

2015 PREPARATIONS, COMPILATIONS AND REVIEWS TITLES 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 **2015 Knowledge-Based Preparation, Compilation and Review Tools** have been updated to take into account the latest literature, standards, and guidance applicable to preparation, compilation, and review engagements. The 2015 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 U.S. GAAP disclosures and key presentation items currently in effect, using the style referencing under the FASB Accounting Standards Codification.TM

The **2015 Edition of Knowledge-Based Preparation, Compilation and Review Engagements** is current through Statement on Standards for Accounting and Review Services No. 21 (SSARS-21), *Clarification and Recodification*; Nonattest Services interpretation (ET Section 101.05, and 191-.015-016; as of December 15, 2014, ET Section 1.295); AICPA Code of Professional Conduct (Code); AR-C Section 70, *Preparation of Financial Statements*; AR-C Section 80, *Compilation Engagements*; AR-C Section 90, *Review of Financial Statements*; and 2014/2015 Audit Risk Alert *Developments in Review, Compilation, and Financial Statement Preparation Engagements—2014/15*. Users of this content should consider guidance issued subsequent to these items to determine their effect on engagements covered by this product.

NEW Preparation Programs (PRPs) addressing the requirements of SSARS No. 21 to enable the practitioner to perform an efficient preparation engagement in compliance with standards:

- **PRP-101 Overall Preparation Program**
- **PRP-201 Pre-Preparation Program: Procedures Performed Prior to a Preparation Engagement**
- **PRP-202 Preparation Program: Additional Procedures for Initial Year of Engagement**
- **PRP-801 Preparation Program: Significant Risks and Uncertainties**
- **PRP-901 Preparation Program: Discovery of Facts after the Completion of the Engagement**
- **PRP-902 Preparation Program: Going Concern**

NEW Knowledge-Based Preparation documents (KBPs) addressing the requirements of SSARS No. 21 to enable the practitioner to perform an efficient preparation engagement in compliance with standards:

- **KBP-101 Preparation: Significant Matters**
- **KBP-201 Preparation: Client/Engagement Acceptance and Continuance Form**
- **KBP-901 Preparation: Documentation Checklist**
- **KBP-902 Preparation: Review and Approval Checklist**

Compilation Programs (CMPs):

- New practice points and practice alerts have been added throughout the toolset to notify users of the significant changes as a result of the ARSC's Clarity Project.

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					
Deleted	Removed TQ, "Is this engagement restricted for management use only?" SSARS-21 basically replaces the management use only financial statements with the preparation engagement, eliminating this; as a result, it is implicitly, not explicitly in the standard.	Tailoring Questions Table	Y	SSARS 21	
Modify	Added new Practice Point addressing the provisions of Statement on Standards for Accounting and Review Services (SSARS) No. 21, <i>Clarification and Recodification</i> .	Purpose	Y	SSARS-21	
Modify	Added new Practice Alert for the AICPA Audit Risk Alert <i>Developments in Review, Compilation, and Financial Statement Preparation Engagements—2014/15</i> (supersedes the 2013/14 risk alert).	Purpose	Y	Risk Alert	
Modify	Preliminary Engagement Activities section: Updated the wording of the engagement letter step in accordance with SSARS No. 21. New step reads as follows: Establish and document, in the form of an engagement letter signed by both the accountant and either management or those charged with governance, as appropriate, the accountant's understanding with management and, if applicable, those charged with governance regarding the services to be performed on the engagement, including: a. A description of the scope and the limitations of the engagement; b. A description of the report that is likely to be issued; and c. A statement that the engagement cannot be relied upon to disclose errors, fraud, any wrongdoing within the entity, or noncompliance with laws or regulations.	Procedures step	Y	SSARS-21	

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
Modify	<p>Preliminary Engagement Activities section: Added a. and b. to the understanding with the client step (when not using one of the illustrative example engagement letters provided):</p> <p>If we do not intend to use one of the illustrative example engagements letters provided, include in the understanding with the client an indication that we will issue an accountant's compilation report in accordance with Statements on Standards for Accounting and Review Services (SSARS) issued by the American Institute of Certified Public Accountants (AICPA). Also:</p> <p>a. The understanding should indicate the expected form and content of the accountant's compilation report.</p> <p>The understanding should indicate that there may be circumstances requiring the report to differ from the expected form and content.</p>	Procedures step	Y	SSARS-21	
Modify	<p>Preliminary Engagement Activities section:</p> <p>Added the following matters to the understanding with the client step (when not using one of the illustrative example engagement letters provided):</p> <p>a. The objective of the engagement is to prepare the financial statements in accordance with the applicable financial reporting framework (e.g., accounting principles generally accepted in the United States of America) and to compile those financial statements.</p> <p>b. The objective of a compilation is to apply accounting and financial reporting expertise to assist management in the presentation of financial statements and report in accordance with SSARS without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements in order for them to be in accordance with the applicable financial reporting framework.</p> <p>Note: If this engagement is for the compilation of</p>	Procedures step	Y	SSARS-21	

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
	<p>a specified element, account, or item of a financial statement; or of pro forma financial information, there should be no reference to financial statements:</p> <p>“The objective of a compilation is to apply accounting and financial reporting expertise to assist management in the presentation of financial information and report in accordance with SSARS without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial information in order for them to be in accordance with the applicable financial reporting framework.”</p> <p>Deleted: We will utilize information that is the representation of management without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements in order for them to be in conformity with the applicable financial reporting framework.</p> <p>Note: If this engagement is for the compilation of a specified element, account, or item of a financial statement; or of pro forma financial information, there should be no reference to financial statements:</p> <p>“We will utilize information that is the representation of management without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial information in order for it to be in conformity with the applicable financial reporting framework.”</p>				
Modify	<p>Preliminary Engagement Activities section:</p> <p>Modified the “management accepts its responsibility for” substeps; new wording is as follows:</p> <p>Management accepts its responsibility for:</p> <p>(1) Identifying the applicable financial reporting framework to be applied in the preparation of, and for the fair presentation of, the financial statements in accordance with the applicable financial reporting framework.</p>	Procedures step	Y	SSARS-21	

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
	<p>Note: If this engagement is for the compilation of a specified element, account, or item of a financial statement; or of pro forma financial information, there should be no reference to financial statements: “Identifying the applicable financial reporting framework to be applied in the preparation of, and for the fair presentation of, the financial information in accordance with the applicable financial reporting framework.”</p> <p>(2) If the financial statements are prepared in accordance with a special purpose framework, management’s acknowledgment of its responsibility should include:</p> <p>(a) A description of the special purpose framework, including a summary of significant accounting policies, differences from U.S. GAAP, and disclosures comparable to those required for U.S. GAAP.</p> <p>(b) When the financial statements are prepared in accordance with a contractual basis of accounting, significant interpretations of the contract on which the special purpose financial statements are based.</p> <p>Additional disclosures beyond those specifically required by the framework to achieve fair presentation.</p>				
Modify	<p>Preliminary Engagement Activities section: Added to the “management accepts its responsibility for:” substeps:</p> <p>(6) The accuracy and completeness of records, documents, explanations, and other information, including significant judgments, provided by management for the compilation of the financial statements.</p> <p>(7) Making all financial records and related information available to us, including any additional information requested by the accountant and unrestricted access to personnel within the entity.</p>	Procedures step	Y	SSARS-21	

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
	(8) Designating an individual with suitable skills, knowledge, and experience to oversee our preparation of your financial statements and for evaluating the adequacy and results of the services performed and accepting responsibility for them.				
Modify	(8) Designating an individual with suitable skills, knowledge, and experience to oversee our preparation of your financial statements and for evaluating the adequacy and results of the services performed and accepting responsibility for them.	Procedures step	N	Code	
Modify	<p>Preliminary Engagement Activities section: Modified substep; new language reads: We are not required to, and will not, verify the accuracy or completeness of the information management will provide to us for the engagement or otherwise gather evidence for the purpose of expressing an opinion or a conclusion. Accordingly, we will not express an opinion or a conclusion nor provide any assurance on the financial statements.</p> <p>Deleted: A compilation differs significantly from a review or an audit of financial statements. A compilation does not contemplate performing inquiry, analytical procedures, or other procedures performed in a review. Additionally, a compilation does not contemplate obtaining an understanding of the entity's internal control; assessing fraud risk; testing accounting records by obtaining sufficient appropriate audit evidence through inspection, observation, confirmation, or the examination of source documents; or other procedures ordinarily performed in an audit. Accordingly, we will not express an opinion or provide any assurance regarding the financial statements.</p>	Procedures step	N	N/A	
Modify	Preliminary Engagement Activities section: Modified substep; although not specifically required by SSARS 21, it does require that the engagement letter indicate the limitations of a compilation engagement;	Procedures step	Y	SSARS-21	

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
	new language reads: A compilation engagement cannot be relied upon to disclose errors, fraud, any wrongdoing within the entity, or noncompliance with laws and regulations.				
Modify	Deleted: We will inform the appropriate level of management of any material errors and of any evidence or information that comes to our attention during the performance of compilation procedures that fraud or an illegal act may have occurred (unless the illegal act is clearly inconsequential).	Procedures step	Y	SSARS-21	
Modify	SSARS-21 basically replaces the management use only financial statements with the preparation engagement, eliminating this; as a result, it is implicitly, not explicitly in the standard. Deleted: Management's acknowledgement that the financial statements are not to be used by a third party and are for management use only (<i>Note:</i> This item is applicable only if the engagement is for the compilation of financial statements that are restricted for management use only).	Procedures step	Y	SSARS-21	
Modify	Added a new consideration to the "Consider whether other professional services are needed to complete the engagement" step: Preparing the financial statements.	Procedures step	N	N/A	
Modify	Replaced "illegal acts" with "noncompliance with laws and regulations" to be consistent with the clarified auditing standards.	Procedures step	Y	SSARS-21	
CMP-201 Pre-Compilation Program: Procedures Performed Prior to a Compilation Engagement					
Modify	Replaced "illegal acts" to "noncompliance with laws and regulations"	Procedures	Y	SSARS-21	
CMP-202 Compilation Program: Additional Procedures for Initial Year of Engagement					
Modify	Replaced "illegal acts" to "noncompliance with laws and regulations" to be consistent with the clarified auditing	Procedures	Y	SSARS-21	

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
	standards.				
CMP-801 Compilation Program: Significant Risks and Uncertainties					
Modify	Replaced "illegal acts" to "noncompliance with laws and regulations" to be consistent with the clarified auditing standards.	Procedures	Y	SSARS-21	

Review Programs (REVs)

- New practice points and practice alerts have been added throughout the toolset to notify users of the significant changes as a result of the ARSC's Clarity Project.

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					
Modify	Added new Practice Alert for Statement on Standards for Accounting and Review Services (SSARS) No. 21, <i>Clarification and Recodification</i> .	Purpose	Y	SSARS-21	
Modify	Added new Practice Alert for the AICPA Audit Risk Alert <i>Developments in Review, Compilation, and Financial Statement Preparation Engagements—2014/15</i> (supersedes the 2013/14 risk alert)	Purpose	Y	2014/2015 Audit Risk Alert	
Modify	Preliminary Engagement Activities section: Modified engagement letter step and substeps now read as follows: 9. Establish and document, in the form of an engagement letter, signed by both the accountant and either management or those charged with governance, as appropriate, the accountant's understanding with management and, if applicable, those charged with governance regarding the services to be performed on the engagement, including: a. A description of the scope and the limitations of the engagement; b. A description of the report that is likely to be issued; c. A statement that the engagement cannot be relied upon to disclose errors, fraud, any wrongdoing within	Procedures step	Y	SSARS-21	

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
	the entity, or noncompliance with laws or regulations; d. A statement that the firm will inform the appropriate level of management of the following matters that come to the firm's attention: (a) any material errors, (b) any evidence or information that indicates fraud may have occurred, and (c) any evidence or information regarding noncompliance with laws and regulations that may have occurred, unless they are clearly consequential.				
Modify	Added to step 10: Also: a. The understanding should indicate the expected form and content of the accountant's review report. b. The understanding should indicate that there may be circumstances requiring the report to differ from the expected form and content.	Procedures step	Y	SSARS-21	
Modify	Modified substep 11.a and b. a. The objective of an accountant when performing a review of financial statements is to obtain limited assurance as a basis for reporting whether the accountant is aware of any material modifications that should be made to the financial statements in order for the statements to be in accordance with the applicable financial reporting framework (e.g., accounting principles generally accepted in the United States of America), primarily through the performance of inquiry and analytical procedures. b. Management accepts its responsibility for: (1) Identifying the applicable financial reporting framework to be applied in the preparation of, and for the fair presentation of, the financial statements in accordance with the applicable financial reporting framework. (2) If the financial statements are prepared in accordance with a special purpose framework, management's acknowledgment of its responsibility should include: (a) A description of the special purpose framework, including a summary of significant accounting policies,	Procedures step	Y	SSARS-21	

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
	<p>differences from U.S. GAAP, and disclosures comparable to those required for U.S. GAAP.</p> <p>(b) When the financial statements are prepared in accordance with a contractual basis of accounting, significant interpretations of the contract on which the special purpose financial statements are based.</p> <p>(c) Additional disclosures beyond those specifically required by the framework to achieve fair presentation.</p>				
Modify	<p>Modified sub-substeps 11.b. (6) - (7):</p> <p>(6) The accuracy and completeness of records, documents, explanations, and other information provided by management, including significant judgments, for the review of the financial statements.</p> <p>(7) Making all financial records and related information available to us, including any additional information requested by the accountant and unrestricted access to personnel within the entity.</p>	Procedures step	Y	SSARS-21	
Modify	<p>Modified sub-substep 11.b. (8):</p> <p>(8) Designating an individual with suitable skills, knowledge, and experience to oversee our preparation of your financial statements and for evaluating the adequacy and results of the services performed and accepting responsibility for them.</p>	Procedures step	Y	Code	
Modify	<p>Modified sub-substeps 11.b. (9) - (10):</p> <p>(9) Providing us, at the conclusion of the engagement, with a letter that confirms certain representations made during the review.</p> <p>(10) Including the accountant's review report in any document containing the financial statements, indicating that the financial statements have been reviewed by us.</p>	Procedures step	Y	SSARS-21	
Modify	<p>Modified substep 11.f. (Although f is not explicitly required, SSARS-21 does require the understanding with the client to indicate the limitations of a review engagement, which this addresses) :</p> <p>A review engagement cannot be relied upon to disclose errors, fraud, any wrongdoing within the entity, or</p>	Procedures step	Y	SSARS-21	

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
	noncompliance with laws or regulations.				
Modify	Modified substep 11.g.: g. We will inform the appropriate level of management of the following matters that come to the firm's attention: (a) any material errors, (b) any evidence or information that indicates fraud may have occurred, and (c) any evidence or information regarding noncompliance with laws and regulations that may have occurred, unless they are clearly consequential.	Procedures step	N		
Modify	Added Practice Point, step 22: Practice Point: If the accountant is requested to prepare the financial statements, the preparation is considered a nonattest service that is not subject to SSARS. As a result, the accountant must make certain that, in preparing the financial statements, independence is preserved. When this is the case, AID-201 Nonattest Services Independence Checklist, should be completed. If, during the performance of the review engagement, the accountant determines that independence is impaired, the accountant.	Procedures step	Y	SSARS-21	
Modify	Modified all references to "illegal acts" throughout to "noncompliance with laws and regulations" to be consistent with the clarified auditing standards.	Procedures step	Y	SSARS-21	
Modify	Added new step 47: 47. Obtain evidence that the financial statements agree or reconcile with the accounting records.	Procedures step	Y	SSARS-21	
Modify	Updated Practice Point in step 63 (Although specifically mentioned in SSARS-21, it indicates that the accountant should communicate with management or those charged with governance matters that, in the accountant's judgment, merit their attention): Practice Point: In the written understanding established with the entity the accountant indicates that he or she will inform the appropriate level of management of the following matters that come to the firm's attention: (a)	Procedures step	Y	SSARS-21	

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
	any material errors, (b) any evidence or information that indicates fraud may have occurred, and (c) any evidence or information regarding noncompliance with laws and regulations that may have occurred, unless they are clearly consequential.				
REV-201 Pre-Review Program: Procedures Performed Prior to a Review Engagement					
Modify	Updated Practice Alert: Practice Alert: The AICPA Professional Ethics Executive Committee (PEEC) has adopted a provision clarifying that financial statement preparation, cash-to-accrual conversions, and reconciliations are considered outside the scope of an attest engagement (compilation, review, or audit) and, therefore, constitute nonattest services. Such activities would not impair independence, and the accountant can perform the engagement if the requirements of the interpretations of the "Nonattest Services" subtopic [1.295] of the revised Code of Professional Conduct are met.	Instructions	Y	Code	
Modify	Modified language, changing "illegal acts" to "noncompliance with laws and regulations" to be consistent with the clarified auditing standards.	Procedures step	Y	SSARS-21	
REV-202 Review Program: Additional Procedures for Initial Year of Engagement					
Modify	Modified language, changing "illegal acts" to "noncompliance with laws and regulations" to be consistent with the clarified auditing standards.	Procedures step	Y	SSARS-21	
REV-801 Review Program: Entity Inquiries					
Modify	Modified language, changing "illegal acts" to "noncompliance with laws and regulations" to be consistent with the clarified auditing standards.	Procedures step	Y	SSARS-21	
REV-802					
Modify	Modified language, changing "illegal acts" to "noncompliance with laws and regulations" to be consistent with the clarified auditing standards.	Procedures step	Y	SSARS-21	

Knowledge-Based Compilation Documents (KBCs)

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					
Modify	Added new additional evaluation procedures step to Section IV: 8. Our preliminary understanding of the engagement circumstances indicates that information needed to perform the engagement is likely to be available and reliable.	Procedures step	Y	AR-C sec 60, par. 24b.	
KBC-901 Compilation Documentation Checklist					
New	New Tailoring Question Summary Table and Two Tailoring Questions that will show/hide multiple procedure steps based on answers.	Above Procedures	N		
Modify	Modified steps 1 and 2: 1. Engagement documentation includes the engagement letter, or other suitable form of written documentation with management, providing the understanding established with the entity regarding the services to be performed. 2. Engagement documentation includes communications to management and those charged with governance about material errors, any fraud, and noncompliance with laws and regulations that have come to our attention, including a description of the material error, fraud or noncompliance with laws and regulations; the circumstances surrounding such matters, and the effect on the financial statements.	Procedures step	Y	SSARS-21	
Modify	Added new step (although explicitly required in par. 22 of AR-C sec. 70 for preparation engagements and not specifically mentioned in SSARS-21 AR-C 80 (Compilations), it is appropriate; addressed in the general principles for SSARS engagements in AR-C Sec. 60, par. 16): 5. If it was deemed necessary to depart from a relevant presumptively mandatory requirement (a rare	Procedures step	Y	AR-C Sec. 60, par. 16	

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
	circumstance), engagement documentation includes the justification for the departure and how the alternative procedures performed in the circumstances were sufficient to achieve the intent of that requirement.				
KBC-902 Compilation: Review and Approval Checklist					
Modify	Changed language from "illegal acts" to "noncompliance with laws and regulations" to be consistent with the clarified auditing standards.	Procedures step	Y	SSARS-21	

Knowledge-Based Review Documents (KBRs)

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					
Modify	Section IV: Additional Evaluation Procedures Added new step: 8. Our preliminary understanding of the engagement circumstances indicates that information needed to perform the engagement is likely to be available and reliable.	Procedures step	Y	AR-C sec 60, par. 24b	
KBR-901 Review Documentation Checklist					
New	New Tailoring Question Summary Table and Three Tailoring Questions that will show/hide multiple procedure steps based on answers. One Tailoring Question will flow from REV-100 Tailoring Question Workpaper.	Above Procedures	N		
Modify	Modified engagement documentation steps now read: 1. Engagement documentation includes the engagement letter, or other suitable form of written documentation with management, providing the understanding established with the entity regarding the services to be performed in the form of an engagement letter.	Procedures step	Y	SSARS-21	

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
	<p>2. Engagement documentation includes information regarding:</p> <ul style="list-style-type: none"> a. The nature, timing, and extent of review procedures performed to comply with SSARs. b. The results of the review procedures performed and the review evidence obtained. c. Significant findings or issues arising during the review, the conclusions reached thereon, and significant professional judgments made in reaching those conclusions. <p>3. Engagement documentation includes communications to management and those charged with governance about material errors, any fraud and noncompliance with laws and regulations that have come to our attention, including a description of the material error; the fraud or noncompliance with laws and regulations; the circumstances surrounding such matters; and the effect on the financial statements.</p> <p>Engagement documentation includes communications with management regarding our expectations to include an emphasis-of-matter or other-matter paragraph and the proposed wording of this paragraph in the review report.</p>				
Modify	<p>Added required step:</p> <p>7. If other accountants have audited or reviewed the financial statements of significant components, engagement documentation includes communications with the other accountants regarding the following matters:</p> <ul style="list-style-type: none"> a. That the other accountants are aware that the financial statements of the component that they have audited or reviewed are to be included in the financial statements on which we will report and that the other accountants' report thereon 	Procedures step	Y	par. 92d and par. 79	

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
	<p>will be relied upon (and, where applicable, referred to).</p> <p>b. That the other accountants are familiar with the applicable financial reporting framework and with SSARSs or auditing standards generally accepted in the United States of America, as applicable, and will conduct the review or audit in accordance therewith.</p> <p>That a review will be made of matters affecting elimination of intercompany transactions and accounts and, if appropriate in the circumstances, the uniformity of accounting practices among the components included in the financial statements.</p>				
Modify	<p>Added step (specifically required in standards for preparation engagements, par. 22 of AR-C sec. 70, although not specifically mentioned in AR-C 90 (Reviews); addressed in general principles for SSARS engagements & appropriate here):</p> <p>11. If it was deemed necessary to depart from a relevant presumptively mandatory requirement (a rare circumstance), engagement documentation includes the justification for the departure and how the alternative procedures performed in the circumstances were sufficient to achieve the intent of that requirement.</p>	Procedures step	Y	AR-C Sec. 60, par. 16	
Modify	<p>Modified step to update language from “illegal acts” to “noncompliance with laws and regulations” to be consistent with the clarified auditing standards:</p> <p>We have communicated material errors, all fraud, or noncompliance with laws and regulations that came to our attention to management in a timely manner.</p>	Procedures step	Y	SSARS-21	

Reports (RPTs):

- All Reports have been modified and updated for applicable guidance, in accordance with the provisions of SSARS No. 21
- NEW RPT-968A Compilation Report: AICPA's Financial Reporting Framework for Small- and Medium-Sized Entities

- **NEW RPT-0999 Disclaimer to Accompany Prepared Financial Statements**
- **RPT-0904 Compilation Report: Single Financial Statement:** Restricted Use has been deleted; the type of engagement, a compilation of financial statements restricted to internal (management) use only, was replaced by the preparation engagement.
- **RPT-0906 Compilation Report: Accounts Receivable** has been deleted to avoid redundancy; **RPT-905 Compilation Report: Specified Elements, Accounts, or Items of a Financial Statement** is a compilation of an element of financial reporting and **RPT-906** was a compilation of account receivable, which is an element of financial reporting).

Practice Aids (AIDs):

- **AID-201 Nonattest Services Independence Checklist** modified for the Nonattest Services interpretation (ET Section 101.05, and 191-.015-016; as of December 15, 2014, ET Section 1.295); added new Practice Alert for AICPA Code of Professional Conduct (Code); Section II - streamlined General Considerations steps to reduce signoffs; correlated with CORE 9 changes as a result of the AICPA revised Code of Professional Conduct.
- **AID-901 Changes to Engagement Documentation after the Assembly of the Engagement File** updated reference to AR-C Section 90, *Review of Financial Statements*.
- **AID-903 Compilation Report Preparation Checklist** added new Practice Alert for Statement on Standards for Accounting and Review Services (SSARS) No. 21, *Clarification and Recodification*; steps in the report elements table modified.
- **AID-904 Review Report Preparation Checklist** added new Practice Alert for Statement on Standards for Accounting and Review Services (SSARS) No. 21, *Clarification and Recodification*; steps in the report elements table modified.

Correspondence documents (CORs):

- **NEW COR-203 Engagement Letter: Preparation of Financial Statements.**

Resource Documents (RESs)

- **RES-001 Knowledge-Based Preparation, Compilation, and Review Methodology Overview** has been updated for new applicable guidance.
- **RES-002 Index of Engagement Programs, Forms, and Other Practice Aids** has been updated to reflect additions and changes to the toolset.
- **RES-003 Comparison of Preparation, Compilation, Review, and Audit Engagements** has been for new applicable guidance, SSARS-21, *Clarification and Recodification*.
- **RES-QCPCR Meeting Quality Control Standards Using KBA Preparation, Compilation, and Review Tools** has been for new applicable guidance, SSARS-21, *Clarification and Recodification*.

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. 21 (SSARS-21), *Clarification and Recodification*;
- AR-C Section 60, *General Principles for Engagements Performed in Accordance with Statements on Standards for Accounting and Review Service*;
- AR Section 80, *Compilation Engagements*;
- AR Section 90, *Review of Financial Statements*;
- AICPA Statement on Quality Control Standards No. 8 (SQCS-8), *A Firm's System of Quality Control (Redrafted)*;
- 2014/2015 Audit Risk Alert *Developments in Review, Compilation, and Financial Statement Preparation Engagements—2014/15*;
- Nonattest Services interpretation (ET Section 101.05, and 191-.015-016; as of December 15, 2014, ET Section 1.295); and
- AICPA Code of Professional Conduct (Code).

Users of this content should consider guidance issued subsequent to these items to determine their effect on engagements covered by this product

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>
KBP	KNOWLEDGE-BASED PREPARATION DOCUMENTS	
KBP-101	Preparation: Significant Matters	X
KBP-201	Preparation: Client/Engagement Acceptance and Continuance Form	
KBP-902	Preparation: Review and Approval Checklist	
KBC	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	
KBR	KNOWLEDGE-BASED REVIEW DOCUMENTS	
KBR-102	Review: Significant Matters	X
KBR-201	Review: Client/Engagement Acceptance and Continuance Form	
KBR-902	Review: Review and Approval Checklist	

<i>Form No.</i>	<i>Form Name</i>	<i>Foundation Workpaper</i>
PRPs	PREPARATION PROGRAMS	
PRP-100	Tailoring Question Workpaper	X
PRP-101	Overall Preparation Program	X
PRP-201	Pre-Preparation Program: Procedures Performed Prior to a Preparation Engagement	
PRP-202	Preparation Program: Additional Procedures for Initial Year of Engagement	
CMPs	COMPILATION PROGRAMS	
CMP-100	Tailoring Question Workpaper	X
CMP-101	Overall Compilation Program	X
CMP-201	Pre-Compilation Program: Procedures Performed Prior to a Compilation Engagement	
CMP-202	Compilation Program: Additional Procedures for Initial Year of Engagement	
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	

<i>Form No.</i>	<i>Form Name</i>	<i>Foundation Workpaper</i>
REV-801	Review Program: Client Inquiries	