

2013 HEALTH CARE 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 **2013 Knowledge-Based Audits of Health Care Entities** has been updated to help auditors conduct audit engagements in accordance with the new clarified and redrafted auditing standards resulting from the ASB’s Clarity Project and related guidance, including the requirements of SAS 127, Omnibus Statement on Auditing Standards—2013. Many new tips and examples have been incorporated. The 2013 tools include links to specific guidance that provides instant access to detailed analysis related to the steps and processes discussed in the workpapers. Also included is a revised financial statement disclosures checklist that provides a centralized resource of the current required and recommended U.S. GAAP disclosures and key presentation items, using the style referencing under the FASB Accounting Standards Codification™.

The 2013 edition of *Knowledge-Based Audits of Health Care Entities* includes the following updates:

Knowledge-Based Audit Documents (KBAs)

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
KBA-103 Evaluating and Communicating Internal Control Deficiencies					
Modify	Modified instructions to include guidance on potential effects of deficiencies noted by the auditor.	Instructions	Y	AU-C 265	
KBA-104 Summary and Evaluation of Misstatements and Omitted, Inaccurate, or Incomplete Disclosures					
New	Conclusion on whether disclosures met auditor expectations moved from KBA-400 to the conclusion section of this workpaper.	Procedures Steps	N		
KBA-105 Review of Significant Accounting Estimates					
New	Added a practice point on the significant estimates common to health care entities.	Practice Point	N		
KBA-201 Client/Engagement Acceptance and Continuance Form					
New	Added question “Does the entity have a good reputation in the medical industry and its community?”	Table other than	N		

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
		procedures			
New	Added practice point on significant concentrations related to Medicare and Medicaid reimbursements	Practice Point	N		
KBA-301 Worksheet for Determination of Materiality, Performance Materiality, and Thresholds for Trivial Amounts					
Delete	Removed section on Tolerable Misstatement and moved this calculation to AID-801 Audit Sampling Worksheet – Substantive Details	Table other than procedures	Y	AU-C Section 320	
KBA-302 Understanding the Entity and Its Environment: Complex Entities					
Delete	Removed "No" from the Considered column.	Table other than procedures	N		
Delete	Removed duplicative considerations.	Table other than procedures	N		
Modify	Modified considerations to conform to AU-C 315.	Table other than procedures	Y	AU-C 315 and AU-C 240	
New	Added multiple practice points alerting the user to specific matters relating to the health care industry that should be considered when evaluating health care entities.	Practice Point	Y	Multiple rules and regulations	
New	<p>Added new considerations specific to health care entities, such as:</p> <ul style="list-style-type: none"> • Factors arising from an entity’s tax-exempt status (for example, prohibited activities, unrelated business income, bond arbitrage rules, and so on), • Health care reform initiatives brought on by government efforts (for example, the Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act of 2010), consumer demands, and the current economic environment. • Billing and coding regulations, including being subject to peer reviews, third-party payor audits, and governmental intermediary audits, and what 				

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	<p>controls the entity has in place to ensure billing compliance.</p> <ul style="list-style-type: none"> • Insurance-related industry regulations (for example, minimum capital requirements, statutory reporting requirements, and so on). • The entity's experience with payment denials and other matters subject to review by medical review entities. • Obligations under continuing care contracts. • Recognition of liabilities for costs incurred by providers of prepaid health care services. • The nature of reports expected to be rendered. Examples include reports on consolidated or consolidating financial statements, reports on financial statements filed with the Securities and Exchange Commission, reports filed with third-party payors or other regulatory bodies, reports on compliance with debt covenants, and other special reports. • Supplies inventory (e.g., locations, quantities, and safety of medical supplies from misappropriation). • Changing strategies to create more viable health care entities to respond to the regulatory and market dynamics noted previously. Examples include development of accountable care organizations and other strategies to increase clinical integration, expand market share, and take on risk sharing arrangements. • Limitations on the initiation of new services or construction (for example, certificate of need). • Required federal certification prior to billing (for example, Medicare certification). • Recognition of retrospective billing adjustments from third-party payors. • Limitations on physician arrangements, such as ones related to patient referrals. • Limitations on physician arrangements, such as 				

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
	ones related to patient referrals.				
New	Added new consideration regarding management's belief that their level of authority justifies certain level of compensation and personal privileges.	Table other than procedures	Y	AU-C 240	
KBA-400 Scoping and Mapping of Significant Account Balances, Classes of Transactions, and Disclosures					
Delete	Deleted column on "Did Management's Disclosures Meet the Auditor's Expectations." This question was moved to KBA-104. Modified instructions accordingly.	Table other than procedures	N		
KBA-402 Understanding General Controls for Information Technology					
New	Added practice point on implementation costs related to electronic medical records and IDC-10 compliance.	Instructions	N		
New	Added practice point on EHR reimbursement and compliance with Measure 15.	Section III, Q.8	N		
KBA-405 Understanding Activity-Level Controls: Property, Plant, and Equipment					
New	Added practice point on Technical Questions and Answers (TIS) section 6400.48, "Accounting for Costs Incurred during Implementation of ICD-10"	Section III, Q.8	N		
New	Added new objective for donated property.	Table other than procedures	N		
KBA-412 Understanding Controls Maintained by a Service Organization					
Modify	Modified step regarding the time period covered by Type 2 reports to conform to the standards.	Table other than procedures	Y	AU-C 402	
KBA-501 Team Discussion of the Risks of Material Misstatement					
New	Added unique characteristics of health care entities	Instructions	N		
New	Added new practice point with health care industry-specific characteristics.	Practice Point	N		
KBA-502 Summary of Risk Assessments					
Modify	Modified instructions to provide clearer guidance on the auditor's approach.	Instructions	N		Address this for all cash receipt or cash disbursement risks that were added prior to Commercial 2012

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
KBA-901 Financial Statement Disclosures Checklist					
New	Added program step 16 under revenue recognition related to payments received/receivable for meaningful use EHR reimbursement.	Program Step	N		
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	
KBA-905 Review and Approval Checklist: Interim Review of Financial Information					
New	Review and approval checklist for interim reviews of financial information.	Procedures Steps	Y	AU-C 930	

Audit Programs (AUDs)

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
AUD-100 Tailoring Question Workpaper					
New	New tailoring questions have been added.	Tailoring	N	N/A	
AUD-101 Overall Audit Program					
Modify	Moved much of the detailed information from substeps to practice points so that experienced users familiar with this program have the option to save the time spent reading the detail.	Procedure Steps	N		
Modify	Combined steps to eliminate duplication; new step reads as follows: 4. Evaluate, conclude on, and document whether auditor has the ability to adhere to the fundamental principles and requirements of professional and ethics standards including:	Procedure Steps	N		

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	<ul style="list-style-type: none"> a. Integrity; b. Objectivity; c. Independence, d. Professional competence and due care; e. Compliance with firm policies; f. Confidentiality; and g. Professional behavior. 				
Modify	<p>Combined steps to eliminate duplication; new step reads as follows:</p> <p>6. Perform client acceptance or continuance procedures in accordance with firm policy.</p>	Procedure Steps	N		
Modify	<p>Changed step to include directive to perform opening balance procedures. New step reads as follows:</p> <p>8. Perform the preliminary engagement activities necessary to establish an appropriate audit strategy and audit plan, including the audit procedures necessary to obtain sufficient appropriate audit evidence regarding the opening balances.</p>	Procedure Steps	N		
Delete	<p>Moved project management step to practice point, deleting the following step:</p> <p>16. Consider preparing a detailed list of information that is needed to perform the audit, for the client to prepare.</p>	Procedure Steps	N		
Delete	<p>Moved project management step to practice point, deleting the following step:</p> <p>17. Consider preparing a budget for completion of the audit engagement.</p>	Procedure Steps	N		
Modify	<p>Modified materiality step to include AU-C 600 considerations. Modified steps reads as follows:</p> <p>19. Determine materiality for the financial statements as a whole, the materiality level or levels for particular classes of transactions, account balances, or disclosures, if applicable, and performance materiality for purposes of assessing the risks of material misstatement and determining the nature, timing, and extent of further audit procedures. This determination should include component materiality and component performance materiality when</p>	Procedure Steps	Y	AU-C 600	

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	those provisions of AU-C 600 apply.				
Delete	Deleted the following step: For entities with multiple locations or business units, determine tolerable misstatement at an amount that reduces to an appropriately low level the probability that the total of uncorrected and undetected misstatements would result in material misstatement of the financial statements.	Procedure Steps	N		This procedure step will be tailored into the audit program, if applicable.
Modify	Combined steps. New step reads as follows: 32. Identify and document the following: a. Potential litigation and claims; b. Commitments and contingencies; c. Concentrations of risk; d. Related-party transactions; e. Significant management estimates and judgments; f. New or significant accounting issues; and g. Other areas requiring special audit consideration.	Procedure Steps	N		
Delete	Deleted the following step: Identify financial and nonfinancial information that may be useful for performing substantive analytical procedures.	Procedure Steps	N		
Delete	Deleted the following step: 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.	Procedure Steps	N		
Delete	Added documentation to understanding step above and deleted this duplicate step: 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	Procedure Steps	N		

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	procedures performed.				
Delete	Added documentation to step above and deleted this duplicate step: Document the controls related to the identified risks about which the auditor has obtained an understanding.	Procedure Steps	N		
Modify	Combined steps on response. Modified step reads as follows: 50. Design, document, and implement the auditor's overall responses to the assessed risks of material misstatement at the financial statement level.	Procedure Steps	N		
Delete	Deleted step: 51. Design, document, and implement overall responses to address the assessed risks of material misstatement at the financial statement level.	Procedure Steps	N		
Delete	Deleted step: 52. Determine whether it is necessary to make pervasive changes to the nature, timing, and extent of audit procedures to adequately address the assessed risks of material misstatement; such as: <ul style="list-style-type: none"> • Increasing substantive testing of the valuation of numerous significant accounts at year-end because of significantly deteriorating market conditions; and • Obtaining more persuasive audit evidence from substantive procedures due to the identification of pervasive weaknesses in the entity's control environment. 	Procedure Steps	N		
Modify	Combined steps. New step reads as follows: 57. Determine whether to test the operating effectiveness of internal controls over financial reporting. If testing the operating effectiveness of internal controls for significant audit areas, document the planned approach to testing, results of testing, and conclusions.	Procedure Steps	N		
Delete	Deleted the following duplicate step from the perform procedures section as it appears in the concluding section: Perform audit procedures to evaluate whether the overall presentation of the financial statements, including the related disclosures, is in accordance with the applicable	Procedure Steps	N		

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	financial reporting framework.				
AUD-201 Audit Program: Opening Balances and Additional Audit Procedures for an Initial Audit Engagement					
New	Added substep 7.h.: Analyzed reserves for self-insured obligations, including reserves for general and professional (medical malpractice) claims; determined the entities policy for recognizing liabilities related to self-insured obligations.	Procedure Steps	N		
New	Added step 7.i.: Obtained a list of pending and threatened litigation, claims and assessments; obtained and read prior-year legal representation letters and determined if claims and assessments, if any, were properly accrued in the prior-year financial statements.	Procedure Steps	N		
AUD-602 Audit Program: Involvement of a Component Auditor					
New	Added step regarding the determination of whether to use the work of a component auditor and whether to make reference to the component auditor.	Procedure Steps	Y	AU-C 600	
AUD-603 Audit Program: Using the Work of An Auditor's Specialist					
New	Added practice point on referring to the auditor's specialist in the auditor's opinion.	Practice Point	Y	AU-C 620	
AUD-800's Audit Programs					
Modify	Combined disclosures substep in all audit programs. Modified substep to read as follows: c. Financial information is appropriately presented and described and disclosures are clearly expressed and at appropriate amounts.	Procedure Steps	N		
AUD-801 Audit Program: Cash					Tailoring added and modified to reflect changes noted below.
New	Added substep to petty cash procedure: e. We evaluated the petty cash turnover rate (times replenished) for propriety and reasonableness.	Procedure Steps	N		
New	Added step: We inquired of management whether the entity utilizes centralized cash management arrangements (i.e., excess cash is swept into a cash pool for investment) and if present, we reviewed the arrangements to determine whether they have been properly accounted for and reported	Procedure Steps	Y	AICPA HC AG	

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	in the financial statements.				
New	Added step: For not-for-profit health care entities, we inquired of management whether the entity has received any donations of cash for which the donor has placed restrictions on use and we evaluated whether management has properly accounted for and reported these cash donations.	Procedure Steps	Y	AICPA HC AG	
New	Added step: We determined that all accounts opened or closed during the period under audit were approved by appropriate personnel.	Procedure Steps	N		
AUD-802 Audit Program: Investments in Securities, Derivative Instruments, and Hedging Activities					Tailoring added and modified to reflect changes noted below.
New	Added a practice point to advise any health care entities that are required to apply fair value measures and provide fair value disclosures on investments in securities or derivative instruments to read Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, <i>Fair Value Measurement</i> , and related FASB Accounting Standards Updates in their entirety.	Practice Point	N		
New	4. We reviewed the entity's reconciliations of statements or data feeds from custodians to the accounting records and determined that: a. Reconciling items were resolved properly. b. Journal entries related to the reconciliations were appropriate and made by authorized persons.	Procedure Steps	N		
New	5. We reviewed any master netting arrangements and determined that all related financial instruments were recorded.	Procedure Steps	N		
New	Added step: In the case of each nonresponse to confirmations sent, we performed alternative procedures, such as: <ul style="list-style-type: none"> • Examining source documents, such as invoices or broker's statements. • Inspecting executed agreements. • Examining cash receipts, disbursements, and trade confirmations subsequent to year-end. 	Procedure Steps	Y	AICPA HC AG	

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
New	Substep added to valuation procedures: b. We determined that the method used to determine the fair value of the securities and derivatives was consistently applied across periods and evaluated any change in such method for propriety and management bias.	Procedure Steps	N		
New	Added substeps to impairment procedures: c. When the entity has recognized an impairment loss, we gathered evidence supporting the amount of the impairment adjustment recorded and: (1) Determine that the write-down of the investment to a new cost basis was accounted for as a realized loss; (2) Tested the calculation of the loss recorded; (3) Determined that the new cost basis of investments previously written down is not changed for subsequent recoveries in fair value; (4) Reviewed a summary of investments written down for completeness and unusual items; (5) When applicable, evaluated management's assessment of the credit rating of the counterparty; and (6) Determined whether the entity has appropriately complied with the requirements of the applicable financial reporting framework.	Procedure Steps	N		
New	Added step: We inquired of management as to whether the entity has invested in certain other financial instruments without a readily determinable fair value (e.g., investment companies structured as limited liability companies, limited partnerships, institutional trusts, common and collective trusts, or financial instruments) and we have considered terms and features of each alternative investment when evaluating whether management has appropriately accounted for and reported the investment.	Procedure Steps	Y	AICPA HC AG	
AUD-803 Audit Program: Patient Accounts Receivable and Net Patient Service Revenue					Tailoring added and modified to reflect changes noted below.
New	Added new audit objectives: Receivables are reported in the financial statements at net realizable value. The estimate of contractual and other adjustments and the allowance for uncollectible	Table other than procedures.	N		

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	<p>receivables is reported in the period during which the services are provided even though the actual amounts may become known at a later date.</p> <p>Estimated third-party settlements reported in the financial statements represent valid receivables from third-party payors or payables to third-party payors and were estimated in the same period that the related services were rendered.</p> <p>Also, modified audit objective to be more health care entity specific.</p>				
New	Added step: We reviewed the ratio of monthly collections to monthly gross charges (realization rate) for any unusual variances or trends.	Procedure Steps	Y	AICPA HC AG	
New	Added step: We analyzed relationships between financial statement items (e.g., operating expenses to net patient service revenue) for the current reporting period and compared them to like relationships in prior periods.	Procedure Steps	Y	AICPA HC AG	
New	22. If improper revenue recognition was not identified as a risk of a material misstatement due to fraud, we documented the reasons regarding how that presumption was overcome.	Procedure Steps	Y	AU-C 240	
New	Added practice point on confirmation of patient receivables, specifically as it relates to reimbursements from third-party payors.	Practice Point	N		
AUD-804 Audit Program: Third-Party Settlements					Tailoring added and modified to reflect changes noted below.
New	We evaluated whether the entity has the proper procedures in place to ensure that clinicians have coded and recorded the amount for the services rendered properly.	Procedure Steps	Y	AICPA HC AG	
New	We reviewed the status of unsettled cost (reimbursement) reports for prior periods filed with third-party payors.	Procedure Steps	Y	AICPA HC AG	
New	We reviewed periodic reports from and to third-party payors or other regulatory bodies.	Procedure Steps	Y	AICPA HC AG	
AUD-805 Audit Program: Audit Program: Supplies Inventory and Supplies Expense					Tailoring added and modified to reflect changes noted below.
Delete	Removed the steps on LIFO, as it is not applicable to health care entities.	Procedure Steps	N		

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
Modify	Modified inventory substep to read as follows: i. We toured the shipping and receiving areas and obtained information about inventory items therein. We determined whether they should be counted in or excluded from the inventory and traced/vouched them to the inventory records to determine that they were properly included/excluded.	Procedure Steps	N		
AUD-806 Audit Program: Prepaid Expenses, Deferred Charges, and Other Assets					Tailoring added and modified to reflect changes noted below.
New	2. We evaluated the consistency of the application of accounting method from period to period (e.g., considered whether any items were treated as assets in one period and expense in the next, or vice versa).	Procedure Steps	N		
AUD-807 Audit Program: Intangible Assets					
Modify	Modified substep on impairment analysis. Modified steps read as follows: (2) We reviewed management's analysis of the recoverability of the carrying values for reasonableness.	Procedure Steps	N		
New	Added the following substep for intangible assets not subject to amortization: a. If the entity opts to first assess qualitative factors to determine whether the existence of events or circumstances leads to a determination that it is more likely than not that the fair value of the asset is less than its carrying amount, we have reviewed and evaluated management's assessment and conclusion.	Procedure Steps	Y	ASU 2012-02	
AUD-808 Audit Program: Property and Equipment, and Depreciation					Tailoring added and modified to reflect changes noted below.
New	Added new audit objective: Costs incurred in connection with acquiring new software or modifying existing software to comply with the ICD-10 conversion are capitalized in accordance with the applicable financial reporting framework. Costs incurred during the preliminary project stage, as well as training costs are expensed in accordance with the applicable financial reporting framework.	Table other than procedures	Y	AICPA HC AG	
Modify	Moved considerations for PPE summary into main step, eliminating 12 sign offs	Procedure Steps	N		

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
New	Added practice point on Technical Questions and Answers (TIS) section 6400.48, "Accounting for Costs Incurred during Implementation of ICD-10" (AICPA, Technical Practice Aid).	Practice Point	N		
New	Added step: If the entity has acquired or modified existing software and it is probable that the costs incurred provide additional functionality, we evaluated whether certain of those costs incurred in connection with the conversion should be capitalized and costs incurred during the preliminary project stage, as well as training costs, would be expensed in accordance with the applicable financial reporting framework.	Procedure Steps	Y	AICPA HC AG	
New	Added step: We evaluated whether property not held for use in operations has been reported separately in accordance with the applicable financial reporting framework.	Procedure Steps	Y	AICPA HC AG	
Delete	Deleted duplicate step: d. We scanned the detailed asset listing to determine whether the useful lives are reasonable and depreciation methods are in accordance with the applicable financial reporting framework.	Procedure Steps	N		
Delete	Deleted duplicate step: b. We reviewed the useful lives of the long-lived fixed assets to determine their reasonableness in the current operating environment.	Procedure Steps	N		
Delete	Deleted duplicate step: (8) Evidence is available of obsolescence or physical damage of an asset.	Procedure Steps	N		
AUD-809 Audit Program: Accounts Payable and Purchases					Tailoring added and modified to reflect changes noted below.
Modified	Modified step: We inquired of the client's accounting personnel about their knowledge of unrecorded liabilities, including any liabilities resulting from third-party payor settlement agreements and/or any amounts due as a result of obligations to render services under a prepaid health care	Procedures Steps	N		

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	service agreement.				
AUD-810 Audit Program: Payrolls and Other Liabilities					Tailoring added and modified to reflect changes noted below.
New	Added step: We computed the following ratios for the current year and compared them with the prior year's ratios and/or industry data (see the sample analytical procedures for payroll and related liabilities at AID-841 Payroll and Related Liabilities: Analytical Procedures): <ul style="list-style-type: none"> Return on equity excluding owners' bonuses. Return on assets excluding owners' bonuses. 	Procedure Steps	N		
New	Added step: We inquired of management whether employees are classified as nonexempt and therefore eligible for overtime compensation for hours worked over statutory limits.	Procedure Steps	Y	AICPA HC AG	
New	Added step: We selected certain payroll records of nonexempt employees and reviewed supporting documentation for the calculation of payroll.	Procedure Steps	Y	AICPA HC AG	
New	Added practice point on FASB ASU No. 2012-01, <i>Health Care Entities (Topic 954): Continuing Care Retirement Communities—Refundable Advance Fees</i> .	Practice Point	N		
New	Added step: If the entity receives advance fees pursuant to continuing care contracts entered into by a Continuing Care Retirement Community (CCRC): <ul style="list-style-type: none"> We verified that nonrefundable advance fees were initially accounted for as deferred revenue and amortized to income over future periods based on the estimated life of the resident or on the contract term, if shorter. We verified that the estimated amount of an advance fee that is expected to be refunded to current residents under the terms of the contracts is recognized as a liability. We ascertained the accuracy and completeness of financial statement disclosures related to advance fees pursuant continuing care contracts, including the method of accounting for advance fees, the method of calculating the obligation to provide 	Procedure Steps	Y	AICPA HC AG	

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	future services and use of facilities, the refund policy for refundable fees, and the basis and method of amortization to income for non-refundable advance fees.				
New	Added step: We reviewed agency relationship agreements and evaluated whether the entity has properly recorded its liability to the principle under the agency agreement.	Procedure Steps	Y	AICPA HC AG	
Delete	Deleted a duplicative step on search for unrecorded liabilities, as this step is performed in AUD-808.	Procedure Steps	N		
AUD-811 Audit Program: Medical Malpractice Loss Contingencies					
New	Added step: We reviewed the insurance contracts and determined the extent of the risk retained by the entity and evaluated: <ul style="list-style-type: none"> The type, such as occurrence basis or claims made. The level (per occurrence or in the aggregate) of insurance protection that the entity has obtained. If the coverage actually provides for the recovery of losses from malpractice risks. If the coverage provides for retrospective premiums or similar adjustments. 	Procedure Steps	Y	AICPA HC AG	
New	We sent letters of inquire to malpractice insurance carriers used by entity during the period under audit and reviewed their responses for reasonableness and ensured they were included on the entity's schedule. We determined if adequate accruals were recorded for all asserted and unasserted claims.	Procedure Steps	Y	AICPA HC AG	
New	We determined that additional premiums changed by insurers for retrospectively-related policies were reported as liabilities.	Procedure Steps	Y	AICPA HC AG	
New	We evaluated whether uncertainties related to medical malpractice claims need to be disclosed in our auditor's report.	Procedure Steps	Y	AICPA HC AG	
AUD-812 Audit Program: Contributions Receivable, Related Support, Contribution Revenue, and Split-Interest Agreements					Tailoring added and modified to reflect changes noted below.

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
New	Added new audit objectives related to contributions received.	Table other than procedures	Y	AICPA HC AG	
New	Added entire section of procedures regarding the audit of contributions receivable.	Procedure Steps	Y	AICPA HC AG	
AUD-813 Audit Program: Income Taxes					Tailoring added and modified to reflect changes noted below.
New	Added new step on whether the entity maintained appropriate documentation for the calculation and contents of tax accruals.	Procedure Steps	Y	AU-C 500	
AUD-814 Audit Program: Tax Considerations of a Tax-Exempt Health Care Organization					Tailoring added and modified to reflect changes noted below.
New	Added step: We evaluated the effect of new, expanded, or unusual activities on the not-for-profit entity's tax status.	Procedure Steps	Y	AICPA HC AG	
New	Added step: We verified the following: <ul style="list-style-type: none"> a. No part of the organization's net earnings, either directly or indirectly, inures to any private shareholder or individual. b. No substantial part of the organization's activities consists of carrying on propaganda or otherwise attempting to influence legislation. IRC Section 501(h) provides a limited exception to the general rule that public charities may not incur expenditures to influence legislation. c. The organization does not participate or intervene in any political campaign on behalf of, or in opposition to, any candidate for public office. 	Procedure Steps	Y	AICPA HC AG	
AUD-815 Audit Program: Debt Obligations					Tailoring added and modified to reflect changes noted below.
Modify	Modifying the title of an analytical step to match AID- 833.	Procedure Steps	N		
New	Added step: We inquired of the management as to whether there are any negotiations with the lender to extend the debt.	Procedure Steps	Y	AICPA HC AG	

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
New	Added step: We obtained or reviewed written documentation that debt maturing in the current or succeeding period had/has been extended, renewed, or replaced with debt maturing more than 12 months after the balance sheet date.	Procedure Steps	Y	AICPA HC AG	
New	We reviewed the debt payment schedules and considered whether the entity has the ability to pay current debt installments or to refinance the debt, if necessary.	Procedure Steps	Y	AICPA HC AG	
Modify	Modified audit step regarding restrictive covenants to include the consideration of "cross default" provisions.	Procedure Steps	N		
Modify	Elevated a step (9) from substep level (7f).	Procedure Steps	N		
AUD-817 Audit Program: Net Assets					
New	Added step: When donor-imposed restrictions have been fulfilled, we evaluated whether the appropriate reclassifications were reported in the statement of activities.	Procedure Steps	Y	AICPA HC AG	
AUD-818 Audit Program: Other Income and Expense					
New	Added step: We have reviewed management's calculation of and accrual of liabilities for: <ul style="list-style-type: none"> a. Medical malpractice liabilities and other similar liabilities; b. Obligations for continuing care contracts; c. Prepaid health care services for incurred but not reported (IBNR) costs; and d. Loss contracts. 	Procedure Steps	Y	AICPA HC AG	
New	We tested the procedures related to the recognition of advance fees, and determined that the obligation to provide future services and the use of facilities is properly reported.	Procedure Steps	Y	AICPA HC AG	
New	We reviewed the resident agreements for appropriate consideration in the determination of future cash flows.	Procedure Steps	Y	AICPA HC AG	
New	Added practice point that provides non-authoritative accounting guidance for recognition of income related to Medicare meaningful use payments.	Practice Point	N		

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
New	We reviewed the refundable fee arrangements regarding stipulations for repayments, and determined that such arrangements are properly classified and disclosed in the financial statements.	Procedure Steps	Y	AICPA HC AG	
New	We reviewed supporting documentation for legal fees, considering potential environmental, eviction, and other legal matters, and documented any findings and conclusions.	Procedure steps	N	N/A	
AUD-819 Audit Program: Journal Entries and Financial Statement Review					
Modify	Moved consideration for selecting journal entries to test into main step eliminating 5 sign offs.	Procedure Steps	N		
New	f. Whether items selected for testing should include journal entries made throughout the audit period.	Procedure Steps	N		
Modify	Moved consideration for selecting journal entries at components to test into main step eliminating 5 sign offs.	Procedure Steps	N		
Modify	Modified step for JE to test at period end. Modified step reads as follows: Items selected for testing included journal entries and other adjustments made in the course of preparing the financial statements and those made at the end of a reporting period.	Procedure Steps	N		
Delete	Deleted the following step as it duplicates step in another program: We inquired of individuals involved in the financial reporting process about inappropriate or unusual activity relating to the processing of journal entries and other adjustments, including: a. Accounting and data entry personnel about whether they were requested to make unusual entries during the audit period. b. Certain programmers and IT staff about the existence of any unusual and/or unsupported entries and whether they were initiated directly by top management outside the normal accounting process.	Procedure Steps	N		
Delete	Deleted the following step as it duplicates step in another program:	Procedure Steps	N		

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	We examined material journal entries and other adjustments made in the course of preparing the financial statements and performed the following procedures: a. We agreed any material journal entries or other adjustments to the underlying support for such entries.				
Modify	Combined steps on financial statement review to read as follows: 9. We performed an overall review of the financial statements, including 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.	Procedure Steps	N		
New	Added step: We determined that all required supplementary information required by the applicable financial reporting framework accompanied the basic financial statements and that the contents of such required supplementary information met the requirements of the applicable financial reporting framework.	Procedure Steps	Y	AICPA HC AG	
New	a. The financial information and related disclosures are presented fairly, in all material respects, in conformity with the applicable financial reporting framework.	Procedure Steps	N		
AUD-820 Audit Program: Related-Party Transactions, Commitments and Contingencies, Estimates, and Concentrations					Tailoring added and modified to reflect changes noted below.
Modify	Step 1 modified to better reflect the required reassessment procedures required by AU-C 550, to include new and modified substeps.	Procedure Steps	Y	AU-C 550	
Delete	Removed duplicative step on VIEs.	Procedure Steps	N		
Modify	Step 2 modified to better reflect the required reassessment procedures required by AU-C 550, to include new and modified substeps.	Procedure Steps	Y	AU-C 550	
Modify	Step 4 modified to better reflect the required reassessment procedures required by AU-C 550, to include new and modified substeps.	Procedure Steps	Y	AU-C 550	

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
Modify	Substeps of fraud risk steps removed and replaced by modifications at step 2.	Procedure Steps	Y	AU-C 550	
Delete	Removed duplicative step on transactions not previously identified and on fraud risk.	Procedure Steps	N		
New	Added new step on obtaining an understanding of how the entity is complying with the applicable legal and regulatory framework.	Procedure Steps	Y	AU-C 250	
New	Added new step on obtaining sufficient appropriate audit evidence regarding material amounts that are determined by the provisions of laws and regulations that have a direct effect on the financial statements.	Procedure Steps	Y	AU-C 250	
Delete	Removed duplicative step on fraud, as the work is done in AUD-903.	Procedures Steps	N		
New	Added new step on the evaluation of the effect of legal counseling restricting the use of their report.	Procedure Steps	Y	AU-C 250	
New	Added new step on the auditor's consideration that obtaining a legal letter is not required, when the auditor has not identified actual or potential litigation, claims or assessments.	Procedure Steps	Y	AU-C 250	
Modify	Modified practice point language for uniformity.	Procedures Steps	N		
New	We discussed with management and reviewed underlying supporting documentation for the entity's policies for estimating and recording liabilities for costs incurred by the entity of prepaid health care services (e.g., health maintenance organizations) and for medical malpractice losses and obligations, including whether the estimates are based on historical experience, as well as any changes in conditions, such as seasonality trends; changes in subscriber population and services and benefits provided; and occurrence rates.	Procedure Steps	Y	AICPA HC AG	
New	Added new step on forming an opinion and the related evaluations.	Procedure Steps	Y	AU-C 550	
AUD-821 Audit Program: Fair Value Measurements and Disclosures					

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
New	Added step on the evaluation of third-party pricing services.	Procedure Steps	Y	AU-C 540	
AUD-822 Audit Program: Variable Interest Entities					
New	Added practice point containing requirements for VIE to be consolidated.	Procedures Steps	N		
New	Added step on financial statement disclosure of VIEs.	Procedures Steps	N		
AUD-823 Audit Program: Share-Based Payments					
Delete	Removed step on reasonableness of the entity's valuation model, as this work is done in AUD-816.	Procedures Steps	N		
AUD-901 Audit Program: Subsequent Events					
New	Added step on the auditor's responsibilities when he or she has identified subsequent events that require adjustment or disclosure.	Procedure Steps	Y	AU-C 560	
AUD-902 Audit Program: Going Concern					
New	Added step on the auditor's consideration on conditions or events identified during the audit and whether those conditions or events were indicative of substantial doubt regarding the entity's ability to continue as a going concern.	Procedure Steps	Y	AU-C 570	
New	Added step regarding comparative financial statements in which there was substantial doubt regarding the entity's ability to continue as a going concern in the prior period, yet that doubt has been alleviated in the current period.	Procedure Steps	Y	AU-C 570	
New	Added step regarding the auditor's responsibilities when management has asked the auditor to reissue an auditor's report that eliminates the going-concern emphasis-of-matter paragraph.	Procedure Steps	Y	AU-C 570	
Delete	Deleted the yes/no conclusion as it was duplicative of the audit program.	Procedure Steps	N		
AUD-903 Audit Program: Consideration of Fraud					
Modify	Modified the instructions to include Sections and additional guidance.	Procedures Steps	N		

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
Delete	Deleted the duplicative substeps regarding brainstorming meeting and added reference to KBA-303 where the work is completed, eliminating 9 sign offs.	Procedures Steps	N		
Delete	Deleted the duplicative substeps regarding identified risks of material misstatement and added reference to KBA-501 and KBA-502 where the work is completed, eliminating 4 sign offs.	Procedures Steps	N		
Delete	Deleted the duplicative substeps regarding revenue transactions and added reference to AUD-803 where the work is completed, eliminating 5 sign offs.	Procedures Steps	N		
Delete	Deleted substeps related to unpredictability, retained top-level step, eliminating 4 sign offs.	Procedures Steps	N		
Delete	Deleted the duplicative substeps regarding accounting estimates and added reference to AUD-820 where the work is completed, eliminating 3 sign offs.	Procedures Steps	N		
Delete	Deleted the duplicative substeps regarding obtaining written representation and added reference to AUD-101 where this step is performed, eliminating 5 sign offs.	Procedures Steps	N		
New	Added a Results section to capture findings as a result of work performed on this audit program.	Procedures Steps	N		
AUD-904 Audit Program: Compliance with Laws and Regulations					
New	Added new practice points containing specific guidance regarding the laws and regulations applicable to the health care industry.	Practice Point	Y		
AUD-907 Interim Review Program: Review of Interim Financial Information					
New	New Interim Review Program – Reviews of Interim Financial Information	Procedure Steps	Y	AU-C 930	

Auditor's Reports (RPTs)

- **NEW RPT-922 Unmodified Opinion: Single- Year Financial Statements in Year of Adoption of Liquidation Basis of Accounting** sample illustrative report provided for reporting on financial statements prepared in accordance with the liquidation basis of accounting, single year presentation.
- **NEW RPT-923 Unmodified Opinion: Comparative Financial Statements in Year of Adoption of Liquidation Basis of Accounting** sample illustrative report provided for reporting on financial statements prepared in accordance with the liquidation basis of accounting, comparative year presentation.

- **RPT-924 Unmodified Opinion: Financial Statements Prepared on the Cash Basis - RPT-955 Unmodified Opinion: Special-Purpose Financial Statements Prepared Pursuant to Reporting Provisions Established by a Regulatory Agency—Adverse Opinion: U.S. GAAP (Intended for General Use)** renumbered accordingly to accommodate RPT-922 and RPT-923.
- **NEW RPT-056 Unmodified Opinion: Since Inception Report—Development Stage Entity** sample illustrative report provided for reporting on financial statement prepared by a developmental stage entity since inception. **RPT-1004 Adverse U.S. GAAP Opinion, Unmodified Special-Purpose Opinion: Special-Purpose Financial Statements Prepared Pursuant to Reporting Provisions Established by a Regulatory Agency** removed.
- **RPT-1052 Unmodified Report on a Review of Interim Financial Information** sample illustrative report provided for reporting on review of interim financial information.
- **RPT-1053 Unmodified Report on a Review of Condensed Consolidated Comparative Interim Financial Information** sample illustrative report provided for reporting on review of condensed comparative interim financial information.
- **RPT-1054 Unmodified Report on a Review That Refers to a Component Auditor’s Review Report on the Interim Financial Information of a Significant Component of a Reporting Entity** sample illustrative report provided for reporting on review that refers to a component auditor's review report on the interim financial information of a significant component of a reporting entity.
- **RPT-1055 Unmodified Report on a Review of Comparative Interim Financial Information When the Prior Period Was Reviewed by Another Auditor** sample illustrative report provided for reporting on review of comparative interim financial information when the prior period was reviewed by another auditor.
- **RPT-1056 Unmodified Report on a Review of Interim Financial Information: Emphasis-of-Matter Paragraph When a Going Concern Emphasis-of-Matter Paragraph Was Included in the Prior Year’s Audit Report, and Conditions Giving Rise to the Emphasis-of-Matter Paragraph Continue to Exist** sample illustrative report provided for reporting on review of interim financial information when an emphasis-of-matter paragraph was included in the prior year's audit report and conditions giving rise to the emphasis-of-matter paragraph continue to exist.
- **RPT-1057 Unmodified Report on a Review of Interim Financial Information: Emphasis-of-Matter Paragraph When a Going Concern Emphasis-of-Matter Paragraph Was Not Included in the Prior Year’s Audit Report, and Conditions or Events Exist as of the Interim Reporting Date Covered by the Review That Might Be Indicative of the Entity’s Possible Inability to Continue as a Going Concern** sample illustrative report provided for reporting on review of interim financial information when an emphasis-of-matter paragraph for a going concern emphasis of matter paragraph was not included in the prior year's audit report, and conditions or events exist as of the interim reporting date covered by the review that might be indicative of the entity's possible inability to continue as a going concern.
- **RPT-1058 Modified Report on a Review of Interim Financial Information: Modification Due to a Departure from the Applicable Financial Reporting Framework** sample illustrative report provided for reporting on review of interim financial information that includes a modification due to a departure from the applicable financial reporting framework.
- **RPT-1059 Modified Report on a Review of Interim Financial Information: Modification Due to Inadequate Disclosure** sample illustrative report provided for reporting on review of interim financial information that includes a modification due to inadequate disclosure.

Correspondence Documents (CORs)

- **2013 Knowledge-Based Audits of Health Care Entities** illustrative example correspondence documents have been updated throughout to include new practice points and examples, and to adopt the new terminology used in the clarified standards.
- **COR-200 Series** has been reorganized to better reflect the order in which these correspondences may be used during the audit engagement, as follows:

2013	2012	Title
COR 203	COR-201	Entity Consent and Acknowledgment Letter

COR 206	COR-202	Successor Auditor Acknowledgment Letter
COR 207	COR-203	Representation Letter from Successor Auditor to Predecessor Auditor
COR 201	COR-204	Audit Engagement Letter
COR 202	NA	Audit Engagement Letter When Also Performing Reviews of Interim Financial Information
COR 208	COR-205	Inquiry Letter from the Component Auditor to the Group Engagement Team
COR 209	COR-206	Group Engagement Team's Response Letter to Inquiries from the Component Auditor
COR 210	COR-207	Group Engagement Team's Request for Representations from Component Auditor Who Audits the Financial Statements of a Component
COR 211	COR-208	Group Engagement Team's Request for Component Auditor's Confirmations When the Component Auditor Performs Certain Audit Procedures
COR 214	COR-209	Group Engagement Team's Request for Documentation from Component Auditor
COR 217	COR-210	Communication to Client When the Auditor Is <i>Not</i> Required by Law, Regulation, or Audit Contract to Provide Access to the Audit Documentation
COR 218	COR-211	Letter to Regulator Prior to Allowing a Regulator Access to the Audit Documentation
COR 219	COR-212	Auditor's Agreement with and Request for Representations from the Auditor's Specialist Who Performs Certain Audit Procedures
COR 204	COR-213	Communication with Predecessor Auditor Prior to Client/Engagement Acceptance
COR 205	COR-214	Request from Client to Predecessor Auditor to Release Information to Successor Auditor
COR 212	COR-215	Component Auditor's Confirmation Response to Group Engagement Team
COR 216	COR-216	Communication with Those Charged with Governance during Planning
COR 215	COR-301	Letter to Component Auditors Regarding Related Parties
COR 213	COR-302	Group Engagement Team's Letter of Instruction to the Component Auditor Who Performs Certain Audit Procedures or Audits the Financial Statements of a Component

- **NEW COR-202 Audit Engagement Letter When Also Performing Reviews of Interim Financial Information** provides a sample illustrative engagement letter to be used when the auditor is performing reviews of interim financial information, in accordance with AU-C 930, *Interim Financial Information*, in addition to the audit engagement.

- **NEW COR-215 Letter to Component Auditors Regarding Related Parties** replaces COR-301.
- **NEW COR-213 Group Engagement Team's Letter of Instruction to the Component Auditor Who Performs Certain Audit Procedures or Audits the Financial Statements of a Component** replaces COR-302.
- **COR-301** no longer in use.
- **COR-302** no longer in use.
- **COR-803 Request for Confirmation of Securities Held by Brokers or Other Third Parties When Listing of Securities Is Included in the Confirmation Request** added new column for Maturity Date to table.
- **COR-809** no longer in use
- **COR-813 Request for Confirmation of Notes Payable** added new consideration of the nature and details of actual or technical defaults on debt.
- **COR-814 Request for Confirmation of Mortgage Debt** added new consideration of the nature and details of actual or technical defaults on debt.
- **COR-822 Malpractice Liability Insurance Confirmation** added new confirmation of sales terms.
- **COR-901 Management Representation Letter** added new representations common to the health care industry.
- **COR-906 Communication to Board of Directors of Material Weaknesses—Ineffective Oversight by Those Charged with Governance** modified introductory paragraph and reformatted this letter to confirm to clarified format.
- **COR-908 Management Representation Letter: Interim Review of Financial Information—Short Form** added new management representation (short form) to be used when the auditor performs reviews of interim financial information.
- **COR-909 Management Representation Letter: Interim Review of Financial Information—Long Form** added new management representation (long form) to be used when the auditor performs reviews of interim financial information.

Practice Aids (AIDs)

- All **AIDs** have been updated with formulas that perform automatic calculations, wherever applicable.
- **AID-201 Nonaudit Services Independence Checklist** added practice point on Exposure Draft – Omnibus Proposal – AICPA Professional Ethics Division, Interpretations and Definitions.
- **AID-301 Preliminary Analytical Procedures: Fluctuation and Ratio Analysis** columns added to “Fluctuation” tab to document the auditor’s expectations and the basis for the auditor’s expectation. Additionally, three new ratios have been added to the “Ratio Analysis” tab.
- **AID-301 Preliminary Analytical Procedures: Fluctuation and Ratio Analysis** added a new tab for health care industry specific ratios.
- **AID-302 Understanding the Entity’s Revenue Streams and Revenue Recognition Policies** added several industry specific practice points; revised for better applicability to health care entity revenue streams and policies.
- **AID-701 Audit Sampling Worksheet for Tests of Controls** updated based on the most recent AICPA sampling guidance.
- **AID-807 Investments in Securities Analysis** updated columns to better facilitate analysis of changes in securities held.
- **AID-815 Accounts Receivable: Testing of Patient Accounts** updated to facilitate the analysis of collectibility of patient accounts.
- **AID-844 Analysis of Legal Fees** new tab for professional liability summary.
- **AID-846 Contributions Receivable: Analytical Procedures** new practice aid designed to help the auditor perform analytical procedures of contributions receivable.
- **AID-903 Audit Report Preparation Checklist** developed to help determine whether the auditor’s report contains the elements required by professional standards when the auditor is not using the provided illustrative report examples.

Resource Documents (RESs)

- **RES-002 Index of Audit Programs, Forms, and Other Practice Aids** modified as appropriate to incorporate new workpapers and realignment of workpaper numbering schemes.
- **NEW RES-020 Example of Conditions or Events That May Be Indicative of Risks of Material Misstatement of the Group Financial Statements** New resource document providing examples of conditions and events that may be indicative of risk of material misstatements of the group financial statements.

In addition, forms and practice aids throughout have been updated to include new examples and tips and, where applicable, to take into account:

New literature, standards, and developments, reflected in the following current audit and accounting guidance:

Statements on Auditing Standards (SASs):

- SAS-127, *Omnibus Statement on Auditing Standards – 2013*
- FASB Accounting Standards Codification as of June 30, 2013, and through Accounting Standards Update No. 2013-07—*Presentation of Financial Statements (Topic 205)*.

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>
KBA s	KNOWLEDGE-BASED AUDIT DOCUMENTS		
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: Complex Entities		
KBA-302N	Understanding the Entity and Its Environment: Noncomplex Entities		

<i>Form No.</i>	<i>Form Name</i>	<i>Foundation Workpaper</i>	<i>Association Workpaper</i>
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: Complex Entities		
KBA-401N	Understanding Entity-Level Controls: Noncomplex Entities		
KBA-402	Understanding General Controls for Information Technology		
KBA-403	Understanding Activity-Level Controls: Patient Service Revenue, Patient Accounts Receivable, and Cash Receipts		
KBA-404	Understanding Activity-Level Controls: Supplies Inventory, Purchases, and Supplies Expense		
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

<i>Form No.</i>	<i>Form Name</i>	<i>Foundation Workpaper</i>	<i>Association Workpaper</i>
KBA-502	Summary of Risk Assessments	X	
KBA-503	Basis for Inherent Risk Assessment		
KBA-902	Audit Review and Approval Checklist		
KBA-904	Audit Documentation Checklist		
KBA-905	Review and Approval Checklist: Interim Review of Financial Information		
AUDs	AUDIT PROGRAMS		
AUD-100	Overall Tailoring Questions	X	
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 a Component Auditor		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		

<i>Form No.</i>	<i>Form Name</i>	<i>Foundation Workpaper</i>	<i>Association Workpaper</i>
AUD-802	Audit Program: Investments in Securities, Derivative Instruments, and Hedging Activities		
AUD-803	Audit Program: Patient Accounts Receivable and Net Patient Service Revenue		
AUD-804	Audit Program: Third-Party Settlements		
AUD-805	Audit Program: Supplies Inventory and Supplies Expense		
AUD-806	Audit Program: Prepaid Expenses, Deferred Charges, and Other Assets		
AUD-807	Audit Program: Intangible Assets		
AUD-808	Audit Program: Property and Equipment, and Depreciation		
AUD-809	Audit Program: Accounts Payable and Purchases		
AUD-810	Audit Program: Payrolls and Other Liabilities		
AUD-811	Audit Program: Medical Malpractice Loss Contingencies		
AUD-812	Audit Program: Contributions Receivable, Related Support, Contribution Revenue, and Split-Interest Agreements		
AUD-813	Audit Program: Income Taxes		
AUD-814	Audit Program: Tax Considerations of a Tax-Exempt Health Care Organization		
AUD-815	Audit Program: Debt Obligations		
AUD-816	Audit Program: Equity		

<i>Form No.</i>	<i>Form Name</i>	<i>Foundation Workpaper</i>	<i>Association Workpaper</i>
AUD-817	Audit Program: Net Assets		
AUD-818	Audit Program: Other Income and Expense		
AUD-819	Audit Program: Journal Entries and Financial Statement Review		
AUD-820	Audit Program: Related-Party Transactions, Commitments and Contingencies, Estimates, and Concentrations		
AUD-821	Audit Program: Fair Value Measurements and Disclosures		
AUD-822	Audit Program: Variable Interest Entities		
AUD-823	Audit Program: Share-Based Payments		
AUD-901	Audit Program: Subsequent Events		
AUD-902	Audit Program: Going Concern		
AUD-903	Audit Program: Consideration of Fraud		
AUD-904	Audit Program: Compliance with Laws and Regulations		
AUD-907	Interim Review Program: Review of Interim Financial Information		
AIDs	PRACTICE AIDs		
AID-302	Understanding the Entity's Revenue Streams and Revenue Recognition Policies		
AID-601	Considering Reliance on the Work of Internal Auditors		

<i>Form No.</i>	<i>Form Name</i>	<i>Foundation Workpaper</i>	<i>Association Workpaper</i>
AID-702	Results of Tests of Controls		
AID-901	Differences of Professional Opinion		
AID-903	Audit Report Preparation Checklist		

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.

Workpaper Requiring Association	What is it associated with?		
	Workpaper	Table/Question	Association Item (Custom Value)
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: Component 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 (component) auditors? is "Yes" Shows the "Document the multiple components, multiple locations, or segments expected to be audited by other independent (component) 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 (component) 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