial</p>				

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	<p>statements that addresses the required disclosures.</p> <p>If adequate disclosure is not made in the financial statements, we expressed a qualified opinion or adverse opinion, as appropriate, and we stated in the auditor's report that there is a material uncertainty that may cast significant doubt on the entity's ability to continue as a going concern.</p> <p>If the financial statements have been prepared on a going concern basis but management's use of the going concern assumption in the financial statements is inappropriate, we expressed an adverse opinion.</p> <p>We communicated with those charged with governance, including those overseeing the financial reporting process, when applicable, events or conditions identified that may cast significant doubt on the entity's ability to continue as a going concern.</p> <p>That communication included :</p> <ul style="list-style-type: none"> <li>- Whether the events or conditions constitute a material uncertainty;</li> <li>- Whether the use of the going concern assumption is appropriate in the preparation of the financial statements; and</li> <li>- The adequacy of related disclosures in the financial statements.</li> </ul> <p>If there is significant delay in the approval of the financial statements by management or those charged with governance, including those overseeing the financial reporting process after the date of the financial statements, we inquired as to the reasons for the delay.</p> <p>Performed additional audit procedures as deemed necessary.</p> <p>Considered the effect on the auditor's conclusion regarding the existence of a material uncertainty.</p>				

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
<b>AUD-903 Audit Program: Consideration of Fraud</b>					
New	Created a new audit program for Compliance with Laws and Regulations (see below) AUD-903 remained "Consideration of Fraud" to better reflect the standards	Procedure steps	Y	AU-C 240	
New	We reminded all engagement personnel of the need to emphasize professional skepticism, recognizing the possibility that a material misstatement due to fraud may exist, notwithstanding past experience related to the honesty and integrity of management and those charged with governance, including those overseeing the financial reporting process.	Procedure steps	Y	AU-C 240	
New	We have considered whether other information gathered as part of the audit indicates risks of material misstatement due to fraud.	Procedure steps	N	N/A	
New	We have evaluated all identified misstatements for indications of fraud and, if there are such indications, we have considered: <ul style="list-style-type: none"> <li>a. Management's integrity and the reliability of management representations.</li> <li>b. The implications for other aspects of the audit.</li> </ul>	Procedure steps	Y	AU-C 240	
Delete	Deleted substeps for steps relating to inquire of management, those charged with governance, and others.  These steps were duplicative of steps performed and signed off at KBA 303.  Reworded main steps to refer to KBA 303 for inquiry and sign off.	Procedure steps	Y	AU-C 240	
New	We have considered whether other information gathered as part of the audit indicates risks of material misstatement due to fraud.	Procedure steps	Y	AU-C 240	
Modify	Modified the following:  Responding to Misstatements in the Financial Statements That May Be the Result of Fraud				

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	<ol style="list-style-type: none"> <li>1. We have evaluated all identified misstatements for indications of fraud and, if there are such indications, we have considered:               <ol style="list-style-type: none"> <li>a) Management’s integrity and the reliability of management representations.</li> <li>b) The implications for other aspects of the audit.</li> </ol> </li> <li>2. If we determined that a misstatement, whether material or not, is or may be the result of fraud and that management may be involved:               <ol style="list-style-type: none"> <li>a. We reevaluated the assessment of the risk of material misstatement due to fraud and its impact on:                   <ol style="list-style-type: none"> <li>(1) Our original assessment of the risk of material misstatement, including fraud risks.</li> <li>(2) The nature, timing, and extent of audit procedures.</li> <li>(3) The design of, and our reliance on, internal controls.</li> </ol> </li> <li>b. We considered the organizational level of potential involvement including:                   <ol style="list-style-type: none"> <li>(1) The possibility of collusion involving management, employees, or third parties.</li> <li>(2) Reassessment of the reliability of evidence previously obtained.</li> </ol> </li> </ol> </li> <li>3. If we have confirmed that, or are unable to conclude whether, the financial statements are materially misstated as a result of fraud:</li> <li>4. We evaluated the implications for the audit including the accumulation and evaluation of misstatements identified during the audit and the effect on the auditor’s report.</li> </ol>				
New	<p>Considering the Ability to Continue the Engagement</p> <ol style="list-style-type: none"> <li>1. If we have determined that because of exceptional circumstances resulting from a misstatement caused by fraud or suspected fraud we may be unable to continue the audit, we have:</li> </ol> <p>Practice Point: The auditor should consult with his or her own legal counsel regarding the firm’s legal responsibilities, including possible withdrawal from the</p>				

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	<p>engagement, when withdrawal is not prohibited by law or regulation.</p> <ol style="list-style-type: none"> <li>a. Determined our professional and legal responsibilities, including our obligation to report to those responsible for our appointment as auditors, as well as to others, such as regulatory authorities.</li> <li>b. Considered whether it is appropriate to withdraw from the engagement where legally permissible.</li> <li>c. If not prohibited by law or regulation, we have decided to withdraw from the engagement, and we have: <ol style="list-style-type: none"> <li>2. Discussed with the appropriate level of management and those charged with governance, including those overseeing the financial reporting process, the reasons for our withdrawal.</li> <li>3. Determined whether there is a professional or legal obligation to report our withdrawal and the reasons for it to those responsible for our appointment as auditors, as well as to others, such as regulatory authorities.</li> </ol> </li> </ol>				
New	<p>Obtaining Written Representations:</p> <ol style="list-style-type: none"> <li>1. We obtained written representations from management and, where appropriate, those charged with governance, including those overseeing the financial reporting process, that: <ol style="list-style-type: none"> <li>a. They acknowledge their responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.</li> <li>b. They have disclosed the results of management's assessment of the risk that the financial statements may be materially misstated as a result of fraud.</li> <li>c. They have disclosed their knowledge of fraud, or suspected fraud, involving: <ol style="list-style-type: none"> <li>(1) management,</li> <li>(2) employees with significant roles in internal control, or</li> <li>(3) others where the fraud could have a material</li> </ol> </li> </ol> </li> </ol>				

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	effect on the financial statements. d. They have disclosed their knowledge of any allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, analysts, regulators, or others.				
<b>AUD-904 Audit Program: Compliance with Laws and Regulations</b>					
New	New audit program regarding Compliance with Laws and Regulations – procedures from AUD-903 regarding illegal acts	Procedure	Yes	AU 317	
<b>AUD-905 Audit Program: Evaluating the Subsequent Discovery of Facts Existing at the Date of the Auditor's Report</b>					
Modify	Title changed to Audit Program: Evaluating Subsequently Discovered Facts Existing at the Date of the Auditor's Report	Procedure	No	N/A	
Modify	Renumbered from AUD 904 to AUD 905				
Modify	Instruction language modified to enhance user understanding of methodology.	Procedure	No	N/A	
<b>AUD-906 Audit Program: Consideration of Omitted Procedures after the Report Release Date</b>					
Modify	Renumbered from AUD 905 to AUD 906				
Modify	Instruction language modified to enhance user understanding of methodology.	Procedure	No	N/A	
<b>AUD-907 Interim Review Program: Review of Interim Financial Information</b>					
Modify	Instruction language modified to enhance user understanding of methodology.	Procedure	No	N/A	
<b>AUD-908 Audit Program: Previously Reported Material Weakness Continues to Exist</b>					
Modify	Instruction language modified to enhance user understanding of methodology.	Procedure	No	N/A	
Modify	Minor modification to the language in the steps.	Procedure	No	N/A	

### Auditor's Reports (RPTs)

- RPTs have been revised to include appropriate language regarding Accounting Standard Update (ASU) 2011-012, *Comprehensive Income*.
- A number of RPTs have been renumbered to remove "A" designations and to align numbering schemes.
- **NEW RPT-901 Unqualified Opinion: Single-Year Financial Statement Only** new illustrative report on Unqualified Opinion: Single Year Financial Statement Only.
- **NEW RPT-902 Unqualified Opinion: Comparative Years Financial Statement Only** new illustrative report on Unqualified Opinion: Comparative Years Financial Statement Only.

## Correspondence Documents (CORs)

- Audit Guide chapter links have been added to all **CORs**.
- A number of **CORs** have been renumbered to remove “A” designations and to align numbering schemes.
- **NEW COR-213 Auditor's Agreement with and Request for Representations from the Auditor's Specialist Who Performs Certain Audit Procedures** new illustrative correspondence regarding the auditor’s agreement with the auditor’s specialist, including representations from the auditor’s specialist.
- **NEW COR-302 Principal Auditor’s Letter of Instruction to the Other Auditor Who Performs Certain Audit Procedures or Audits of the Financial Statements of a Subsidiary, Branch, or Division** new illustrative group engagement team's auditor's letter of instruction to the other auditor who performs certain audit procedures or audits the financial statements of a component.
- **COR-813 Request for Confirmation of Notes Payable** through **COR-815 Request for Confirmation of Lines of Credit** have had minor modifications to the terms to be confirmed.
- **NEW COR-822 Confirmation of Sales Terms** new illustrative Confirmation of Sales Terms.
- **COR-902 Management Representation Letter: ICFR** added example representations regarding sales contracts and revenue recognition.

## Practice Aids (AIDs)

- **AID-201 Nonaudit Services Independence Checklist** practice aid have been updated for new tailoring at the section headers. Mark them as not applicable and all steps below will be hidden.
- **AID-301 Preliminary Analytical Procedures: Fluctuation and Ratio Analysis** added Pension Funding Status Ratio and OPEB Plan Funding Status Ratio.
- **AID-302 Understanding the Entity’s Revenue Streams and Revenue Recognition Policies** has been revised to include additional considerations of possible significant changes in revenue streams from year to year.
- **2011 PCAOB AID-501 Inherent Risk Assessment Form** practice aid has been removed. Relevant assertions will map to a new table in KBA-400 and inherent risk assessment will map to KBA-502. This will happen automatically during content update.
- **AID-601 Considering Reliance on the Work of Internal Auditors** has been updated to include additional considerations regarding the use of work performed by the entity’s internal audit function.
- **AID-701 Audit Sampling Worksheet for Tests of Controls** the appendix in the **AID** has been removed and replaced by **RES-004** to improve the usability of the **AID**.
- **AID-702 Results of Tests of Controls** added a new table “Determine Reliance on Work Performed in Prior Periods.”
- **AID-703 Controls Testwork Template** has been removed from toolset.
- **AID-704 Summary of Control Testing Plan and Results of Tests** has been removed from toolset.
- **AID-801 Audit Sampling Worksheet for Substantive Tests of Details** guidance tab has been removed and replaced by **RES-005**.
- **AID-802 Inventory Observation Checklist** step has been added regarding estimation of physical quantities.
- **NEW AID-840 Revenue and Expense: – Analytical Procedures** practice aid designed to help the auditor perform analytical procedures on revenue and expense balances and other related accounts.
- **AID-902 Changes to Audit Documentation after the Auditor’s Report Release Date** added the following columns to the table "Circumstances Encountered," "New or Additional Procedures Performed," "Audit Evidence Obtained," and "Conclusions Reached" to better reflect the required documentation of the standard.

## Resource Documents (RESs)

- **RES-001 Knowledge-Based Audit Methodology Overview** has been updated to reflect organizational and instructional changes, and to reflect changes in standards.
- **RES-002 Broad Requirements for Performing Audit Procedures** has been deleted.
- **RES-002 (formerly RES-003) Index of Audit Programs, Forms, and Other Practice Aids** has been updated to reflect organizational changes within the toolset.
- **RES-003 (formerly RES-004) Consideration of Fraud in Accordance with PCAOB Auditing Standards in the Knowledge-Based Audit** has been updated to reflect changes in the titles of various documents within the toolset.
- **NEW RES-004 Audit Sampling Guidance for Tests of Controls** new resource document providing guidance and examples for Audit Sampling: Tests of Controls.

- **NEW RES-005 Auditing Sampling Guidance for Substantive Tests of Details** new resource document providing guidance and examples for Audit Sampling: Substantive Tests.
- **NEW RES-006 Sample Process Narrative** new resource document providing example process narrative.
- **NEW RES-007 Guidelines for Performing Effective Walkthroughs and Making Inquiries** new resource document providing best practice guidance for performing and documenting a walkthrough.
- **NEW RES-008 Entity-Level Controls: Examples of Control Objectives and Related Control Activities** new resource document providing guidance and examples for Entity Level Control Objectives.
- **NEW RES-009 Assertions and Examples of “What Can Go Wrong” and Related Controls That Address What Can Go Wrong: Revenue, Accounts Receivable, and Cash Receipts** new resource document providing guidance and examples for What Could Go Wrong and example Controls for Cash/AR/Receipts.
- **NEW RES-010 Assertions and Examples of “What Can Go Wrong” and Related Controls That Address What Can Go Wrong: Purchases, Inventory, and Cost of Sales** new resource document providing guidance and examples for What Could Go Wrong and example Controls for Inventory.
- **NEW RES-011 Assertions and Examples of “What Can Go Wrong” and Related Controls That Address What Can Go Wrong: Property, Plant, and Equipment** new resource document providing guidance and examples for What Could Go Wrong and example Controls for PPE.
- **NEW RES-012 Assertions and Examples of “What Can Go Wrong” and Related Controls That Address What Can Go Wrong: Other Assets** new resource document providing guidance and examples for What Could Go Wrong and example Controls for Other Assets.
- **NEW RES-013 Assertions and Examples of “What Can Go Wrong” and Related Controls That Address What Can Go Wrong: Accounts Payable and Cash Disbursements** new resource document providing guidance and examples for What Could Go Wrong and example Controls for Accounts Payable and Disbursements.
- **NEW RES-014 Assertions and Examples of “What Can Go Wrong” and Related Controls That Address What Can Go Wrong: Payroll** new resource document providing guidance and examples for What Could Go Wrong and example Controls for Payroll and Related Liabilities.
- **NEW RES-015 Assertions and Examples of “What Can Go Wrong” and Related Controls That Address What Can Go Wrong: Treasury** new resource document providing guidance and examples for What Could Go Wrong and example Controls for Treasury.
- **NEW RES-016 Assertions and Examples of “What Can Go Wrong” and Related Controls That Address What Can Go Wrong: Income Taxes** new resource document providing guidance and examples for What Could Go Wrong and example Controls for Taxes.
- **NEW RES-017 Assertions and Examples of “What Can Go Wrong” and Related Controls That Address What Can Go Wrong: Financial Reporting and Closing Process** new resource document providing guidance and examples for What Could Go Wrong and example Controls for Financial Reporting Process.
- **RES-QCA Meeting Quality Control Standards Using KBA Audit Tools** Updated to include the requirements of Statement on Quality Control Standards No. 8 (SQCS-8).
- **RES-KCO 2012 Public Entities Title Overview for Knowledge Coach Users** formally **RES-010** has been added as a reference document for the workpaper update information, along with list of related workpapers for the title.
- **NEW KCO-002 Answer Effects for the Program Step Library** has been added as a reference document to describe the answer effects for Mark Program Step as N/A for the Program Step Library.

## RELATED, FOUNDATIONS AND ASSOCIATION WORKPAPERS FOR THIS TITLE

Related workpapers are Knowledge Coach Word workpapers where information flows in or out of tables within the workpaper. Some of these related workpapers are Foundation workpapers or associated workpapers.

Foundation Workpapers include most of the Communication Hub workpapers, which are central to the Knowledge-Based Audit Methodology used by the Knowledge Coach titles. Associated workpapers require you to associate them with custom values, such as audit areas, specialists, service organizations, and other items. Workpapers require an association when you need to have more than one instance of a particular Knowledge Coach workpaper in your binder for each type of item to which the workpaper is related. Making this association allows Knowledge Coach information to flow properly between workpapers.

<i>Form No.</i>	<i>Form Name</i>	<i>Foundation Workpaper</i>	<i>Association Workpaper</i>
<b>KBAs</b>	<b>KNOWLEDGE-BASED AUDIT DOCUMENTS</b>		
KBA-101	Overall Audit Strategy	X	
KBA-102	Engagement Completion Document	X	
KBA-103	Evaluating and Communicating Internal Control Deficiencies	X	
KBA-105	Review of Significant Accounting Estimates	X	
KBA-201	Client/Engagement Acceptance and Continuance Form		
KBA-302	Understanding the Entity and Its Environment		
KBA-303	Inquiries of Management and Others within the Entity about the Risks of Fraud		
KBA-400	Scoping and Mapping of Significant Account Balances, Classes of Transactions, and Disclosures	X	
KBA-401	Understanding Entity-Level Controls		
KBA-402	Understanding General Controls for Information Technology		

<i>Form No.</i>	<i>Form Name</i>	<i>Foundation Workpaper</i>	<i>Association Workpaper</i>
KBA-403	Understanding Activity-Level Controls: Revenue, Accounts Receivable, and Cash Receipts		
KBA-404	Understanding Activity-Level Controls: Inventory		
KBA-405	Understanding Activity-Level Controls: Property, Plant, and Equipment		
KBA-406	Understanding Activity-Level Controls: Other Assets		
KBA-407	Understanding Activity-Level Controls: Accounts Payable and Disbursements		
KBA-408	Understanding Activity-Level Controls: Payroll		
KBA-409	Understanding Activity-Level Controls: Treasury		
KBA-410	Understanding Activity-Level Controls: Income Taxes		
KBA-411	Understanding Activity-Level Controls: Financial Reporting and Closing Process		
KBA-412	Understanding Controls Maintained by a Service Organization		X
KBA-502	Summary of Risk Assessments	X	
KBA-902	Review and Approval Checklist		
KBA-905	Audit Documentation Checklist		
<b>AUDs</b>	<b>AUDIT PROGRAMS</b>		
AUD-100	Tailoring Question Workpaper	X	

<i>Form No.</i>	<i>Form Name</i>	<i>Foundation Workpaper</i>	<i>Association Workpaper</i>
AUD-101	Overall Audit Program	X	
AUD-201	Audit Program: Opening Balances and Additional Audit Procedures for an Initial Audit Engagement		
AUD-602	Audit Program: Involvement of Other Auditors		X
AUD-603	Audit Program: Using the Work of an Auditor's Specialist		X
AUD-604	Audit Program: Using the Work of a Management's Specialist		X
AUD-701	Audit Program: Designing Tests of Controls		
AUD-800	Audit Program: Custom		X
AUD-801	Audit Program: Cash		
AUD-802	Audit Program: Investments in Securities, Derivative Instruments, and Hedging Activities		
AUD-803	Audit Program: Accounts Receivable and Revenue		
AUD-804	Audit Program: Inventories and Cost of Sales		
AUD-805	Audit Program: Prepaid Expenses, Deferred Charges, and Other Assets		
AUD-806	Audit Program: Intangible Assets		
AUD-807	Audit Program: Property and Equipment, and Depreciation		
AUD-808	Audit Program: Accounts Payable and Purchases		

<i>Form No.</i>	<i>Form Name</i>	<i>Foundation Workpaper</i>	<i>Association Workpaper</i>
AUD-809	Audit Program: Payrolls and Other Liabilities		
AUD-810	Audit Program: Income Taxes		
AUD-811	Audit Program: Debt Obligations		
AUD-812	Audit Program: Equity		
AUD-813	Audit Program: Other Income and Expense		
AUD-814	Audit Program: Journal Entries and Financial Statement Review		
AUD-815	Audit Program: Related-Party Transactions, Commitments and Contingencies, Estimates, and Concentrations		
AUD-816	Audit Program: Fair Value Measurements and Disclosures		
AUD-817	Audit Program: Variable Interest Entities		
AUD-818	Audit Program: Share-Based Payments		
AUD-901	Audit Program: Subsequent Events		
AUD-902	Audit Program: Going Concern		
AUD-904	Audit Program: Compliance with Laws and Regulations		
AUD-907	Interim Review Program: Review of Interim Financial Information		
AUD-908	Audit Program: Previously Reported Material Weakness Continues to Exist		

<i>Form No.</i>	<i>Form Name</i>	<i>Foundation Workpaper</i>	<i>Association Workpaper</i>
<b>AIDs</b>	<b>PRACTICE AIDs</b>		
AID-302	Understanding the Entity's Revenue Streams and Revenue Recognition Policies		
AID-601	Considering Reliance on the Work of Internal Auditors		
AID-702	Results of Tests of Controls		
AID-901	Differences of Professional Opinion		

**Additional Information for Associated Workpapers**

The following tables list the workpapers that require association in this title, along with the information that must be completed before you can insert each workpaper.

<i>Workpaper Requiring Association</i>	<i>What is it associated with?</i>		
	<i>Workpaper</i>	<i>Table/Question</i>	<i>Association Item (Custom Value)</i>
KBA-412 Understanding Ctrl: Service Org (Custom)	AUD-100 Tailoring Question Workpaper	Does the client use service organizations? Shows the "Document the service organizations used by the entity." table in KBA-101 Overall Audit Strategy.	
	KBA-101 Overall Audit Strategy	Document the service organizations used by the entity.	Service Organization
AUD-602 Audit Program: Other Auditor Involvement (Custom)	AUD-100 Tailoring Question Workpaper	Are any of the multiple components, multiple locations, or segments expected to be audited by other independent auditors? is "Yes" Shows the "Document the multiple components, multiple locations, or segments expected to be audited by other independent auditors." table in KBA- 101 Overall Audit Strategy.	
	KBA-101 Overall Audit Strategy	Document the multiple components, multiple locations, or segments expected to be audited by other independent auditors.	Audit Firm Name
AUD-603 Audit Program: Auditor's Specialist (Custom)	AUD-100 Tailoring Question Workpaper	Do we expect to use a specialist on our audit? is "Yes" Shows the "Document the expected use of a specialist(s) on our audit." table in KBA-101 Overall Audit Strategy.	
	KBA-101 Overall Audit Strategy	Document the expected use of a specialist(s) on our audit. Then select Auditor's Specialist from the Type of Specialist Column	Specialist Firm Name
AUD-604 Audit Program: Management's Specialist (Custom)	AUD-100 Tailoring Question Workpaper	Do we expect to use a specialist on our audit? is "Yes" Shows the "Document the expected use of a specialist(s) on our audit." table in KBA-101 Overall Audit Strategy.	
	KBA-101 Overall Audit Strategy	Document the expected use of a specialist(s) on our audit. Then select Management's Specialist from the Type of Specialist Column.	Specialist Firm Name
AUD-800 Audit Program: (Custom)	AUD-100 Tailoring Question Workpaper	What financial statement audit areas are applicable to this engagement? "Customize Audit Area" link within the answer selection box.	Custom Audit Area