

2014 CIRA COMPILATION AND REVIEW 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, a program to update the engagement 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 **2014 Knowledge-Based Audits, Compilations, and Reviews of Common Interest Realty Associations tools** have been updated to take into account the latest literature, standards, and guidance applicable to compilation and review engagements. The 2014 tools include links 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 required and recommended GAAP disclosures and key presentation items currently in effect, using the style referencing under the FASB Accounting Standards Codification.TM

The **2014 Edition of Knowledge-Based Audits, Compilations, and Reviews of Common Interest Realty Associations** is current through Statement on Standards for Accounting and Review Services No. 20 (SSARS-20), *Revised Applicability of Statements on Standards for Accounting and Review Services*, AR Section 9080, *Compilation of Financial Statements-Accounting and Review Services Interpretations of Section 80*, and AR Section 9090, *Review of Financial Statements-Accounting and Review Services Interpretations of Section 90*.

Compilation Programs (CMPs):

Specific Compilation Program Enhancements:

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
CMP-101 Overall Compilation Program					Tailoring questions have been added to help facilitate a more efficient workflow.
Delete/ Modify	The following steps were changed from engagement procedures requiring sign-off to a practice point titled "project management considerations" 1. Contact the client to determine when information and client personnel will be available so that staff can begin compilation	Table	N		

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
	<p>procedures.</p> <ol style="list-style-type: none"> 2. Review prior year's financial statements, workpapers, budget, and budget/actual comparisons to evaluate the time necessary to complete the engagement. and: <ol style="list-style-type: none"> a. Identify any specific known matters, affecting the current or prior period, that may require additional or less time compared to the previous period. b. Consider changes occurring at the client, such as changes in volume, processes, product mix, or personnel, which may require additional or less time compared to the previous period. c. Consider whether staff with specific expertise is needed for, or will enhance the effectiveness or efficiency of, the engagement. 3. Schedule meeting with engagement staff to prepare for the engagement. 4. Instruct staff adequately about the engagement and: <ol style="list-style-type: none"> a. Remind or inform staff of the nature of the client's business and the content of the client's financial statements. b. Discuss items on the financial statements that may require particular attention as a result of: <ol style="list-style-type: none"> i. Their significance to users. ii. Their proneness to error or misstatement. iii. Their potential to be affected by client bias. c. Inform staff of developments, such as changes at the client, which may affect the engagement. 				

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"> d. Discuss engagement budget. and: <ul style="list-style-type: none"> i. Emphasize importance of early communication when matters may affect the budget. ii. Emphasize importance of “getting it right” by making certain not to ignore items that may seem incorrect, inappropriate, or otherwise attention worthy. e. Provide information about other matters (describe below): <ul style="list-style-type: none"> 5. Instruct staff accountants to communicate significant problems to the in-charge accountant on a timely basis. 6. Make arrangements to review workpapers on a timely basis. 7. Instruct staff accountants to discuss their disagreements concerning professional matters with the in-charge accountant. 8. Inform staff accountants about procedures available to document their disagreements concerning professional matters. 9. Identify other matters relative to supervising the engagement (describe below) 				
New	<p>New procedure added:</p> <ul style="list-style-type: none"> 1. Perform procedures as necessary to obtain a preliminary understanding of the scope of the engagement. 	Table	N		
Modify	<p>Professional standards steps modified to read as follows:</p> <ul style="list-style-type: none"> 3. Evaluate, conclude on, and document whether accountant has the ability to adhere to the fundamental principles and requirements of professional and ethics standards including: 	Table	N		

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
	a. Integrity; b. Objectivity; c. Independence, d. Professional competence and due care; e. Compliance with firm policies; f. Confidentiality; and g. Professional behavior.				
Modify	The separate acceptance and continuance steps were combined to a new step that reads as follows: 6. Perform client acceptance procedures or continuance procedures in accordance with firm policy.	Table	N		
Modify	Predecessor communication step modified to read as follows: 7. If this is the initial engagement for a new client, and a predecessor accountant exists, consider communicating with the predecessor accountant.	Table	N		
New	Step added to address required supplementary information: 10. If the CIRA is presenting the required supplementary information about future major repairs and replacements, determine if we are engaged to compile the required supplementary information.	Table	N		
Delete	17. If any issues were identified that may have affected the decision to accept or continue the client relationship or the engagement, describe the issues and indicate how they were resolved (describe below):	Table	N		
New	Substeps added to the steps applicable when the accountant is not using one of the illustrative	Table	N		

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
	<p>example engagement letters:</p> <ul style="list-style-type: none"> h. Reference to any supplementary information and whether or not it is to be compiled as part of the engagement. i. If the CIRA presents required supplementary information about future major repairs and replacements, reference to the required supplementary information and whether or not it is to be compiled as part of the engagement k. Reference to the omission of a statement of cash flows or substantially all disclosures, if applicable. l. Reference to any other known material departures from the applicable financial reporting framework, and that the effects of such departures on the financial statements may not be disclosed. 				
Delete	<p>Steps related to the scope of the engagement that are addressed in the acceptance/continuance program deleted from overall engagement program including:</p> <ul style="list-style-type: none"> 28. When comparative financial statements are to be presented, determine if our firm will be responsible for reporting on the previous year's financial statements. 32. If a portion of the financial statements is compiled by another accountant, determine whether we can serve as the principal accountant. 33. If we can serve as the principal accountant, consider whether to refer in our compilation report to the work performed by the other accountant. 	Table	N		
New	Substep added to the consideration of U.S. GAAP departures step:	Table	N		

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
	c. The CIRA has decided not to present comprehensive income.				
New	Plan the nature, timing, and extent of the direction and supervision of engagement team members and the review of their work.	Table	N		
Modify	The industry understanding step modified to read as follows: 28. Obtain or update an understanding of the CIRA, including the specialized accounting principles and practices.	Table	N		
Modify	The entity understanding steps modified to read as follows: 28. Obtain or update an understanding of the CIRA and its operations, including: a. The CIRA's organizational structure, including its legal structure; b. The CIRA's history; c. The CIRA's operating characteristics, including for example: (1) Services provided to unit owners; (2) The nature of any ancillary operations; (3) If a property management company is used, the extent of its responsibilities and the degree of interaction and supervision exercised by the board of directors; (4) If the developer/sponsor is providing operating subsidies, the nature of and compliance with the subsidy agreement ; (5) The size of the CIRA (such as number of units, shares, or weeks);	Table	N		

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
	<p>(6) Location and types of common properties and the CIRA's accounting policy for recognition and measurement of common property;</p> <p>(7) Policies and methods for funding current operations;</p> <p>(8) Policies and methods for funding major repairs and replacements; and</p> <p>(9) The method used to estimate funding needed for future major repairs and replacements (such as a formal study by a professional engineer or a study conducted by the board of directors).</p> <p>e. Industry, regulatory, and other external factors;</p> <p>f. Concentrations of risk;</p> <p>g. Related-party transactions;</p> <p>h. Significant management estimates and judgments; and</p> <p>i. New or significant accounting issue.</p> <p>29. Obtain or update an adequate understanding of the CIRA's accounting principles and practices used in measuring, recognizing, recording, and disclosing all significant accounts and disclosures in the financial statements , including:</p> <p>a. Any changes in accounting practices or principles</p> <p>b. Differences between the entity's practices and industry norms.</p>				

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
New	<p>30. If the CIRA has an interest in a variable interest entity, obtain an understanding of whether management has completed an assessment of whether the CIRA has a controlling financial interest in the VIE and, thus, is the VIE's primary beneficiary.</p> <p>Practice Point: Management is required to perform this assessment in accordance with U.S. GAAP. The failure to perform such an assessment, or management's instructions to the accountant to not perform the assessment, constitutes a departure from GAAP. In such circumstances, the accountant should consider whether modification of the standard report is adequate to disclose the departure.</p>	Table	Y	TIS Section 9150	
New	33. Develop or update an understanding of the nature of the client's assets and liabilities.	Table	N		
Delete	<p>46. Document the stated qualifications of new accounting personnel (include employee name, position with firm, and description of qualifications) and changes to the qualifications of returning accounting personnel, including:</p> <ul style="list-style-type: none"> a. Educational background. b. Training programs. c. Work experience. d. Other qualifications. 	Table	N		
Delete	Deleted duplicate step: 53. Consider whether the firm is independent. If it is not independent, modify the engagement letter to indicate that fact and its impact on the compilation report.	Table	N		
Modify	<p>The following step has been moved to a substep in the engagement completion step:</p> <p>64. Determine that all required forms and</p>	Table	N		

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
	checklists have been completed.				
Modify	<p>The communicate to management and communicate to those charged with governance steps have been combined to read as follows:</p> <p>53. Communicate material misstatement and other findings and matters that came to our attention to management, and when applicable, those charged with governance that came to our attention have been communicated to management in a timely manner. Consider drafting and issuing a management letter.</p>	Table	N		
CMP-201 Pre-Compilation Program: Procedures Performed Prior to a Compilation Engagement					Tailoring questions have been added to help facilitate a more efficient workflow.
New	Investments added to understanding tables.	Table	N		
CMP-202 Compilation Program: Additional Procedures for Initial Year of Engagement					
Modify	Instructions modified to better communicate that this optional workpaper is only applicable when a predecessor accountant exists and the successor accountant has decided to communicate with such predecessor.	Table	N		

Review Programs (REVs)

Specific Review Program Enhancements

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
REV-101 Overall Review Program					Tailoring questions have been added to help facilitate a more efficient workflow.
Delete/ Modify	<p>The following steps were changed from engagement procedures requiring sign-off to a practice point titled "project management considerations":</p> <ol style="list-style-type: none"> 1. Contact the client to determine when information and client personnel will be available so that staff can begin review procedures. 2. Review prior year's financial statements, workpapers, budget, and budget/actual comparisons to evaluate the time necessary to complete the engagement. and <ol style="list-style-type: none"> a. Identify any specific known matters, affecting the current or prior period, that may require additional or less time compared to the previous period. b. Consider changes occurring at the client, such as changes in volume, processes, product mix, or personnel, which may require additional or less time compared to the previous period. c. Consider whether staff with specific expertise is needed for, or will enhance the effectiveness or efficiency of, the engagement. 3. Schedule meeting with engagement staff to prepare for the engagement. 4. Instruct staff adequately about the engagement and: <ol style="list-style-type: none"> a. Remind or inform staff of the nature of the client's business and the content of the client's financial statements. b. Discuss items on the financial statements that may require particular attention as a 	Table	N		

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
	<p>result of:</p> <ul style="list-style-type: none"> i. Their significance to users. ii. Their proneness to error or misstatement. iii. Their potential to be affected by client bias. <ul style="list-style-type: none"> c. Inform staff of developments, such as changes at the client, which may affect the engagement. d. Discuss engagement budget. and: <ul style="list-style-type: none"> i. Emphasize importance of early communication when matters may affect the budget. ii. Emphasize importance of “getting it right” by making certain not to ignore items that may seem incorrect, inappropriate, or otherwise attention worthy. e. Provide information about other matters (describe below): <ul style="list-style-type: none"> 5. Instruct staff accountants to communicate significant problems to the in-charge accountant on a timely basis. 6. Make arrangements to review workpapers on a timely basis. 7. Instruct staff accountants to discuss their disagreements concerning professional matters with the in-charge accountant. 8. Inform staff accountants about procedures available to document their disagreements concerning professional matters. 9. Identify other matters relative to supervising the engagement (describe below): 				
New	New procedure added:	Table	N		

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
	Perform procedures as necessary to obtain a preliminary understanding of the scope of the engagement.				
Modify	Professional standards steps modified to read as follows: 3. Evaluate, conclude on, and document whether accountant has the ability to adhere to the fundamental principles and requirements of professional and ethics standards including: a. Integrity; b. Objectivity; c. Independence, d. Professional competence and due care; e. Compliance with firm policies; f. Confidentiality; and g. Professional behavior.	Table	N		
Modify	Pre-review steps modified to read as follows: 5. If needed, perform pre-review procedures to gain a greater understanding of the entity.	Table	N		
Modify	The separate acceptance and continuance steps were combined to a new step that reads as follows: 6. Perform client acceptance procedures or continuance procedures in accordance with firm policy.	Table	N		
Modify	Predecessor communication step modified to read as follows: 7. If this is the initial engagement for a new client, and a predecessor accountant exists, consider communicating with the predecessor accountant.	Table	N		
Delete	17. If any issues were identified that may have affected the decision to accept or continue the client relationship or the engagement, describe the issues and indicate how they	Table	N		

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
	were resolved (describe below):				
New	<p>Substeps added to the steps applicable when the accountant is not using one of the illustrative example engagement letters:</p> <ul style="list-style-type: none"> h. Reference to any supplementary information and whether or not it is to be reviewed as part of the engagement. i. Reference to any other known material departures from the applicable financial reporting framework, and that the effects of such departures on the financial statements may not be disclosed. 	Table	N		
New	20. If the client is presenting the required supplementary information about future major repairs and replacements, which is not part of the basic financial statements, determine if we are engaged to compile or review the required information.	Table	N		
Delete	<p>Steps related to the scope of the engagement that are addressed in the acceptance/continuance program deleted from overall engagement program including:</p> <ul style="list-style-type: none"> 29. When comparative financial statements are to be presented, determine if our firm will be responsible for reporting on the previous year's financial statements. 33. If a portion of the financial statements is compiled by another accountant, determine whether we can serve as the principal accountant. 34. If we can serve as the principal accountant, consider whether to refer in our review report to the work performed by the other accountant. 	Table	N		

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
Delete	31. Consider the effect on review procedures if: <ul style="list-style-type: none"> a. The client has decided to omit substantially all disclosures. b. The client has decided not to present a statement of cash flows. 	Table	N		
New	25. Plan the nature, timing, and extent of the direction and supervision of engagement team members and the review of their work.	Table	N		
Modify	The CIRA understanding step modified to read as follows: 27. Obtain or update an understanding of the CIRA industry, including the specialized accounting principles and practices.	Table	N		
Modify	The CIRA understanding steps modified to read as follows: 28. Obtain or update an understanding of the CIRA and its operations, including: <ul style="list-style-type: none"> a. The CIRA's organizational structure, including its legal structure; b. The CIRA's history; c. The CIRA's operating characteristics including, as applicable; <ul style="list-style-type: none"> (1) Services provided to unit owners; (2) The nature of any ancillary operations; (3) If a property management company is used, the extent of its responsibilities and the degree of interaction and supervision exercised by the board of directors; (4) If the developer/sponsor provided operating subsidies during the review period, the nature of and 	Table	N		

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
	<p>compliance with the subsidy agreement;</p> <p>(5) The size of the CIRA (such as number of units, shares, or weeks);</p> <p>(6) Location and types of common properties and the CIRA's accounting policy for recognition and measurement of common property;</p> <p>(7) Policies and methods for funding current operations;</p> <p>(8) Policies and methods for funding major repairs and replacements; and</p> <p>(9) The method used to estimate funding needed for future major repairs and replacements (such as a formal study by a professional engineer or a study conducted by the board of directors).d. Industry, regulatory, and other external factors;</p> <p>e. Concentrations of risk;</p> <p>f. Related-party transactions;</p> <p>g. Significant management estimates and judgments; and</p> <p>h. New or significant accounting issue</p> <p>29. Obtain or update an adequate understanding of the CIRA's accounting principles and practices used in measuring, recognizing, recording, and disclosing all significant accounts and disclosures in the financial statements , including :</p> <p>a. Any changes in accounting practices or principles</p> <p>b. Differences between the entity's practices</p>				

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
	and industry norms.				
New	<p>31. If the CIRA has an interest in a variable interest entity, obtain an understanding of whether management has completed an assessment of whether the CIRA has a controlling financial interest in the VIE and, thus, is the VIE's primary beneficiary.</p> <p>Practice Point: Management is required to perform this assessment in accordance with U.S. GAAP. The failure to perform such an assessment, or management's instructions to the accountant to not perform the assessment, constitutes a departure from U.S. GAAP. In such circumstances, the accountant should consider whether modification of the standard report is adequate to disclose the departure.</p>	Table	Y		
Modify	<p>The following step has been moved to a substep in the engagement completion step:</p> <p>65. Determine that all required forms and checklists have been completed.</p>	Table	N		
New	39. Describe the form and content of the financial statements or financial information (describe below):	Procedure Steps	N		
Modify	<p>The communicate to management and communicate to those charged with governance steps have combined to read as follows:</p> <p>66. Communicate material misstatements and other findings and matters that came to our attention to management, and when applicable, those charged with governance a in a timely manner. Consider drafting and issuing a management letter.</p>	Table	N		

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
REV-201 Pre-Review Program: Procedures Performed Prior to a Review Engagement					Tailoring questions have been added to help facilitate a more efficient workflow.
New	Investments added to understanding sections	Table	N		
REV-202 Review Program: Additional Procedures for Initial Year of Engagement					
Modify	Instructions modified to better communicate that this optional workpaper is only applicable when a predecessor accountant exists and the successor accountant has decided to communicate with such predecessor.	Table	N		
REV-801 Review Program: Client Inquiries					Tailoring questions have been added to help facilitate a more efficient workflow.
New	<p>The following inquiries were added to the program:</p> <p>5. Have voluntary changes in accounting principles, if any, been reflected in the financial statements through retrospective application of the new principle in comparative financial statements?</p> <p>12. Is the CIRA a general partner in a limited partnership arrangement or a controlling partner in a general partnership?</p> <p>13. If the CIRA is a general partner in a limited partnership arrangement or a controlling partner in a general partnership, has an evaluation been performed to determine whether the limited partnership or partnership should be consolidated into the financial statements of the CIRA?</p> <p>14. If the CIRA has an interest in a variable interest entity, has management performed an assessment of whether the CIRA has a controlling financial interest in the VIE and, thus, is the VIE's primary beneficiary?</p>	Procedure Steps	N		

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
	Practice Point: Management is required to perform the assessment in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP), the failure to perform such an assessment and management's instructions to the accountant to not perform the assessment constitute a departure from U.S. GAAP.				
New	<p>The following inquiries were added to the program:</p> <ol style="list-style-type: none"> 8. Are derivative instruments properly measured and disclosed in the financial statements? 9. Have the documentation or assessment requirements related to hedge accounting been met for derivative instruments utilized in hedge transactions? 10. Has appropriate consideration been given to the classification of investments between current and noncurrent? 11. Are any investments encumbered? 6. Does management have the positive ability and intent to hold the securities classified as held to maturity until they mature? 3. Are there any unit owners, developer/sponsor, operators of ancillary operations or sources of other revenue (e.g., major tenants) having bankruptcy or liquidity issues that would have a material effect on the financial statements? 6. Have there been any changes in contracts with unit owners, developer/sponsor, operators of ancillary operations or sources of other revenue (e.g., major tenants) having that may affect the classification or valuation of receivables? 8. Have receivables from unit owners or the 	Procedure Steps	N		

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
	<p>developer/sponsor been evaluated to determine if they should be reflected in the equity section (rather than the asset section) of the balance sheet?</p> <p>10. Are recourse provisions for receivables pledged, discounted, or factored properly reflected in the financial statements?</p> <p>13. Have there been significant credits issued subsequent to the balance sheet date?</p> <p>14. Is the accounts receivable subsidiary ledger reconciled to the general ledger account balance on a regular basis?</p> <p>10. Are all components of the cost of self-constructed property and equipment items properly recorded including capitalized interest when applicable?</p> <p>8. Are any intangible assets mortgaged or otherwise encumbered?</p> <p>4. Has a liability for employees' compensated absences been properly accrued and disclosed in the financial statements?</p> <p>7. Have there been any changes in contracts with suppliers that may affect the classification or valuation of payables?</p> <p>6. Have all required tax payments been made on a timely basis?</p> <p>9. Is the CIRA confident that local governments have not imposed property taxes on both the CIRA and unit owners for the same property?</p> <p>3. Have all mandatorily redeemable ownership interests been evaluated and properly classified?</p> <p>7. Do disclosures related to ownership interests include all applicable call provisions (prices and dates), conversion provisions (prices and rates), and unusual voting rights, significant terms of contracts to issue additional</p>				

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
	<p>ownership interests, or any other unusual features associated with the ownership interests?</p> <ol style="list-style-type: none"> 1. Are there any restrictions on retained earnings/fund balances or other equity accounts? 2. If this is the CIRA's initial audit, have initial working capital contributions been recorded properly? 3. If the developer/sponsor transferred control to the CIRA during the review period: <ol style="list-style-type: none"> a. Was control transferred in compliance with the declarations or other governing documents or statutory requirements? b. Were assets received from the developer properly accounted for? c. Did the developer fulfill its obligation to pay for expenses in accordance with the terms of the offering document or subsidy agreement? 5. Are there plans or intentions that may materially affect the carrying amounts or classification of assets and liabilities reflected in the financial statements? 6. Are barter or other nonmonetary transactions properly recorded and disclosed? 1. Have all subsidiaries been evaluated to determine whether they should be included in the consolidated financial statements? 2. Have all divisions and branches been included in the client's financial statements? 3. Have all intercompany and intercompany accounts and transactions been eliminated? 1. Have entities (other than the CIRA) in which the owners have significant investments (e.g., variable interest entities) been evaluated to 				

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
	<p>determine whether they should be included in the consolidated financial statements?</p> <p>2. For interoperate investments not consolidated, has there been an evaluation as to whether the equity method or the cost method should be used to account for the investment?</p> <p>3. Has there been any change in the accounting for an interoperate investment?</p>				

Knowledge-Based Compilation Documents (KBCs)

Specific KBC Enhancements:

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
KBC-201 Compilation: Client/Engagement Acceptance and Continuance Form					
New	2. Primary location of the CIRA.	Procedure Steps	N		
KBC-901 Compilation: Documentation Checklist					
Delete	3. Before reissuing, or consenting to the reissue of, a report previously issued on the financial statements of a prior period, we obtained representation letters from management of the former client and from the successor accountant.	Text	N		
Modify	<p>Going Concern documentation step modified to read as follows:</p> <p>3. If, during the performance of compilation procedures, evidence or information came to our attention indicating that an uncertainty</p>	Table	N		

	may exist about the CIRA's ability to continue as a going concern, the engagement documentation includes our consideration of the CIRA's ability to continue as a going concern for a reasonable period of time.				
Delete	Deleted the following steps that duplicate procedures performed elsewhere: 8. All required programs and checklists have been completed and signed off. 9. All open or outstanding matters have been resolved. 10. All reviewers' comments have been properly addressed in the workpapers and removed.	Table	N		
KBC-902 Compilation: Review and Approval Checklist					Tailoring questions have been added to help facilitate a more efficient workflow.
New	Engagement Partner and Quality Control review sections added with additions to the instructions to address the new sections.	Table	N		

Knowledge-Based Review Documents (KBRs)

Specific KBR Enhancements:

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
KBR-201 Review: Client/Engagement Acceptance and Continuance Form					
New	The three acceptance considerations from KBR-202, KBR-202A, and KBR-902A moved into this review acceptance/continuance program and other forms were deleted from the toolset.	Table	N		
KBR-901 Review: Documentation Checklist					
Modify	Documentation of significant matters covered in inquiries moved from substep to main step	Table	N		
Delete	3. Before reissuing, or consenting to the reissue of, a report previously issued on the financial	Text	N		

	statements of a prior period, we obtained representation letters from management of the former client and from the successor accountant.				
Modify	<p>Going Concern documentation step modified to read as follows:</p> <p>3. If, during the performance of review procedures, evidence or information came to our attention indicating that an uncertainty may exist about the entity's ability to continue as a going concern, the engagement documentation includes our consideration of the entity's ability to continue as a going concern for a reasonable period of time.</p>	Table	N		
Modify	<p>Documentation step modified to read as follows:</p> <p>8. Engagement documentation includes significant findings or issues, the actions taken to address them, and the basis for the final conclusions reached.</p>	Table	N		
Delete	<p>The following duplicate steps were deleted:</p> <p>a. The reconciliation of the accounting records to the financial statements or other reviewed information.</p> <p>b. Findings or issues that were deemed to be significant, the actions taken to address them, and the basis for the final conclusions reached, including:</p> <p>(1) Significant matters that involved the selection, application, and consistency of accounting principles regarding the financial statements, including related disclosures (e.g., accounting for complex or unusual transactions; estimates and uncertainties, and management assumptions; or other financial reporting matters).</p> <p>(2) Results of procedures that indicated that the financial information or disclosures could be materially</p>	Table	N		

	<p>misstated and our responses.</p> <p>c. Discussions of significant findings or issues with management and others.</p> <p>d. Information that contradicts or is inconsistent with the accountant's final conclusions about a significant matter, and how those contradictions or inconsistencies were addressed.</p>				
Delete	<p>Deleted the following steps that duplicate procedures performed elsewhere:</p> <p>8. All required programs and checklists have been completed and signed off.</p> <p>9. All open or outstanding matters have been resolved.</p> <p>10. All reviewers' comments have been properly addressed in the workpapers and removed.</p>	Table	N		
KBR-901 Review: Review and Approval Checklist					
New	Engagement Partner and Quality Control review sections added with additions to instructions to address the new sections.	Table	N		

Knowledge-Based Compilation and Review Documents (KBCRs)

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
KBCR-901 Compilation and Review: Personnel Evaluation Form					
Modify	Workpaper has been moved to AID-905				

Reports (RPTs):

- **NEW RPT-1100A** a new tailoring questionnaire that assists the auditor in determining the proper accountant's report to use for a compilation report based on the conditions identified during the audit engagement.
- **NEW RPT-1100B** a new tailoring questionnaire that assists the auditor in determining the proper accountant's report to use for a review report based on the conditions identified during the audit engagement.
- All applicable reports have been modified to include a paragraph on required supplementary information about future major repairs and replacements with a footnote for alternative language when all or part of the required supplementary information has been omitted.

New Compilation and Review Reports:

RPT-1121	Compilation Report: Departure from U. S. GAAP—Variable Interest Entity Assessment Not Performed
RPT-1123	Compilation Report: Departure from U.S. GAAP—Disclosures Omitted and Effect Has Been Determined
RPT-1124	Compilation Report: Departure from U.S. GAAP—Disclosures Omitted and Effect Has Not Been Determined
RPT-1126	Compilation Report: Departure from U.S. GAAP with Emphasis of Matter—Limitations of Financial Statements Due to Pervasiveness of Departure
RPT-1130	Compilation Report: Reference to Previous Year's Financial Statements Revised to Correct a Departure from U.S. GAAP
RPT-1131	Compilation Report: Correction of Report Issued on Previous Year's Financial Statements
RPT-1134	Compilation Report: Financial Statements Omit Substantially All Disclosures—Prior Year Audited and Did Not Omit Substantially All Disclosures
RPT-1135	Compilation Report: Financial Statements Omit Substantially All Disclosures—Prior Year Reviewed And Did Not Omit Substantially All Disclosures
RPT-1138	Compilation Report: Reference To Predecessor Accountant's Compilation Report on Previous Year's Financial Statements That Included a Modification
RPT-1139	Compilation Report: Reference To Previous Year's Review Report When Predecessor Accountant's Report Is Not Presented
RPT-1140	Compilation Report: Reference to Previous Year's Audit Report When Predecessor Auditors' Report Is Not Presented
RPT-1141	Compilation Report: Includes Reporting on Previous Year's Financial Statements Compiled by Predecessor Accountant and Successor Accountant Is Responsible for Reporting on the Restated Financial Statements (Includes Optional Paragraph Referring to Restatement)
RPT-1142	Compilation Report: Successor Accountant Compiles Restatement Adjustment and Disclosures Are Included
RPT-1143	Compilation Report: Successor Accountant Compiles Restatement Adjustment and Disclosures Are Omitted
RPT-1144	Compilation Report: Compiled Financial Statements Presented with Prior-Period Financial Statements Reviewed by a Predecessor Accountant Who Has Ceased Operations
RPT-1145	Compilation Report: Compiled Financial Statements Presented with Prior-Period Financial Statements Compiled by a Predecessor Accountant Who Has Ceased Operations
RPT-1146	Compilation Report: Compiled Financial Statements Presented with Prior-Period Financial Statements Audited by a Predecessor Accountant Who Has Ceased Operations
RPT-1149	Compilation Report: Schedule of Depreciation—Income Tax Basis
RPT-1162	Review Report: Reference to Work Performed by Another Accountant
RPT-1170	Review Report: Supplementary Information Has Been Compiled
RPT-1177	Review Report: Required Supplementary Information Contains Material Departures from Prescribed Guidelines
RPT-1180	Review Report: Departure from U.S. GAAP—Variable Interest Entity Assessment Has Not Been Performed
RPT-1184	Review Report: Departure from U.S. GAAP—Financial Statements Contain a Departure That Prevents Them from Being Misleading
RPT-1185	Review Report: Departure from U.S. GAAP with Emphasis of Matter—Limitations of Financial Statements Due to Pervasiveness of Departure
RPT-1188	Review Report: Reference to Previous Year's Financial Statements Revised to Correct a Departure from U.S. GAAP
RPT-1189	Review Report: Correction of Report Issued on Previous Year's Financial Statements
RPT-1191	Review Report: Current Year's Financial Statements Reviewed/Prior Year's Compiled Financial Statements Are Revised to Correct Departure from U.S. GAAP
RPT-1192	Review Report: Current Year Reviewed, Prior Year Audited By Same Firm
RPT-1193	Review Report: Reference to Previous Year's Audit Report When Predecessor Auditor's Report Is Not Presented
RPT-1194	Review Report: Reference to Previous Year's Compilation Report When Predecessor Accountant's Report Is Not Presented
RPT-1195	Review Report: Successor Accountant Reviews Restatement Adjustment

RPT-1200	Review Report: Special-Purpose Financial Presentation That Is an Incomplete Presentation Prepared in Accordance with a Contractual Agreement But Is Otherwise in Conformity with U.S. GAAP
RPT-1201	Review Report: Special-Purpose Financial Presentation Based on a Presentation Established in a Contractual Agreement and Different from U.S. GAAP or OCBOA

Correspondence Documents (CORs)

COR Series have been renumbered as follows:

2014	2012	Title
COR-220	COR-218	Engagement Letter: Compilation
COR-221	COR-219	Engagement Letter: Compilation—Prior Year Compiled by Other Accountants
COR-222	COR-220	Engagement Letter: Compilation—Financial Statements Not Intended for Third-Party Use
COR-223	NEW	Engagement Letter Compilation—Multiple Financial Statement Types (Including Statements Not Intended for Third- Party Use and Statements with All Disclosures Omitted)
COR-224	NEW	Engagement Letter: Compilation— Specified Elements, Accounts, or Items of a Financial Statement
COR-225	COR-209	Engagement Letter: Review
COR-226	COR-223	Predecessor Accountant’s Letter Requesting a Written Communication from the Successor Accountant Concerning Access to Engagement Documentation
COR-227	COR-224	Representation Letter: Successor Accountant to Predecessor Accountant Concerning Matters Applicable to the Previous Year’s Compiled Financial Statements
COR-228	COR-225	Communication to Client When the Accountant May Be Required by Law, Regulation, or Engagement Contract to Provide Access to the Engagement Documentation
COR-229	COR-226	Communication to Client When the Accountant Is Requested to Provide Access to the Engagement Documentation

COR-230	COR-227	Letter to Regulator Prior to Allowing a Regulator Access to the Engagement Documentation
COR-231	COR-228	Communication with Predecessor Accountant Prior to Client/Engagement Acceptance
COR-232	COR-229	Request from Client to Predecessor Accountant to Release Information to Successor Accountant
COR-910	COR-908	Management Representation Letter: Compilation Engagement
COR-911	COR-909	Management Representation Letter: Review Engagement
COR-912	COR-910	Updating Management Representation Letter: Review Engagement

Practice Aids (AIDs)

- **NEW AID-835 *Variable Interest Entities*** is a new optional workpaper designed to help the accountant evaluate whether an entity has properly consolidated a variable interest entity (VIE) in its financial statements.
- **NEW AID-836 *Uncorrected Misstatements Analysis*** is a new optional workpaper designed to help the accountant evaluate uncorrected misstatements identified during the engagement.
- **NEW AID-906 *Compilation Report Preparation Checklist*** is a new AID that was formerly CMP-901
- **NEW AID-907 *Review Report Preparation Checklist*** is a new AID that was formerly CMP-901

Specific AID Enhancements:

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
AID-202 Nonattest Services Independence Checklist					
New	Step added: 5. Has the accountant considered the independence requirements of professional standards applicable to the engagement promulgated by standard setting bodies other	Procedure Steps	N		

	than the AICPA?				
New	New practice points to address changes to the AICPA Code of Professional Conduct	Procedure Steps	N		
New	New substep for internal audit services that would impair independence: c. Designing, implementing, or maintaining the client's monitoring activities (i.e., procedures performed to assess whether components of internal control are present and functioning).	Procedure Steps	Y	ET 101-3	
AID-801 Analytical Procedures: Fluctuation and Ratio Analysis					
New	Columns added to "Fluctuation" tab to document accountant expectation and the basis for the accountant expectation.	Table	N		

Resource Documents (RESs)

- **RES-021 (formerly RES-019)** has been updated for new applicable guidance.
- **RES-022 (formerly RES-021)** modified as appropriate to incorporate new workpapers and realignment of workpaper numbering schemes.
- **KCO-001 2014 Compilations and Reviews of Common-Interest Realty Association Overview for Knowledge Coach Users** formally RES-KCO has been added as a reference document for the workpaper update information, along with list of related workpapers for the title.

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

- Statement on Standards for Accounting and Review Services No. 20 (SSARS-20), *Revised Applicability of Statements on Standards for Accounting and Review Services*;
- AR Section 9080, *Compilation of Financial Statements-Accounting and Review Services Interpretations of Section 80*;
- AR Section 9090, *Review of Financial Statements-Accounting and Review Services Interpretations of Section 90*; and
- AICPA Statement on Quality Control Standards No. 8 (SQCS-8), *A Firm's System of Quality Control (Redrafted)*.

RELATED AND FOUNDATIONS 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.

<i>Form No.</i>	<i>Form Name</i>	<i>Foundation Workpaper</i>
KBCs	KNOWLEDGE-BASED COMPILATION DOCUMENTS	
KBC-101	Compilation: Significant Matters	X
KBC-201	Compilation: Client/Engagement Acceptance and Continuance Form	
KBC-902	Compilation: Review and Approval Checklist	
KBRs	KNOWLEDGE-BASED REVIEW DOCUMENTS	
KBR-101	Information for Analytical Procedures	
KBR-102	Review: Significant Matters	X
KBR-201	Review: Client/Engagement Acceptance and Continuance Form	
KBR-902	Review: Review and Approval Checklist	
CMPs	COMPILATION PROGRAMS	
CMP-100	Tailoring Question Workpaper	X
CMP-101	Overall Compilation Program	X

<i>Form No.</i>	<i>Form Name</i>	<i>Foundation Workpaper</i>
CMP-201	Pre-Compilation Program: Procedures Performed Prior to a Compilation Engagement	
CMP-202	Compilation Program: Additional Procedures for Initial Year of Engagement	
CMP-801	Compilation Program: Significant Risks and Uncertainties	
REVs	REVIEW PROGRAMS	
REV-100	Tailoring Question Workpaper	X
REV-101	Overall Review Program	X
REV-201	Pre-Review Program: Procedures Performed Prior to a Review Engagement	
REV-202	Review Program: Additional Procedures for Initial Year of Engagement	
REV-801	Review Program: Client Inquiries	
REV-802	Review Program: Significant Risks and Uncertainties	