

2017 EMPLOYEE BENEFIT PLAN OVERVIEW FOR KNOWLEDGE COACH USERS

PURPOSE

This document is published for 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 2017 edition of *Knowledge-Based Audits of Employee Benefit Plans* have been updated to take into account the latest literature, standards, and guidance applicable to employee benefit plans. Also included are tools that can be used for audits of employee benefit plans that file a Form 11-K. The 2017 tools include links to detailed analysis related to the steps and processes discussed in the workpapers. Many new tips and examples have been incorporated. Also included are revised financial statement disclosures checklists that provide 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™.

The 2017 edition of *Knowledge-Based Audits of Employee Benefit Plans* includes the following updates:

Knowledge-Based Audit Documents (KBAs) have been modified throughout in accordance with authoritative literature, updated references, and peer reviewer checklist considerations. Also included are modifications, references, and tools that can be used for audits of employee benefit plans that file a Form 11-K, including:

| Type of Change | Description of Change | Location | Based on Standard Y/N | Standard Reference | Roll Forward and Update Content Considerations |
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| KBA-101 Overall Audit Strategy | | | | | |
| Modify | New TQ, “Does your plan have an 11k filing with the SEC?” that will flow from AUD-100. | | | | |
| Modify | New TQ, “Has the auditor been engaged to perform an integrated audit (i.e., an audit of internal control over financial reporting that is integrated with the audit of financial statements)? This new TQ will show step 2, “The auditor plans to test operating effectiveness of internal controls in the following significant classes of transactions.” if answered “Yes” along with the show on TQ, “Does the auditor intend to test the operating effectiveness of internal controls over financial reporting” like in past releases. | | | | |

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| Modify | Last sentence of instructions modified; now reads as follows: Certain of these matters should also be communicated to those charged with governance as required by AU-C Section 260, <i>The Auditor's Communication with Those Charged with Governance</i> and/or required by PCAOB AS 16 (as of December 31, 2016, AS 1301), <i>Communications with Audit Committees</i> in the event the engagement team is engaged to perform an audit for a Form 11k filing with the SEC. | Instructions | Y | PCAOB AS 16 (as of December 31, 2016, AS 1301) | |
| Modify | Section I, Reporting Requirements, item 3 modified to add "expected users": Users or expected users of the financial statements (e.g., participants, plan sponsors, DOL). | Procedures step | N | | |
| Modify | Section I, Use of Other Information, modified to add Practice Point: 11k filings only- Practice Point: PCAOB AS 12 (as of December 31, 2016, AS 2110), <i>Identifying and Assessing Risks of Material Misstatement</i> , and AS 5 (as of December 31, 2016, AS 2201), <i>An Audit of Internal Control over Financial Reporting That Is Integrated with an Audit of Financial Statements</i> , describe the appropriate use of audit evidence obtained in prior audits and other engagements, or during client acceptance. | Text | Y | PCAOB AS 12 (as of December 31, 2016, AS 2110), | |
| Modify | Section I, Use of Other Information, modified item 4. "Document the other services our firm performs for this plan" as follows: Has the auditor prepared documentation to address potential independence considerations in accordance with Interpretation 101-3, <i>Performance of Nonattest Services</i> , of Rule 101, <i>Independence</i> , of the AICPA Code of Professional Conduct? The auditor may use AID-201 Nonattest Services Independence Checklist to document these independence considerations. | Procedures step | Y | PCAOB Ethics Interpr. 101, 102, and 191; and SEC Reg. S-X 2.01 | |

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| | <p>This table/question will show if you have selected “No” to the new tailoring question, “Does your plan have an 11k filing with the SEC?”</p> <p>Has the auditor prepared documentation related to PCAOB Ethics Interpretation 101, 102, and 191, and SEC Reg. S-X 2.01? The auditor must obtain preapproval from the audit committee for all nonaudit services to be provided. The auditor may use COR-220A Preapproval of Nonattest Services for this communication and AID-201A Nonattest Services Independence Checklist for 11-K Filings may be used to supplement the information gathered and considered on this form prior to making the decision on whether or not an attest engagement should be accepted or continued.</p> <p>This table/question will show if you have selected “Yes” to the new tailoring question, “Does your plan have an 11k filing with the SEC?”</p> | | | | |
| Modify | <p>Section III, item 3 (and comment box) added: If applicable, the following is our rationale for concluding not to test operating effectiveness of controls: Practice Point added below comment box as follows: Practice Point: If the auditor is assessing control risk at maximum because testing controls would not be effective (as opposed to efficient), for example, the risk assessment procedures have identified controls that are not designed or implemented effectively, a control deficiency exists that must be evaluated and reported. KBA-103 Evaluating and Communicating Internal Control Deficiencies may be used to assess the severity of the deficiency.</p> | Procedures step | N | | |
| KBA-102 Engagement Completion Document | | | | | |
| Modify | <p>Added references for 11-K engagements: Help the auditor document, as required by AU-C Section 230, <i>Audit Documentation</i>, and or PCAOB AS 3 (as of December 31, 2016, AS 1215) for 11k filings), significant matters, findings, or issues, actions taken to</p> | Purpose | Yes | PCAOB AS 3 (as of December | |

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| | address them (including any additional evidence obtained), and the basis for the final conclusions reached. | | | 31, 2016, AS 1215) | |
| KBA-103 Evaluating and Communicating Internal Control Deficiencies | | | | | |
| Modify | SAS-130 updates throughout; modified throughout; added columns 11 and 14 (and modified instructions accordingly); added N/A to column 15. | Purpose; Instructions ; text; table | Y | SAS-130 | All columns will retain on roll forward. |
| Modify | <p>Updated for 11-K Engagements: Discussions with management or those charged with governance (e.g., in an 11-K filing, the audit committee or those overseeing the accounting and financial reporting process, in accordance with PCAOB standards).</p> <p>For audits of employee benefit plans that will be filing form 11-K, PCAOB Auditing Standard No. 5 (AS 5) (as of December 31, 2016, AS 2201), <i>An Audit of Internal Control over Financial Reporting That Is Integrated with an Audit of Financial Statements</i>, and PCAOB Interim Auditing Standard AU 325 (as of December 31, 2016, AS 1305), <i>Communications about Control Deficiencies in an Audit of Financial Statements</i>, require the auditor to communicate significant deficiencies and material weaknesses in writing to management and the audit committee. The communication should be made prior to the issuance of the auditor's report on the financial statements and should distinguish clearly between those matters considered significant deficiencies and those considered material weaknesses. The auditor should evaluate the severity of each internal control deficiency identified to determine whether such deficiency, either individually or when aggregated with other deficiencies, is considered a material weakness or significant deficiency, and to communicate to management and the audit committee those deficiencies determined to be material weaknesses or significant deficiencies, as noted above. The auditor should also consider communicating the potential effects of those deficiencies and whether those deficiencies were remediated during the audit. In explaining the potential effects of the significant</p> | Purpose; Instructions | Yes | PCAOB AS 3 (as of December 31, 2016, AS 1215) | |

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| | <p>deficiencies and material weaknesses, the auditor need not quantify those effects. The potential effects may be described in terms of the control objectives and types of errors the control was designed to prevent, or detect and correct, or in terms of the risk(s) of misstatement that the control was designed to address. In some cases, the potential effects may be evident from the description of the significant deficiencies or material weaknesses.</p> <p>For audits of employee benefit plans that will be filing form 11-K, AS 5 (as of December 31, 2016, AS 2201), paragraph 69, states that the following are indicators of material weaknesses (not all inclusive):</p> <ul style="list-style-type: none"> • Previously issued financial statements having to be restated to correct a material misstatement due to error or fraud. • A material misstatement of the financial statements identified by the auditor that would not have been detected by the entity’s internal control. • Ineffective oversight of the entity’s financial reporting and internal control by the audit committee. • Evidence of ineffective aspects of the control environment, such as: <ul style="list-style-type: none"> – Indications that significant transactions in which management is financially interested are not being appropriately scrutinized by the audit committee or those overseeing the accounting and financial reporting processes. – Identification of management fraud, whether or not material, that was not prevented by the entity’s internal control. – Management’s failure to implement appropriate remedial action on significant deficiencies or material weaknesses previously communicated. | | | | |

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| | <ul style="list-style-type: none"> Absence of a risk assessment process within the entity where such a process would ordinarily be expected to have been established. Evidence of an ineffective entity risk assessment process, such as management’s failure to identify a risk of material misstatement that the auditor would expect the entity’s risk assessment process to have identified. Evidence of an ineffective response to identified significant risks (for example, absence of controls over such a risk). Misstatements detected by the auditor’s procedures that were not prevented, or detected and corrected, by the entity’s internal control. Restatement of previously issued financial statements to reflect the correction of a material misstatement due to error or fraud. | | | | |
| KBA-105 Review of Significant Accounting Estimates | | | | | |
| Modify | Modified table, adding new column (Retrospective Review Performed, Yes, No) and Workpaper Reference column. | Table | N | | All columns will retain on roll forward if user uses the default roll forward settings or the user selects to keep all responses. |
| KBA-200 Plan Information and Background | | | | | |
| Modify | Minor modifications for consistency with wording of related workpapers | Table | N | | |
| KBA-201 Client/Engagement Acceptance and Continuance Form: Complex Plans | | | | | |
| New | The Tailoring Question, “Has the auditor been engaged to perform an integrated audit (i.e., an audit of internal control over financial reporting that is integrated with the audit of financial statements)?” has been added and will show step b in Section III if “Yes” is answered. | | | | This TQ will flow the answer from AUD-100. |
| Modify | Added new steps a, b, c, to Part 2, Section I, table, as follows: Management has not identified a main point of contact. Management and those charged with governance do not care about our integrity. | Table | | | |

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| | Management has not agreed to be available and is unwilling to answer questions and to provide clear answers or requested documentation in a timely fashion. Added threats and safeguards | | | | |
| Modify | Section II heading modified; now reads as follows: Section II: Assessing the Plan’s and Plan Sponsor’s Financial Viability | Text | N | | |
| Modify | Modified Section III table step “b”; now reads: If we have been engaged to perform an integrated audit, are we using the same suitable and available criteria as used by management for its assessment of the effectiveness of the entity’s internal control over financial reporting? (AU-C Section 940, <i>An Audit of Internal Control Over Financial Reporting That Is Integrated With an Audit of Financial Statements</i> , effective for integrated audits for periods ending on or after December 15, 2016). This step will show if the TQ, “Has the auditor been engaged to perform an integrated audit (i.e., an audit of internal control over financial reporting that is integrated with the audit of financial statements)?” is answered “Yes” in AUD-100. | Table | Y | AU-C Section 940 | |
| Modify | Modified Section III table step “n” updated in accordance with peer reviewer checklist considerations; now reads: Does our firm or any of its staff have any existing relationship with the plan, the plan sponsor, or its affiliates, or conflicts of interest that would impair our independence under the AICPA Code of Professional Conduct, the Employee Retirement Income Security Act of 1974 (ERISA), and DOL Regulations? | Procedure step | Y | AICPA Code; ERISA; DOL Regulations | This step will RESET on Roll Forward due to content changes. |
| Modify | Modified Section III table step “o” which now reads as follows: Are there any services that the firm has already provided, is in the process of providing, or will be providing, during the period of the professional engagement that might | | | PCAOB Ethics Interpr. 101; 102; 191; SEC | |

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| | <p>impair independence? (See ET Section 1.295, <i>Nonattest Services</i>, of the AICPA Code of Professional Conduct or for 11K filings, see PCAOB Ethics Interpretation 101, 102, and 191, SEC Reg. S-X 2.01, and ET Section 1.295, <i>Nonattest Services</i>, of the AICPA Code of Professional Conduct.).</p> <p>Practice Point for 11k filings: The auditor must obtain preapproval from the audit committee for all nonattest services to be provided. The auditor may use <i>COR-220 Preapproval of Nonattest Services (For 11-K Filings)</i> for this communication and <i>AID-201A Nonattest Services Independence Checklist (For 11-K Filings)</i> may be used to supplement the information gathered and considered on this form prior to making the decision on whether or not an attest engagement should be accepted or continued.</p> <p>This step will show if the TQ, “Has the auditor been engaged to perform an integrated audit (i.e., an audit of internal control over financial reporting that is integrated with the audit of financial statements)?” is answered “Yes” in AUD-100.</p> | | | Reg. S-X 2.01; ET Section 1.295 | |
| KBA-301 Worksheet for Determination of Materiality, Performance Materiality, and Thresholds for Trivial Amounts | | | | | |
| Modify | Moved “Performance Materiality” section above “Lesser Materiality” on both the Component Materiality tab and the Materiality Calculations tab | Text | N | | |
| KBA-302 Understanding the Plan and Its Environment: Complex Plans | | | | | |
| Modify | <p>Added:</p> <p>For 11-k filings: PCAOB AS 12 (as of December 31, 2016, AS 2110), <i>Identifying and Assessing Risks of Material Misstatement</i>, also requires the auditor to obtain an understanding of the entity’s internal control over financial reporting for an audit of financial statements in order to identify the types of potential misstatements, assess the factors that affect the risks of material</p> | Instructions | Y | PCAOB AS 12 (as of December 31, 2016, AS 2110) | |

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| | <p>misstatement, and design further audit procedures. In an audit of financial statements, the nature, timing and extent of procedures necessary to obtain an understanding of the entity's internal control will depend on the size and complexity of the entity; the auditor's existing knowledge of the entity's internal control over financial reporting, including the use of IT; the nature and extent of changes in systems and operations; and the nature of the entity's documentation of its internal control over financial reporting. Additionally, in the audit of financial statements only, the auditor is required to obtain an understanding of the design of internal controls and whether those internal controls have been implemented. If the auditor intends to rely on internal controls to reduce the nature, timing and extent of his or her substantive audit procedures or has identified a risk for which substantive procedures alone will not provide sufficient appropriate audit evidence, then the auditor must obtain sufficient appropriate audit evidence that the key controls identified to mitigate the risk of material misstatement are operating effectively.</p> | | | | |
| Modify | <p>Added Practice Points:</p> <p>Practice Point: In an integrated audit, since risk assessment underlies the entire audit process for the audit of internal control over financial reporting described by AU-C Section 940, <i>An Audit of Internal Control over Financial Reporting That Is Integrated With an Audit of Financial Statements</i> (effective for integrated audits for periods ending on or after December 15, 2016), the risk assessment procedures described in AU-C Section 315 (and incorporated in this practice aid) support both the financial statement audit and the audit of internal control over financial reporting.</p> <p>Practice Point for 11k filing: In an integrated audit, since risk assessment underlies the entire audit process for the audit of internal control over financial reporting, the risk assessment procedures described in PCAOB AS 12 (as of December 31, 2016, AS 2110) (and incorporated in this practice aid) support both the</p> | Instructions | Y | AU-C Section 940; PCAOB AS 12 (as of December 31, 2016, AS 2110) | |

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| | financial statement audit and the audit of internal control over financial reporting. | | | | |
| Modify | <p>Section VII: Fraud Risk Factors and Noncompliance with Laws and Regulations, added Practice Points:</p> <p>Practice Point: For an integrated audit, AU-C Section 940 states that when planning and performing the audit of internal control over financial reporting, the auditor should (1) incorporate the results of the fraud risk assessment performed in the financial statement audit pursuant to the requirements of AU-C Section 240; (2) evaluate whether the entity's controls sufficiently address identified risks of material misstatement due to fraud and the risk of management override of other controls; and (3) focus more of his or her attention on the areas of higher risk.</p> <p>Practice Point for 11k filings: For an integrated audit, when planning and performing the audit of internal control over financial reporting, the auditor should (1) incorporate the results of the fraud risk assessment performed in the financial statement audit pursuant to the requirements of PCAOB AU 316 (as of December 31, 2016, AS 2401), <i>Consideration of Fraud in a Financial Statement Audit</i>; (2) evaluate whether the entity's controls sufficiently address identified risks of material misstatement due to fraud and the risk of management override of other controls; and (3) focus more of his or her attention on the areas of higher risk.</p> | Text | Y | AU-C Section 940 ; PCAOB AU 316 (as of December 31, 2016, AS 2401), | |
| KBA-302N Understanding the Plan and Its Environment: NonComplex Plans | | | | | |
| Modify | <p>Added:</p> <p>Practice Point: In an integrated audit, since risk assessment underlies the entire audit process for the audit of internal control over financial reporting described by AU-C Section 940, <i>An Audit of Internal Control Over Financial Reporting That Is Integrated With an Audit of Financial Statements</i> (effective for integrated audits for periods ending on or after December 15, 2016), the risk assessment procedures described in AU-C Section 315 (and incorporated in this practice aid) support both the</p> | Instructions | Y | AU-C 940 | |

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| | financial statement audit and the audit of internal control over financial reporting | | | | |
| Modify | <p>Section VI Fraud Risk Factors and Noncompliance with Laws and Regulations, added:</p> <p>Practice Point: For an integrated audit, AU-C Section 940 states that when planning and performing the audit of internal control over financial reporting, the auditor should (1) incorporate the results of the fraud risk assessment performed in the financial statement audit pursuant to the requirements of AU-C Section 240; (2) evaluate whether the entity's controls sufficiently address identified risks of material misstatement due to fraud and the risk of management override of other controls; and (3) focus more of his or her attention on the areas of higher risk.</p> | Text | Y | AU-C 940 | |
| KBA-303 Inquiries of Management and Others Within the Entity About the Risks of Fraud and Noncompliance With Laws and Regulations | | | | | |
| Modify | <p>Modified title and Purpose and Instructions language from “risks of fraud” to “risks of fraud and noncompliance with laws and regulations.”</p> <p>Modified Practice Point, as follows:</p> <p>Practice Point: The auditor may wish to define fraud and noncompliance with laws and regulations as a lead-in to any inquiries. AU-C Section 240, <i>Consideration of Fraud in a Financial Statement Audit</i>, states that fraud is “an intentional act by one or more individuals among management, those charged with governance, employees, or third parties, involving the use of deception that results in a misstatement in financial statements that are the subject of an audit”. AU-C Section 240 specifically deals with the risk of material misstatement due to fraud and states that there are two types of intentional misstatements that are relevant to the auditor—misstatements resulting from fraudulent financial reporting and misstatements resulting from misappropriation of assets. Both of these should be considered by the auditor when assessing the risk of</p> | Purpose; Instructions | Y | AU-C 940 | |

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| | <p>material misstatement. AU-C Section 250, <i>Consideration of Laws and Regulations in an Audit of Financial Statements</i>, refers to noncompliance with laws and regulations as “acts of omission or commission by the entity, either intentional or unintentional, which are contrary to the prevailing laws or regulations. Such acts include transactions entered into by, or in the name of, the entity or on its behalf by those charged with governance, management, or employees. Noncompliance does not include personal misconduct (unrelated to the business activities of the entity) by those charged with governance, management, or employees of the entity.”</p> <p>Practice Point: For an integrated audit, AU-C Section 940, <i>An Audit of Internal Control Over Financial Reporting That Is Integrated With an Audit of Financial Statements</i>, states that when planning and performing the audit of internal control over financial reporting, the auditor should (1) incorporate the results of the fraud risk assessment performed in the financial statement audit pursuant to the requirements of AU-C Section 240; (2) evaluate whether the entity's controls sufficiently address identified risks of material misstatement due to fraud and the risk of management override of other controls; and (3) focus more of his or her attention on the areas of higher risk.</p> | | | | |
| Modify | <p>Added:</p> <p>Practice Point for 11k filings: The auditor may wish to define fraud, illegal acts, and noncompliance with laws and regulations as a lead-in to any inquiries (e.g., “an intentional act by one or more individuals among management, the audit committee, employees, or third parties, involving the use of deception to obtain an unjust or illegal advantage”). PCAOB AU 316 (as of December 31, 2016, AS 2401), <i>Consideration of Fraud in a Financial Statement Audit</i>, specifically deals with the risk of material misstatement due to fraud and states that there are two types of intentional misstatements that are relevant to the auditor—misstatements resulting from</p> | Instructions | Y | PCAOB AU 316(as of December 31, 2016, AS 2401); PCAOB AU 317 (as of December 31, 2016, AS 2405) | |

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| | <p>fraudulent financial reporting and misstatements resulting from misappropriation of assets. Both of these should be considered by the auditor when assessing the risk of material misstatement. PCAOB AU 317 (as of December 31, 2016, AS 2405), <i>Illegals Acts by Clients</i>, refers to illegal acts as “violations of laws or governmental regulations. Illegal acts by clients are acts attributable to the entity whose financial statements are under audit or acts by management or employees acting on behalf of the entity. Illegal acts by clients do not include personal misconduct by the entity’s personnel unrelated to their business activities.”</p> <p>Practice Point for 11k filings: For an integrated audit, when planning and performing the audit of internal control over financial reporting, the auditor should (1) incorporate the results of the fraud risk assessment performed in the financial statement audit pursuant to the requirements of PCAOB AU 316 (as of December 31, 2016, AS 2401); (2) evaluate whether the entity’s controls sufficiently address identified risks of material misstatement due to fraud and the risk of management override of other controls; and (3) focus more of his or her attention on the areas of higher risk.</p> | | | | |
| Modify | <p>Added items under Inquiries of Management:</p> <p>Are you aware of laws or regulations that may be expected to have a fundamental effect on the operations of the entity?</p> <p>Are you aware of any noncompliance with laws and regulations?</p> | Table | N | | |
| Modify | <p>Modified/Added under Inquiries of Management:</p> <p>Document the identity of the entity’s related parties including changes from the previous year, the nature of the relationships between the entity and each related party, and the type and purpose of transactions entered</p> | Table | | | The modified question will be retained on roll forward if user selects to keep all responses. |

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| | <p>into, including how these transactions are identified, accounted for, disclosed, authorized and approved:</p> <p>Describe the entity's policies and procedures regarding compliance with laws and regulations, and for identifying, evaluating, and accounting for litigation claims resulting from noncompliance:</p> <p>Describe the entity's directives issued and periodic representations obtained from management at appropriate levels of authority concerning compliance with laws and regulations.</p> | | | | |
| Modify | <p>Added (under Inquiries of Those Charged with Governance):</p> <p>Are you aware of laws or regulations that may be expected to have a fundamental effect on the operations of the entity?</p> <p>Are you aware of any noncompliance with laws and regulations?</p> <p>Modified/added:</p> <p>Document the identity of the entity's related parties including changes from the previous year, the nature of the relationships between the entity and each related party, and the type and purpose of transactions entered into, including how these transactions are identified, accounted for, disclosed, authorized and approved:</p> | Table | N | | The modified question will be retained on roll forward if user selects to keep all responses. |
| Modify | <p>Added (under Inquiries of Internal Audit Function (if applicable):</p> <p>Are you aware of any noncompliance with laws and regulations?</p> | Table | N | | |
| Modify | <p>Added (under Inquiries of Employees Involved in the Financial Reporting Process):</p> <p>Are you aware of any noncompliance with laws and regulations?</p> | Table | N | | |

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| Modify | <p>Added, under Inquiries of Others:</p> <p>Practice Point: Per AU-C Section 240, <i>Consideration of Fraud in a Financial Statement Audit</i> (or for 11k filings, PCAOB AS-12 (as of December 31, 2016 AS-2110, <i>Identifying and Assessing Risks of Material Misstatements</i>) examples of others within the entity to whom the auditor may wish to direct these inquiries include:</p> <ul style="list-style-type: none"> • Employees involved in initiating, authorizing, processing, or recording complex or unusual transactions (which may help in evaluating the appropriateness of the selection and application of certain accounting policies); • Employees with varying levels of authority within the entity, including, for example, entity personnel with whom the auditor comes into contact during the course of the audit (a) in obtaining an understanding of the entity’s systems and internal control, (b) in observing inventory or performing cutoff procedures, or (c) in obtaining explanations for fluctuations noted as a result of analytical procedures; • Operating personnel not directly involved in the financial reporting process; • Marketing, sales, or production personnel, or other operating personnel not directly involved in the financial reporting process; • In-house legal counsel; • Risk management function; • Information systems personnel; • Chief ethics officer or the equivalent position; and • The person(s) charged with dealing with allegations of fraud. | Table | Y | AU-C Section 240 | |
| Modify | Added (under Inquiries of Others): | Table | N | | The modified question will be retained on roll forward if user selects to keep all responses. |

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| | <p>Are you aware of any noncompliance with laws and regulations?</p> <p>Modified:</p> <p>Based upon the above inquiries, we investigated inconsistencies related to inquiries of management, those charged with governance, and others, and have considered their impact on our assessment of the risk of fraud and identified risks of material misstatement due to fraud that have been summarized at <i>KBA-502 Summary of Risk Assessments</i>.</p> | | | | |
| KBA-400 Scoping and Mapping of Significant Account Balances, Classes of Transactions, and Disclosures | | | | | |
| Modify | Minor modifications for consistency with CORE | Text; table, other than procedures | N | | |
| New | New diagnostic in Table 2 if the user answers column 12, "Are Controls Functioning" as "No" but the user hasn't answered column 7, "If Column 6 is "No" Describe the Control Deficiency Identified". This will remind the user to describe the control deficiency if the controls aren't functioning so there is no blank flow to KBA-103. | Table | N | | |
| New | New diagnostic in Table 3 if the user answers column 13, "Are Controls Functioning" as "No" but the user hasn't answered column 8, "If Column 7 is "No" Describe the Control Deficiency Identified". This will remind the user to describe the control deficiency if the controls aren't functioning so there is no blank flow to KBA-103. | Table | N | | |
| New | Added a comments column at end of Table 1: Scoping and Mapping. This column doesn't have to be completed as it will not have an unanswered question diagnostic. | | | | |
| KBA-401 Understanding Entity-Level Controls-Complex Plans | | | | | |
| Modify | <p>Modified first paragraph (and added after first paragraph), as follows:</p> <p>This form has been designed to provide the auditor with the information necessary to evaluate the design</p> | Instructions | Y | PCAOB AS 5 (as of December | |

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| | <p>effectiveness and implementation of the client’s internal control. This form is based on the requirements of AU-C Section 315, <i>Understanding the Entity and Its Environment and Assessing the Risks of Material Misstatement</i>, and uses the <i>2013 Internal Control—Integrated Framework</i> (Framework), promulgated by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) (or for 11k filings PCAOB AS 5 (as of December 31, 2016, AS 2201), <i>An Audit of Internal Control over Financial Reporting That Is Integrated with an Audit of Financial Statements</i>, and PCAOB AS 12 (as of December 31, 2016, AS 2110), <i>Identifying and Assessing Risks of Material Misstatement</i> for a structure by which to evaluate the plan’s system of internal control. COSO’s Framework has been recognized globally as a suitable framework on which management may develop an entity’s system of internal control and the standard setters discuss the five components of internal control as outlined in the Framework in the requirements for obtaining an understanding of the entity and its environment, including internal control.</p> <p>Obtaining an understanding of entity-level controls is a continuous, dynamic process of gathering, updating, and analyzing information throughout the audit. Identifying significant changes in entity-level controls from previous periods is particularly important in gaining a sufficient understanding of the entity and to identify and assess risks of material misstatement. To highlight significant changes in the current year, the auditor should designate the degree of change from the previous year. A significant change from the previous year may be an indication of a necessary modification to the assessment of risk and design of further audit procedures related to that item. While performing each audit, the auditor should continually update this form to update the knowledge gained in previous years.</p> | | | 31, 2016, AS 2201); PCAOB AS 12 (as of December 31, 2016, AS 2110) | |

| Type of Change | Description of Change | Location | Based on Standard Y/N | Standard Reference | Roll Forward and Update Content Considerations |
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| | <p>Entity-level controls vary in nature and level of precision and the extent to which the auditor may rely on them; therefore, the auditor should consider that:</p> <ul style="list-style-type: none"> • Some entity-level controls, such as certain control environment controls, have an important, but indirect, effect on the likelihood that a misstatement will be detected or prevented on a timely basis. These controls might affect the other controls the auditor selects for testing and the nature, timing, and extent of procedures the auditor performs on other controls. • Some entity-level controls monitor the effectiveness of other controls. Such controls might be designed to identify possible breakdowns in lower-level controls, but not at a level of precision that would, by themselves, sufficiently address the assessed risk that misstatements to a relevant assertion will be prevented or detected on a timely basis. These controls, when operating effectively, might allow the auditor to reduce the testing of other controls. • Some entity-level controls might be designed to operate at a level of precision that would adequately prevent or detect on a timely basis misstatements to one or more relevant assertions. If an entity-level control sufficiently addresses the assessed risk of misstatement, the auditor need not test additional controls relating to that risk. | | | | |
| Modify | <p>Added, under “Procedures Performed to Evaluate the Control/Workpaper Reference: Practice Point for 11k filings: Documenting findings and conclusions about entity-level controls without also documenting the procedures performed and sources of information used to support these findings and conclusions typically would not satisfy the audit</p> | Instructions | Y | PCAOB AS 3 (as of December 31, 2016, AS 1215) | |

| Type of Change | Description of Change | Location | Based on Standard Y/N | Standard Reference | Roll Forward and Update Content Considerations |
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| | documentation requirements of PCAOB AS 3 (as of December 31, 2016, AS 1215), <i>Audit Documentation</i> . | | | | |
| Modify | <p>Modified 2d sentence and bulleted text under “If No, Identify the Type of Deficiency”:</p> <p>AU-C Section 265, <i>Communicating Internal Control Related Matters Identified in an Audit</i> (or for 11k filings PCAOB AU 325 (as of December 31, 2016, AS 1305), <i>Communications about Control Deficiencies in an Audit of Financial Statements</i>, defines deficiencies as follows:</p> <ul style="list-style-type: none"> • Material weakness. A deficiency or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected, on a timely basis. A reasonable possibility exists when the likelihood of an event occurring is either reasonably possible or probable as defined as follows: <ul style="list-style-type: none"> --Reasonably possible. The chance of the future event or events occurring is more than remote but less than likely. --Probable. The future event or events are likely to occur. • Significant deficiency. A deficiency, or a combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness yet important enough to merit attention by those charged with governance. • Deficiency in internal control. A deficiency in internal control over financial reporting exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A deficiency in <i>design</i> exists when (a) a control necessary to meet the control objective is missing, or (b) an existing control is not properly designed so that, even if the control operates as designed, the | Table | Y | PCAOB AU 325 (as of December 31, 2016, AS 1305); ICFR | |

| Type of Change | Description of Change | Location | Based on Standard Y/N | Standard Reference | Roll Forward and Update Content Considerations |
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| | <p>control objective would not be met. A deficiency in <i>operation</i> exists when a properly designed control does not operate as designed or when the person performing the control does not possess the necessary authority or competence to perform the control effectively.</p> <p>Under “If Yes, Are Controls Selected for Operating Effectiveness Testing,” modified Instructions for table: This column should be used to document the auditor’s conclusion as to whether the control will be tested for operating effectiveness. For an integrated audit (AU-C Section 940, <i>An Audit of Internal Control Over Financial Reporting That Is Integrated With an Audit of Financial Statements</i>, effective for integrated audits for periods ending on or after December 15, 2016), the auditor should test those entity-level controls that are important to the auditor’s conclusion about whether the entity has effective internal control over financial reporting</p> | | | | |
| New | New diagnostic if the user answers column 12, “Are Controls Functioning” as “No” but the user hasn’t answered column 7, “If Column 6 is “No” Describe the Control Deficiency Identified”. This will remind the user to describe the control deficiency if the controls aren’t functioning so there is no blank flow to the Conclusion Section. | Table | N | | |
| KBA-401N Understanding Entity-level Controls: Noncomplex Plans | | | | | |
| Modify | <p>Added:</p> <p>Entity-level controls vary in nature and level of precision and the extent to which the auditor may rely on them; therefore, the auditor should consider that:</p> <ul style="list-style-type: none"> Some entity-level controls, such as certain control environment controls, have an important, but indirect, effect on the likelihood that a misstatement will be detected or prevented on a timely basis. These controls might affect the | Instructions | N | | |

| Type of Change | Description of Change | Location | Based on Standard Y/N | Standard Reference | Roll Forward and Update Content Considerations |
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| | <p>other controls the auditor selects for testing and the nature, timing, and extent of procedures the auditor performs on other controls.</p> <ul style="list-style-type: none"> Some entity-level controls monitor the effectiveness of other controls. Such controls might be designed to identify possible breakdowns in lower-level controls, but not at a level of precision that would, by themselves, sufficiently address the assessed risk that misstatements to a relevant assertion will be prevented or detected on a timely basis. These controls, when operating effectively, might allow the auditor to reduce the testing of other controls. Some entity-level controls might be designed to operate at a level of precision that would adequately prevent or detect on a timely basis misstatements to one or more relevant assertions. If an entity-level control sufficiently addresses the assessed risk of misstatement, the auditor need not test additional controls relating to that risk. | | | | |
| Modify | <p>Modified Section III instructions under “If No, Identify the Type of Deficiency”:</p> <p>AU-C Section 265, <i>Communicating Internal Control Related Matters Identified in an Audit</i>, defines deficiencies as follows:</p> <ul style="list-style-type: none"> <i>Material weakness.</i> A deficiency or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected, on a timely basis. A reasonable possibility exists when the likelihood of an event occurring is either reasonably possible or probable as defined as follows: | Table | Y | AU-C Section 265 | |

| Type of Change | Description of Change | Location | Based on Standard Y/N | Standard Reference | Roll Forward and Update Content Considerations |
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| | <ul style="list-style-type: none"> — <i>Reasonably possible</i>. The chance of the future event or events occurring is more than remote but less than likely. — <i>Probable</i>. The future event or events are likely to occur. • <i>Significant deficiency</i>. A deficiency, or a combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness yet important enough to merit attention by those charged with governance. • <i>Deficiency in internal control</i>. A deficiency in internal control over financial reporting exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A deficiency in <i>design</i> exists when (a) a control necessary to meet the control objective is missing, or (b) an existing control is not properly designed so that, even if the control operates as designed, the control objective would not be met. A deficiency in <i>operation</i> exists when a properly designed control does not operate as designed or when the person performing the control does not possess the necessary authority or competence to perform the control effectively. | | | | |
| Modify | <p>Under “Controls Selected for Operating Effectiveness Testing” added:</p> <p>For an integrated audit (AU-C Section 940, <i>An Audit of Internal Control Over Financial Reporting That Is Integrated With an Audit of Financial Statements</i>, effective for integrated audits for periods ending on or after December 15, 2016), the auditor should test those entity-level controls that are important to the auditor’s conclusion about whether the entity has effective internal control over financial reporting.</p> | Instructions | Y | ICFR | |
| KBA-402 Understanding General Controls for Information Technology | | | | | |

| Type of Change | Description of Change | Location | Based on Standard Y/N | Standard Reference | Roll Forward and Update Content Considerations |
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| Modify | <p>Modified Purpose, adding considerations for 11-K filings; now reads as follows:</p> <p>This form will help the auditor gather information related to the entity’s plan-level controls related to information technology (IT). For 11k filings: Public Company Accounting Oversight Board (PCAOB) Auditing Standard No. 5 (AS 5) (as of December 31, 2016, AS 2201), <i>An Audit of Internal Control over Financial Reporting That Is Integrated with an Audit of Financial Statements</i>, paragraph 6 states that the audit of internal control over financial reporting should be integrated with the audit of the financial statements. The auditor should use a top-down approach to the audit of internal control over financial reporting of an entity. A top-down approach begins at the financial statement level and with the auditor's understanding of the overall risks to internal control over financial reporting. The auditor then focuses on entity-level controls and works down to significant accounts and disclosures and their relevant assertions. This approach directs the auditor's attention to significant accounts, disclosures, and the related relevant assertions that present a reasonable possibility of material misstatement to the financial statements and related disclosures. The auditor then verifies his or her understanding of the risks in the entity’s processes and selects for testing those controls that sufficiently address the assessed risk of misstatement to each relevant assertion for each significant account or disclosure.</p> | Purpose | Y | AS 5) (as of December 31, 2016, AS 2201) | |
| Modify | <p>Modified first paragraph (adding considerations for 11K filings)as follows:</p> <p>This form has been designed to gather general information related to the plan’s IT system and to provide the auditor with the information necessary to evaluate the design effectiveness and implementation of the client’s internal control. This form is based on the requirements of AU-C Section 315 <i>Understanding the Entity and Its Environment and Assessing the Risks of Material Misstatement (or for 11k filings PCAOB AS 5 (as of December 31, 2016, AS 2201) and PCAOB AS 12 (as of</i></p> | Instructions | Y | PCAOB AS 5 (as of December 31, 2016, AS 2201) and PCAOB AS 12 (as of December | |

| Type of Change | Description of Change | Location | Based on Standard Y/N | Standard Reference | Roll Forward and Update Content Considerations |
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| | December 31, 2016, AS 2110), <i>Identifying and Assessing Risks of Material Misstatement</i>). Once the auditor has identified information technology controls and determined that they have been effectively designed and properly implemented, the auditor may decide to select a set of controls to test their operating effectiveness. The auditor tests the operating effectiveness of a control by determining whether the control is operating as designed and whether the person performing the control possesses the necessary authority and competence to perform the control effectively. | | | 31, 2016, AS 2110) | |
| Modify | Under Section III, Procedures Performed/Reference, added: Practice Point: for 11k filings: Documenting findings and conclusions about general computer controls without also documenting the procedures performed and sources of information used to support these findings and conclusions typically would not satisfy the audit documentation requirements described in PCAOB AS 3 (as of December 31, 2016, AS 1215), <i>Audit Documentation</i> . | | | PCAOB AS 3 (as of December 31, 2016, AS 1215 | |
| Modify | Modified Section III instructions under “If No, Identify the Type of Deficiency”: AU-C Section 265, <i>Communicating Internal Control Related Matters Identified in an Audit</i> , defines deficiencies as follows: <ul style="list-style-type: none"> • <i>Material weakness.</i> A deficiency or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected, on a timely basis. A reasonable possibility exists when the likelihood of an event occurring is either reasonably possible or probable as defined as follows: | Table | Y | AU-C Section 265 | |

| Type of Change | Description of Change | Location | Based on Standard Y/N | Standard Reference | Roll Forward and Update Content Considerations |
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| | <ul style="list-style-type: none"> — <i>Reasonably possible</i>. The chance of the future event or events occurring is more than remote but less than likely. — <i>Probable</i>. The future event or events are likely to occur. • <i>Significant deficiency</i>. A deficiency, or a combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness yet important enough to merit attention by those charged with governance. • <i>Deficiency in internal control</i>. A deficiency in internal control over financial reporting exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A deficiency in <i>design</i> exists when (a) a control necessary to meet the control objective is missing, or (b) an existing control is not properly designed so that, even if the control operates as designed, the control objective would not be met. A deficiency in <i>operation</i> exists when a properly designed control does not operate as designed or when the person performing the control does not possess the necessary authority or competence to perform the control effectively. | | | | |
| Modify | <p>Modified:</p> <p>If “Yes,” Are Controls Selected for Operating Effectiveness Testing?</p> <p>This column should be used to document the auditor’s conclusion as to whether the control will be tested for operating effectiveness. For an integrated audit (AU-C Section 940, <i>An Audit of Internal Control Over Financial Reporting That Is Integrated With an Audit of Financial Statements</i>, effective for integrated audits for periods ending on or after December 15, 2016), the auditor should test those entity-level controls that are important</p> | Table | Y | AU-C Section 940 | |

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| | to the auditor’s conclusion about whether the entity has effective internal control over financial reporting. | | | | |
| Modify | Under Section I: General Information, table for plan’s IT applications important to financial reporting, added the following item in accordance with peer review checklist): Participant data (e.g., eligibility and enrollment) | Table | N | | |
| New | New diagnostic in the Less Complex table if the user answers column 8, “Are Controls Functioning” as “No” but the user hasn’t answered column 6, “If Not Effectively Designed or Implemented, Describe the Control Deficiency Identified”. This will remind the user to describe the control deficiency if the controls aren’t functioning so there is no blank flow to the Conclusion Section. | Table | N | | |
| New | New diagnostic in the More Complex table if the user answers column 12, “Are Controls Functioning” as “No” but the user hasn’t answered column 7, “If Column 6 is “No” Describe the Control Deficiency Identified”. This will remind the user to describe the control deficiency if the controls aren’t functioning so there is no blank flow to the Conclusion Section. | Table | N | | |
| KBA-403 Understanding Activity-Level Controls: Revenue, Employer and Employee Contributions Receivable, and Cash Receipts through KBA-410 Understanding Activity-Level Controls: Financial Reporting and Closing Process | | | | | |
| Modify | Step 5 instructions, added: <ul style="list-style-type: none"> If testing the operating effectiveness of controls, document the <i>Description of the Identified Key Controls</i> at AID-702 Results of Tests of Controls. Table column modified: <i>Description of the Identified Key Controls</i> <i>(Document in AID-702, if applicable)</i> | Table | N | | |
| New | New diagnostic in the Subprocesses table if the user answers column 14, “Are Controls Functioning” as “No” but the user hasn’t answered column 9, “If Controls Are Not Implemented, Not Designed Effectively, or Only | Table | N | | |

| Type of Change | Description of Change | Location | Based on Standard Y/N | Standard Reference | Roll Forward and Update Content Considerations |
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| | Partially Effective, Describe the Control Deficiency”. This will remind the user to describe the control deficiency if the controls aren’t functioning so there is no blank flow to the Conclusion Section. | | | | |
| Modify | Column 5 header of the subprocess table was modified to read: Description of the Identified Key Controls (Document in AID-702, if applicable) This part in parenthesis was added to remind the user where to document the key controls that may be tested. | | | | |
| KBA-403 Understanding Activity-Level Controls: Revenue, Employer and Employee Contributions Receivable, and Cash Receipts | | | | | |
| Modify | Added control objective (Accuracy, Valuation, or Allocation) under “Employer and Employee Contributions”: Accurate participant data, including payroll information, is used in determining the amount contributed to the plan. | Table | N | | |
| KBA-406 Understanding Activity-Level Controls: Participant Data | | | | | |
| Modify | Added control objective to the Steps 4, 5, and 6 Determine What Can Go Wrong, and Identify and Evaluate Controls That Address What Can Go Wrong table: Census data used in calculating accumulated plan benefit obligations are reconciled to plan sponsor records Modified: Participant data, including census data used in calculating plan obligations, is accurate, in accordance with plan documents, and recorded on a timely basis | Table | N | | The modified step will be RESET on Roll Forward due to content changes. |
| KBA-411 Understanding Controls Maintained by a Service Organization | | | | | |
| New | New Tailoring Question, “Has the auditor been engaged to perform an integrated audit (i.e., an audit of internal control over financial reporting that is integrated with the audit of financial statements)?” that will flow from answer from AUD-100. | | | | |

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| Modify | <p>Modified Practice Point; added Practice Point:</p> <p>Practice Point: This form should be used for evaluating the design and determining the implementation of controls maintained by a service organization. If the risk assessment includes an expectation that controls at the service organization are operating effectively, the auditor should obtain evidence regarding the operating effectiveness of those controls. AU-C Section 402, <i>Audit Considerations Relating to an Entity Using a Service Organization</i>, provides guidance on how to obtain evidence about the operating effectiveness of controls when all or a portion of the plan’s information processing is performed by a service organization. For 11k filings, PCAOB AU 324 (as of December 31, 2016, AS 2601), <i>Service Organizations</i>, (as of December 31, 2016, <i>Consideration of an Entity’s Use of a Service Organization</i>), provides guidance on how to obtain evidence about the operating effectiveness of controls when all or a portion of the entity’s information processing is performed by a service organization.</p> <p>Practice Point: In an integrated audit, if a service organization's services are part of an entity's information system, then they are part of the entity's internal control over financial reporting and the auditor should consider the activities of the service organization when determining the evidence required to support his or her opinion on the effectiveness of an entity's internal control over financial reporting. In such circumstances, the auditor is required to perform the procedures described in AU-C Section 402 (for 11k filings PCAOB AU 324 as of December 31, 2016, AS 2601) with respect to the activities performed by the service organization and obtain evidence that controls at the service organization that are relevant to the auditor’s opinion on internal control over financial reporting are operating effectively.</p> | Purpose | Y | PCAOB AU 324 (as of December 31, 2016, AS 2601); filings PCAOB AU 324 as of December 31, 2016, AS 2601 | |
| Modify | <p>Added step and Practice Point:</p> <ol style="list-style-type: none"> <li data-bbox="241 1398 856 1456">1. We inquired of management to determine if management is aware of any changes in the service | Procedures step | N | | |

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| | <p>organization’s controls subsequent to the period covered by the service auditor’s report, and evaluated the effect of any such changes on the audit.</p> <p>Practice Point: Changes in the service organization’s controls may include:</p> <ul style="list-style-type: none"> • Changes communicated to management from the service organization, including those related to the service organization’s processes and information systems. • Changes in personnel at the service organization with whom management interacts. • Changes in the design or implementation of controls that were necessary to achieve the control objectives. • Changes in reports or other data received from the service organization. • Changes in contracts or service level agreements with the service organization. • Errors identified in the service organization's processing or incidents of noncompliance with laws and regulations or fraud | | | | |
| Modify | <p>Added step as follows:</p> <p>In an integrated audit ,we determined whether additional evidence about the operating effectiveness of controls at the service organization is needed based on (a) the procedures performed by management or us and the results of those procedures, and (b) an evaluation of the following risk factors:</p> <ol style="list-style-type: none"> a. Deficiencies identified as a result of procedures performed. b. The elapsed time between the time period covered by the tests of controls in the service auditor's report and the “as of date” specified in management’s assessment. | Procedures step | N | | |

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| | <p>c. The significance of the activities of the service organization.</p> <p>d. Whether there are errors that have been identified in the service organization's processing.</p> <p>e. The nature and significance of any changes in the service organization's controls identified by management or the auditor.</p> <p>f. If these or similar factors have been found to exist, we determined whether to obtain additional evidence about the operating effectiveness of controls at the service organization.</p> <p>This step will Show if the user answers "Yes" to the new TQ noted above.</p> | | | | |
| Modify | <p>Modified step (10.) as follows:</p> <p>If we plan to use a Type 1 or a Type 2 report that excludes the services provided by a subservice organization and those services are relevant to the audit of the financial statements, we applied the requirements of AU-C Section 402, <i>Audit Considerations Relating to an Entity Using a Service Organization</i> (or for 11k filings PCAOB AU 324 (as of December 31, 2016, AS 2601), <i>Service Organizations</i>, (as of December 31, 2016, <i>Consideration of an Entity's Use of a Service Organization</i>), with respect to the services provided by the subservice organization.</p> | Procedures step | Y | CAOB AU 324 (as of December 31, 2016, AS 2601 | Step will retain on roll forward. |
| Modify | <p>Modified first step under Conclusion:</p> <p>We evaluated whether a sufficient understanding of the nature and significance of the services provided by the service organization and their effect on the entity's internal control relevant to the audit has been obtained to provide a basis for the identification and assessment of the risks of material misstatement, or whether we need to perform updating or other procedures with respect to the service organization.</p> | Table | N | | This step will reset on roll forward since it was combined with another step. Step 2 of the conclusion will retain the answer of this combined step from the prior year. |
| Modify | Added new step 3, under Conclusion: | Table | N | | |

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| | Our assessment of the risk of material misstatement for the affected audit area considers, or has been appropriately updated for, our conclusions reached based on our evaluation of the service organization. | | | | |
| KBA-501 Team Discussion and Consideration of the Risks of Material Misstatement | | | | | |
| Modify | <p>Title modified to “Team Discussion and Consideration of the Risks of Material Misstatement”</p> <p>Added, to the Instructions: This document is designed to help the auditor respond to those risks and to document the auditor’s consideration of fraud in accordance with AU-C Section 240 (and PCAOB AU 316 (as of December 31, 2016, AS 2401 for 11k filings)).</p> | Instructions | Y | AU-C Section 240 | |
| Modify | <p>Modified/added items:</p> <ul style="list-style-type: none"> • The susceptibility of a material misstatement of the financial statements due to fraud or error that could result from the entity’s related-party relationships and transactions, including how related-parties may be involved in fraud, such as: <ul style="list-style-type: none"> – Entities formed to accomplish a specific purpose and that are controlled by management might be used to facilitate earnings management; – Transactions between the entity and an affiliate of a key member of management could be arranged to misappropriate the entity’s assets; – Equity distributions or capital contributions that may be structured as loans; – Transactions between the entity and related parties that may be subject to period-end window dressing (e.g., a stockholder may pay a loan shortly before period-end, but the entity loans the same amount to the stockholder shortly after period-end); and | | | | |

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| | <ul style="list-style-type: none"> - Certain entities (e.g., governmental entities or entities operating in regulated industries) may circumvent laws or regulations that curb their ability to engage in transactions with related parties. | | | | |
| Modify | <p>Added Procedures steps 1 to 5 under “Identification of Risks of Material Misstatement”:</p> <ol style="list-style-type: none"> 1. We discussed the following matters that may be relevant in identifying risks of fraud: <ol style="list-style-type: none"> a. Risk of omitted, incomplete, or inaccurate disclosures. b. Information from the results of procedures relating to the acceptance and continuance of entity relationships and engagements. c. Information from the results of reviews of interim financial statements. d. Inherent risk identified as part of the consideration of audit risk at the relevant assertion level. 2. We reminded all engagement personnel of the need to emphasize professional skepticism, recognizing the possibility that a material misstatement due to fraud may exist, notwithstanding past experience related to the honesty and integrity of management and those charged with governance. 3. We reminded all engagement personnel to critically assess audit evidence, and that if reason exists to doubt the authenticity of documents obtained from management or the contents of those documents, to consult with other team members or experts in the firm where appropriate. 4. We included the person with final responsibility for the audit and other key members of the audit team (e.g., managers, seniors) in the discussion of the risks of material misstatement, including fraud. | | | | <p>These steps will retain from AUD-903 if the user selects to keep all responses on roll forward. If KBA-501 wasn't included in the binder before roll forward please insert it so that these steps will retain on roll forward.</p> |

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| | 5. If auditor's specialists were assigned to the engagement, we considered involving such specialists in the brainstorming session. | | | | |
| Modify | Added: 8. We emphasized the need to discuss the risks of fraud throughout the audit, including when evaluating audit evidence at or near the completion of fieldwork | | | | |
| KBA-502 Summary of Risk Assessments | | | | | |
| Modify | Added, under Section I: Financial-Statement-Level Risks: <ul style="list-style-type: none"> • Scrutinizing those accounting principles involving subjective measurements and complex transactions; • Evaluating the entity's selection and application of significant accounting principles; and | | | | |
| Modify | Modified step 2 under Section II Assertion-Level Risks, now reads as follows: 1. Document any identified risks specific to each area. The auditor should identify risks specific to an area because audit procedures especially designed to address those risks will often need to be performed. For example, the allowance for inventory obsolescence for an entity that sells highly perishable goods may be a specific risk. In that case, the auditor should design audit procedures to address that risk rather than rely on audit procedures typically performed in audits of other entities. These specific risks may also be fraud risks or significant risks. In determining whether a specific risk should be assessed in this form, the auditor should (a) relate the risk to what can go wrong at the relevant assertion level; (b) consider the magnitude of the potential misstatement; (c) consider the likelihood of its occurrence; and (d) consider the pervasiveness of the risk (i.e., is the risk related to specific financial-statement account balances or classes of transactions and related assertions, or is it related to the financial statements as a whole). For example, a large quantity | | | | |

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| | of highly perishable goods in inventory may be evaluated as a specific risk because (a) goods becoming unusable affect the valuation assertion, which is relevant to inventory; (b) the magnitude of the potential misstatement is high because of the large amount of perishable inventory; and (c) the likelihood of occurrence is high because the goods are highly perishable. Note that the significant risks and fraud risks may have already been identified at <i>KBA-400 Scoping and Mapping of Significant Account Balances, Classes of Transactions, and Disclosures</i> . If not done already, the significant or fraud risks should also be identified at <i>KBA-400</i> . | | | | |
| Modify | Modified column 8 instructions: Column 8 to document the assessment of control risk. (Note: To assess control risk at less than maximum, the auditor should perform tests of operating effectiveness of internal controls. Where applicable, after testing the operating effectiveness of internal controls, the auditor should re-evaluate and modify, if necessary, the assessed level of control risk and determine whether any change in assessment would require any modification to the nature, timing, and extent of substantive audit procedures.) | Table | N | KBA-502 | |
| Modify | Added Column 12 instructions and added a “Comments” column to the Section II table: Column 12 to provide additional comments, if necessary. | Table | N | | |
| Modify | Added: Practice Point for 11k filings: PCAOB AS 13.36 (as of December 31, 2016, AS 2301.36) states that irrespective of the assessed risks of material misstatement, the auditor should design and perform substantive procedures for all relevant assertions related to each material class of transactions, account balance, and disclosure. | Text | Y | PCAOB AS 13.36 (as of December 31, 2016, AS 2301.36) | |
| KBA-903 Tax Specialist Review Checklist | | | | | |
| Modify | Under “Tax Specialist Review”, added item as follows: | Procedures step | N | | |

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| | Provisions for unrecognized tax benefits (uncertain tax positions), including the related liability, penalties, and interest have been properly accounted for and disclosed. | | | | |
| KBA-904 Audit Documentation Checklist | | | | | |
| New | New Tailoring Question, “Has the auditor been engaged to perform an integrated audit (i.e., an audit of internal control over financial reporting that is integrated with the audit of financial statements)?” that will flow from answer from AUD-100. | | | | |
| Modify | <p>SAS-130 Updates, steps 1 and 2, as follows:</p> <p>1.a. The objective and scope of the audit of the financial statements or, if applicable, the audit of internal control over financial reporting that is integrated with an audit of financial statements (“integrated audit”);</p> <p>1.e. A statement that because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk exists that some material misstatements may not be detected, even though the audit is properly planned and performed in accordance with U.S. GAAS; and</p> <p>2. For an integrated audit, we requested and obtained from management its written assessment about the effectiveness of the entity’s internal control over financial reporting (AU-C Section 940, <i>An Audit of Internal Control Over Financial Reporting That Is Integrated With an Audit of Financial Statements</i>, effective for integrated audits for periods ending on or after December 15, 2016).</p> <p>Practice Point: Management’s refusal to provide a written assessment represents a scope limitation. See RES-001 Knowledge-Based Audit Methodology Overview for further guidance.</p> <p>The 2nd step above, that was added, will show if the new TQ above is answered as “Yes”.</p> | Table | Y | | Due to the changes within step 1 it will reset on roll forward. Step 2 was added as a new step. |

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| Modify | SAS-130 Updates, step 5as follows: The audit documentation includes the following (AU-C 300; AU-C 940): The overall audit strategy for the audit of the financial statements or, if applicable, the integrated audit; | Table | Y | AU-C 300; AU-C 940 | Due to the changes in step 5 and 5a these two steps will reset on roll forward. |
| Modify | Added substep 16. j., (audit documentation step) as follows, in accordance with peer reviewer checklist): Abstracts or copies of significant contracts and agreements inspected (AU-C 230); and | Procedures step | N | | |
| Modify | Added Practice Point under the step for Assembly of final audit file completed within 60 days after report release date (AU-C 230) as follows (in accordance with peer reviewer checklist item): Practice Point: After the documentation completion date, the auditor should not delete or discard any audit documentation prior to the end of the specified retention period. In addition, the auditor should maintain confidentiality, safe custody, integrity, accessibility, and retrievability of the files, as well as ensure the proper retention of the engagement files for a period sufficient to meet the needs of the audit firm or as required by law or regulation, but would ordinarily be no less than 5 years from the report release date. | Procedures step | N | | |
| NEW | KBA-904A Audit Documentation Checklist (For 11-K Filings) | | Yes | PCAOB AS 3 (as of December 31, 2016, AS 1215) | This form will be a flat file and has no KC functioning. If the benefit plan under audit has an 11-K filing then please use this form instead of the regular KBA-904. |

Audit Programs (AUDs): have been modified throughout in accordance with authoritative literature, updated references, and peer reviewer checklist considerations. Also included are modifications, references, and tools that can be used for audits of employee benefit plans that file a Form 11-K, including:

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| AUD-100 Engagement-Level Tailoring Questions | | | | | |
| New | <p>New TQ: Has the auditor been engaged to perform an integrated audit (i.e., an audit of internal control over financial reporting that is integrated with the audit of financial statements)?</p> <p>If this TQ is marked as “Yes” then the TQ, “Does the auditor intend to test the operating effectiveness of internal controls over financial reporting?” will default to “Yes” and will be hidden.</p> <p>If his TQ is marked as “No” then the TQ, “Does the auditor intend to test the operating effectiveness of internal controls over financial reporting?” will be left for user selection.</p> <p>TQ will affect other workpapers within the title.</p> | | | | <p>If the TQ “Does the auditor intend to test the operating effectiveness of internal controls over financial reporting?” was answered “Yes” in the prior year then after roll forward this question will be hidden by default but retains the “Yes” answer.</p> <p>The tailoring question above will only show in AUD-100 if you have answered “No” to this new TQ, “Has the auditor been engaged to perform an integrated audit (i.e., an audit of internal control over financial reporting that is integrated with the audit of financial statements)?”</p> <p>After you answer this new TQ, the TQ, “What audit areas, applicable to the engagement, will you be performing tests of operating effectiveness of controls?” will show and retain your prior year response.</p> |
| Modify | <p>New TQ: Does your plan have an 11k filing with the SEC?</p> <p>This TQ will only show if the TQ, “Is this a full-scope audit?” is answered “Yes”.</p> | | | | |
| AUD-101 Overall Audit Program | | | | | |
| New | <p>New TQ: Has the auditor been engaged to perform an integrated audit (i.e., an audit of internal control over financial reporting that is integrated with the audit of financial statements)? TQ will flow from AUD-100.</p> <p>New TQ will show/hide multiple steps within AUD-101. Each of these are new steps for this title.</p> <p>TQ answer will flow from AUD-100.</p> | | | | |
| Modify | <p>Modified first paragraph as follows:</p> <p>This overall audit program has been designed to help the auditor apply an audit methodology to an audit of financial statements (and, if applicable, an audit of internal control over financial reporting) in accordance with professional auditing standards by listing the steps that should typically be performed in each phase of an audit. This program is supplemented by forms and practice aids to help the auditor perform various audit</p> | Purpose | Y | ICFR | |

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| | process steps. In addition to this program and the accompanying forms and practice aids, the auditor will need to create additional audit documentation during the course of the audit. | | | | |
| Modify | <p>Modified and updated throughout for ICFR and with new references and Practice Points where applicable.</p> <p>Added step (new step 3) and Practice Point, step will show if the TQ above is answered “Yes”:</p> <p>2. For an integrated audit, determine which suitable and available criteria has been used by management for its assessment of the effectiveness of the entity’s internal control over financial reporting for use in our evaluation of the effectiveness of the entity’s internal control over financial reporting. (AU-C Section 940, <i>An Audit of Internal Control Over Financial Reporting That Is Integrated With an Audit of Financial Statements</i>, effective for integrated audits for periods ending on or after December 15, 2016).</p> <p>Practice Point: The auditor should plan and perform the audit of internal control over financial reporting to obtain appropriate evidence that is sufficient to provide reasonable assurance about whether material weaknesses exist as of the date specified in management’s assessment about the effectiveness of internal control over financial reporting. To achieve this objective, the auditor should use the same suitable and available criteria to perform the audit of internal control over financial reporting as management uses for its assessment of the effectiveness of the entity’s internal control over financial reporting.</p> | Text; procedures steps | Y | AU-C 940 | |
| Modify | <p>Added new step (14) and Practice Points, step will show if the TQ above is answered “Yes”:</p> <p>For an integrated audit, obtain from management its written assessment of the effectiveness of the entity’s internal control over financial reporting. (AU-C Section 940, <i>An Audit of Internal Control Over Financial Reporting That Is Integrated With an Audit of Financial</i></p> | Procedures steps | Y | AU-C 940 | |

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| | <p><i>Statements</i>, effective for integrated audits for periods ending on or after December 15, 2016).</p> <p>Practice Point: Management’s refusal to provide the auditor with a written assessment represents a scope limitation. See <i>RES-001 Knowledge-Based Audit Methodology Overview</i> for further guidance.</p> <p>Practice Point: Management’s assessment about internal control over financial reporting should include: (1) entities that are acquired on or before the date specified in management’s assessment; (2) operations that are accounted for as discontinued operations on the date specified in management’s assessment; and (3) for equity-method investment components, controls over the reporting in the entity’s financial statements of the entity’s portion of the investees’ income or loss, the investment balance, adjustments to the income or loss and investment balance, and related disclosures.</p> | | | | |
| Modify | <p>Step 17, modified step, which now reads as follows: Establish and document the overall audit strategy for the audit of financial statements, and if applicable, the audit of internal control over financial reporting, that sets the scope, timing, and direction of the audit, and that guides the development of the audit plan.</p> <p>Added:</p> <p>Practice Point: For an integrated audit (AU-C Section 940, <i>An Audit of Internal Control Over Financial Reporting That Is Integrated With an Audit of Financial Statements</i>, effective for integrated audits for periods ending on or after December 15, 2016), the following factors may assist the auditor in developing an audit strategy and planning the audit of internal control over financial reporting:</p> <ul style="list-style-type: none"> • Knowledge of the entity’s internal control over financial reporting obtained during other engagements performed by the auditor or, if | Procedures steps | Y | AU-C 940 | Step will reset on roll forward due to extent of changes. |

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| | <p>applicable, during a review of a predecessor auditor's working papers;</p> <ul style="list-style-type: none"> • Matters affecting the industry in which the entity operates, such as financial reporting practices, economic conditions, laws and regulations, and technological changes; • Matters relating to the entity's business, including its organization, operating characteristics, and capital structure; • The nature and extent of recent changes, if any, in the entity, its operations, or its internal control over financial reporting; • The auditor's preliminary judgments about financial statement materiality, risk, and other factors relating to the determination of material weaknesses; • Internal control deficiencies previously communicated to those charged with governance or management; • Legal or regulatory matters of which the entity is aware; • The type and extent of available evidence related to the effectiveness of the entity's internal control over financial reporting; • Preliminary judgments about the effectiveness of internal control over financial reporting; • Public information about the entity pertinent to the evaluation of the likelihood of material financial statement misstatements and the effectiveness of its internal control over financial reporting; • Knowledge about specific risks related to the entity that were evaluated as part of the acceptance and retention evaluation of the client; and • Complexity of the entity's operations. | | | | |

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| | <p>Updated references:</p> <p><i>KBA-101 Overall Audit Strategy</i></p> <p><i>AID-601 Considering the Use of the Work of Internal Auditors</i></p> <p><i>AID-602 Understanding and Preliminary Assessment of the Entity’s Internal Audit Function</i></p> <p><i>AID-603 Component Identification and Analysis</i></p> <p><i>AUD-601 Audit Program: Testing and Evaluating Internal Auditors’ Work</i></p> <p><i>AUD-602 Audit Program: Involvement of a Component Auditor</i></p> <p><i>AUD-603 Audit Program: Using the Work of an Auditor’s Specialist</i></p> <p><i>AUD-604 Audit Program: Using the Work of a Management’s Specialist</i></p> | | | | |
| Modify | <p>Step (23) modified:</p> <p>Hold a discussion among the engagement team, which should include the engagement partner and other key engagement team members, including any component auditors, to emphasize the need to use professional skepticism and to discuss the susceptibility of the entity’s financial statements to material misstatements, whether due to error or fraud, and the application of the applicable financial reporting framework to the entity’s facts and circumstances.</p> | Procedures step | Y | ICFR | |
| Modify | <p>Added step (25) and substeps as follows:</p> <p>Obtain an understanding of the entity’s business rationale for significant unusual transactions and whether that suggests the transactions may have been entered into to engage in fraudulent financial reporting or conceal misappropriation of assets. In obtaining such an understanding, consider the following:</p> <p>a. Whether the structure of such transactions is unnecessarily complex (e.g., involving multiple entities within a consolidated group or unrelated third parties).</p> | Procedures step | Y | ICFR | |

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| | <ul style="list-style-type: none"> b. Whether management has informed those charged with governance about the nature of and accounting for such transactions. c. Whether management is emphasizing the need for a particular accounting treatment over the underlying economics of the transaction. d. Whether those charged with governance have reviewed and approved transactions that involve unconsolidated related parties. e. Whether the transactions involve previously unidentified related parties or parties that are unable to support the transaction without assistance from the entity being audited. | | | | |
| Modify | <p>Modified step (26) as follows: Make required fraud and noncompliance with laws and regulations inquiries of those charged with governance, the internal audit function, and others within the entity (e.g., operating personnel not directly involved in the financial reporting process and employees with different levels of authority considered to have information that is likely to assist in identifying risks of material misstatement).</p> | Procedures step | Y | ICFR | |
| Modify | <p>Modified step (32) as follows: Presume that there is a risk of material misstatement due to fraud as a result of improper revenue recognition, and develop auditing procedures based on the understanding obtained of the entity and its environment, including the composition of revenues, specific attributes of the revenue transactions, and unique industry considerations.</p> | Procedures step | Y | ICFR | |
| Modify | <p>Added step (46) and substeps as follows:</p> <ul style="list-style-type: none"> a. Evaluate whether the entity's controls sufficiently address identified risks of material misstatement due to fraud and controls intended to address the risk of management override of other controls, including: Controls over significant, unusual transactions, particularly | Procedures step | Y | ICFR | |

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| | <p>those that result in late or unusual journal entries;</p> <ul style="list-style-type: none"> b. Controls over journal entries and adjustments made in the period-end financial reporting process; c. Controls over related party transactions; d. Controls related to significant management estimates; and e. Controls that mitigate incentives for, and pressures on, management to falsify or inappropriately manage financial results. | | | | |
| Modify | <p>Modified step (57) as follows: Design further audit procedures to respond to the assessed risks of material misstatement at the relevant assertion level, including the risks of management override of internal controls, providing a clear link between the nature, timing, and extent of audit procedures and the risk assessments due to fraud or error. The procedures must address all relevant assertions related to each significant account balance, class of transactions, and disclosure, as well as the financial statement closing process. Procedures may include:</p> <ul style="list-style-type: none"> a. Obtaining additional corroborative audit evidence from independent sources outside the entity or physically inspecting certain assets. b. Performing substantive tests closer to or at year-end. c. Increasing sample sizes or using computer-assisted audit techniques. d. Performing substantive analytical procedures using disaggregated data, for example, comparing gross profit by location, by line of business, or by month to expectations developed by the auditor. e. Performing procedures at locations on a surprise or unannounced basis. | Procedures step | Y | ICFR | Step will reset on roll forward due to extent of changes |

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| | <p>f. Making oral inquiries of major customers and suppliers in addition to sending written confirmations.</p> <p>g. Interviewing personnel involved in activities in areas where fraud risk has been identified to obtain their insights about the risk and how controls address the risk.</p> <p>h. If other auditors are auditing the financial statements of other components (e.g., subsidiaries, divisions), discussing with them the extent of work that needs to be performed to address the fraud risk resulting from transactions and activities among these components.</p> | | | | |
| Modify | <p>Added step (63) and Practice Point, step will show if the TQ above is answered “Yes”:</p> <p>For an integrated audit, test those entity-level controls that (1) support our assessment of control risk, and (2) are important to our conclusion about whether the entity has effective internal control over financial reporting. (AU-C Section 940, <i>An Audit of Internal Control Over Financial Reporting That Is Integrated With an Audit of Financial Statements</i>, effective for integrated audits for periods ending on or after December 15, 2016).</p> <p>Practice Point: The auditor should evaluate and test controls over the following:</p> <ul style="list-style-type: none"> • Controls related to the control environment, including whether management’s philosophy and operating style promote effective internal control over financial reporting; • Controls over management override; • The entity’s risk assessment process; • Centralized processing and controls, including shared service environments; • Controls to monitor results of operations; • Controls to monitor other controls, including activities of the internal audit function, those | Procedures step | Y | ICFR | |

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| | <p>charged with governance, and self-assessment programs;</p> <ul style="list-style-type: none"> • Controls over the period-end financial reporting process; and • Programs and controls that address significant business risks. | | | | |
| Modify | <p>Added step (92) as follows: For an integrated audit, the auditor may issue either separate reports or a combined report on the entity's financial statements and on internal control over financial reporting, and the dates of the reports should be the same when issuing separate reports. (AU-C Section 940, <i>An Audit of Internal Control Over Financial Reporting That Is Integrated With an Audit of Financial Statements</i>, effective for integrated audits for periods ending on or after December 15, 2016). AID-903</p> | Procedures step | Y | ICFR | |
| Modify | <p>Modified step (95) and Practice Point as follows: Communicate in writing significant deficiencies in internal control and material weaknesses to management and those individuals responsible for financial reporting oversight. Alternatively, if no material weaknesses exist and the client requests the auditor to communicate such, a “no material weaknesses” communication may be issued if the auditor is not performing an integrated audit. COR-904 Communication to Entity with Significant Deficiencies and/or Material Weaknesses COR-904A Communication to Entity with Significant Deficiencies and/or Material Weaknesses: ICFR COR-905 Communication to Entity with No Material Weaknesses (Not for Use When Performing an Integrated Audit) Practice Point: For an integrated audit, the auditor should not issue a report indicating that no material</p> | Procedures step | Y | ICFR | Step will reset on roll forward due to extent of changes |

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| | weaknesses were identified during the integrated audit because the auditor is issuing a report that expresses an opinion on the effectiveness of the entity’s internal control over financial reporting. (AU-C Section 940, <i>An Audit of Internal Control Over Financial Reporting That Is Integrated With an Audit of Financial Statements</i> , effective for integrated audits for periods ending on or after December 15, 2016). | | | | |
| Modify | Modified step (98) as follows: Obtain a representation letter addressed to the auditor signed by management with appropriate responsibilities for the financial statements and, if applicable, internal control over financial reporting and knowledge of the matters concerned. <i>COR-901 Management Representation Letter</i> <i>COR-901A Management Representation Letter: ICFR</i> | Procedures step | Y | ICFR | Step will reset on roll forward due to extent of changes |
| Modify | Modified step (101): Issue the auditor’s report on the financial statements, and if applicable, on the integrated audit, and document the report release date. <i>AID-903</i> | Procedures step | N | | Step will reset on roll forward due to extent of changes |
| AUD-201 Opening Balances and Additional Audit Procedures for an Initial Audit Engagement | | | | | |
| Modify | Modified Step 2 under “Successor/Predecessor Auditor Communications: Prior to beginning the initial audit engagement, we have requested management to authorize the predecessor auditor to release his or her information to us, respond fully to all inquiries by us, and we have communicated with the predecessor auditor in accordance with professional standards. | | | | Step will reset on roll forward due to extent of changes |
| AUD-202 Planning the Employee Benefit Plan Audit | | | | | |
| Modify | Modified Step 2 which now reads: Discuss the scope of the audit with the plan trustees or administrator to determine whether a full-scope or limited- scope audit should be conducted; and identify the | | | | Step will reset on roll forward due to extent of changes |

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| | <p>form and content of the financial statements, including any supplementary information required.</p> <p><i>Note:</i> In a DOL limited scope audit, if not all investments are certified by a qualifying institution, those investments that are not covered by a valid certification are subject to full-scope audit procedures.</p> | | | | |
| AUD-601 Audit Program: Testing and Evaluating Internal Auditors' Work | | | | | |
| Modify | <p>Modified Purpose section (now reads as follows); added a new Practice Point:</p> <p>This audit program has been designed to assist the auditor in accomplishing the following objectives when the auditor expects to use the work of the internal audit function to modify the nature or timing or reduce the extent of audit procedures to be performed during the audit of financial statements or, when applicable, the audit of internal control over financial reporting:</p> <ul style="list-style-type: none"> • Determine whether the work of the entity's internal audit function, or others in a similar function (hereinafter referred to as "internal audit function"), or direct assistance from the internal auditors can be used and, if so in which areas and to what extent; • If using the work of the internal audit function to obtain audit evidence, determine whether such work is adequate for the purposes of the audit; and • If using internal auditors to provide direct assistance, determine the appropriate level of direction, supervision, and review of their work. <p>Practice Point: When the auditor plans to use the work of others in obtaining audit evidence or to provide direct assistance in the audit of internal control over financial reporting, the auditor should apply the requirements in AU-C Section 610, <i>Using the Work of Internal Auditors</i>, as if others were internal auditors.</p> | Purpose | Y | AU-C Section 610 | |
| Modify | Added: | Purpose | Y | PCAOB AU | |

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| | For 11k filings, PCAOB AU Section 322 (as of December 31, 2016, AS 2605), <i>The Auditor's Consideration of the Internal Audit Function in an Audit of Financial Statements</i> (as of December 31, 2016, <i>Consideration of the Internal Audit Function</i>), provides further guidance on this topic. | | | Section 322 (as of December 31, 2016, AS 2605) | |
| Modify | Added new substep (2.a.) as follows: An understanding of the work of the internal audit function sufficient to identify those activities related to the audit. | Purpose | Y | ICFR | |
| AUD-602 Audit Program: Involvement of a Component Auditor | | | | | |
| Modify | <p>Added a new step (9) for employee benefit plans filing an 11-K:</p> <p>For an audit of an employee benefit plan that is filing an 11-K, prior to the report release date, we obtained, reviewed and retained the following information from the other auditor:</p> <ul style="list-style-type: none"> a. An engagement completion document prepared in accordance with professional standards (paragraphs 12 and 13 of PCAOB Auditing Standard No. 3 (as of December 31, 2016, AS 1215)). (Note: This engagement completion document should include all cross-referenced, supporting audit documentation.) b. A list of significant risks (including fraud risks), the auditor's response, and the results of the auditor's related procedures. c. Sufficient information relating to significant findings or issues that are inconsistent with or contradict the auditor's final conclusions, in accordance with professional standards (paragraph 8 of PCAOB Auditing Standard No. 3 (as of December 31, 2016, AS 1215)). d. Any findings affecting the consolidating or combining of accounts in the consolidated financial statements. | Procedures | Y | PCAOB AU Section 322 (as of December 31, 2016, AS 2605) | |

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| | <ul style="list-style-type: none"> e. Sufficient information to enable the office issuing the auditor’s report to agree or reconcile the financial statement amounts audited by the other firm to the information underlying the consolidated financial statements. f. A schedule of accumulated misstatements, including a description of the nature and cause of each accumulated misstatement, and an evaluation of uncorrected misstatements, including the quantitative and qualitative factors the auditor considered to be relevant to the evaluation. g. All significant deficiencies and material weaknesses in internal control over financial reporting, including a clear distinction between those two categories. h. Letters of representations from management. i. All matters to be communicated to the audit committee. <p>Details of our review of the above materials are documented (or referenced) below:</p> <p>This step will show if the TQ, “Does your plan have an 11k filing with the SEC?” is answered Yes.</p> | | | | |
| Modify | <p>Added a new step (18) with floatie options for employee benefit plans filing an 11-K:</p> <p>For audits of employee benefit plans that will be filing an 11-K, based on the knowledge gained about the component auditor’s qualifications, independence, and professional expertise above, we have decided the following:</p> <ul style="list-style-type: none"> 1. No reference will be made to the other auditor in our audit report, and the work performed by the other auditor is significant. 2. No reference will be made to the other auditor in our audit report, and the work performed by the other auditor is NOT significant. 3. Reference will be made to the component auditor in our audit. | | Y | PCAOB AU Section 322 (as of December 31, 2016, AS 2605) | |

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| | This step will show if the TQ, “Does your plan have an 11k filing with the SEC?” is answered Yes. | | | | |
| Modify | Added a “Not Applicable” option to question 10, “If the component prepares financial statements using a different financial reporting framework than that used by the group, we have evaluated following:” | Floatie option | | | This question will retain on roll forward if the workpaper is set to keep all responses on roll forward. |
| Modify | <p>Modified Purpose; now reads as follows:</p> <p>This audit program has been designed to help the auditor in the audit of group (or combined) financial statements and, if applicable, in the audit of internal control over financial reporting for the group:</p> <ul style="list-style-type: none"> • Plan procedures when involving a component auditor, whether from another office of the firm, correspondent, affiliate, or another independent auditor, in the group financial statement audit and, if applicable, in the audit of internal control over financial reporting for the group; • Document the procedures the group engagement team performed to supervise and review the work performed by the component auditor; and • When applicable, decide whether to make reference to the component auditor in the auditor’s report. | Purpose | Y | ICFR | |
| Modify | <p>Modified instructions; added new Practice Point; now reads as follows:</p> <p>This audit program should be used when the auditor plans to involve another office of the firm, correspondent, affiliate, or independent auditor to audit the financial statements and, if applicable, internal control over financial reporting of one or more subsidiaries, divisions, branches, components, or investments included in the financial statements.</p> <p>The auditor may use <i>AID-603 Component Identification and Analysis</i>, to identify, assess significance of, and document all the components included in the group.</p> | Instructions | Y | AU-C Section 940 | |

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| | <p>This audit program contemplates that (1) the group engagement team will establish an overall group audit strategy and develop a group audit plan(s), and (2) the group engagement partner is responsible for reviewing the overall group audit strategy and group audit plan(s), including the direction, supervision, and performance of the group audit engagement(s) in compliance with professional standards and applicable legal and regulatory requirements. For more information about group audits, refer to AU-C Section 600, <i>Special Considerations—Audits of Group Financial Statements (Including the Work of Component Auditors)</i> and, for integrated audits, AU-C Section 940, <i>An Audit of Internal Control Over Financial Reporting That Is Integrated With an Audit of Financial Statements</i>, which is effective for integrated audits for periods ending on or after December 15, 2016. If the decision is made to assume responsibility for the work of a component auditor, no reference is made to the component auditor’s work or report. If the decision is made to not assume that responsibility, the report should reference the audit of the component auditor and should indicate clearly the division of responsibility between the auditor of group financial statements and the component auditor in expressing an opinion on the group financial statements. Regardless of the decision reached, the component auditor remains responsible for the performance of his or her own work and for his or her own report(s).</p> <p>Practice Point: The decision about whether to make reference to a component auditor in the auditor’s report on internal control over financial reporting over the group financial statements might differ from the corresponding decision as it relates to the audit of the financial statements. For example, the audit report on the group financial statements may make reference to the audit of a significant equity investment performed by a component auditor, but the report on internal control over financial reporting over the group financial statements might not make a similar reference because management’s</p> | | | | |

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| | assessment about internal control over financial reporting ordinarily would not extend to controls at the equity method investee. | | | | |
| Modify | Modified Practice Point under step 16: Practice Point: The decision to make reference to the audit of a component auditor is made individually for each component auditor. The auditor of the group financial statements may make reference to any, all, or none of the component auditors. For integrated audits, in situations in which management elects to limit its assessment about internal control over financial reporting by excluding certain entities, the auditor should evaluate whether it is appropriate, in the auditor’s judgment, to do so. If the auditor concludes that it is appropriate, the auditor should include in the introductory paragraph of the report a disclosure similar to management’s regarding the exclusion of an entity from the scope of both management’s assessment about internal control over financial reporting and the auditor’s audit of internal control over financial reporting. Additionally, the auditor should evaluate the appropriateness of management’s disclosure related to such a limitation. | Procedures step | Y | ICFR | |
| AUD-603 Audit Program: Using the Work of an Auditor’s Specialist | | | | | |
| Modify | Added Practice Point to the Instructions: Practice Point: An auditor’s specialist includes either an auditor’s internal specialist (who is a partner or staff, including temporary staff, of the auditor’s firm or a network firm) or an auditor’s external specialist. | Instructions | N | | |
| Modify | Added new Practice Point: Practice Point For 11k filings: Documenting findings and conclusions without also documenting the procedures performed and sources of information used to support these findings typically would not satisfy the documentation requirements described in PCAOB AS 3 (as of December 31, 2016, AS 1215), <i>Audit Documentation</i> . | Instructions | Y | PCAOB AS 3 (as of December 31, 2016, AS 1215) | |
| AUD-604 Audit Program: Using the Work of a Management’s Specialist | | | | | |

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| Modify | Added new Practice Point as follows: Practice Point for 11k filings: Documenting findings and conclusions without also documenting the procedures performed and sources of information used to support these findings typically would not satisfy the documentation requirements described in PCAOB AS 3 (as of December 31, 2016, AS 1215), <i>Audit Documentation</i> . | Instructions | Y | PCAOB AS 3 (as of December 31, 2016, AS 1215) | |
| Modify | Under “Evaluating the Competence, Capabilities, and Objectivity of the Management’s Specialist”, modified step (4.), which now reads as follows: The following describes our understanding of the nature, scope, and objectives of the work of management's specialist, as well as complexity and the nature of the matter to which management’s specialist will perform work, including the risk of material misstatement related to the matter. | Text | N | | |
| AUD-701 Audit Program: Designing Tests of Controls | | | | | |
| New | New TQ: Has the auditor been engaged to perform an integrated audit (i.e., an audit of internal control over financial reporting that is integrated with the audit of financial statements)? TQ answer will flow from AUD-100 | | | | |
| Modify | Added the following to the Instructions: For an integrated audit (AU-C Section 940, <i>An Audit of Internal Control Over Financial Reporting That Is Integrated With an Audit of Financial Statements</i> , effective for integrated audits for periods ending on or after December 15, 2016), the auditor should design tests of controls to: a. Obtain sufficient appropriate audit evidence to support the auditor's opinion on internal control over financial reporting as of the date specified in management’s assessment about internal control over financial reporting; and | Instructions | Y | SAS-130; AU-C 940 | |

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| | <p>b. Obtain sufficient appropriate audit evidence to support the auditor's control risk assessments for purposes of the audit of financial statements.</p> | | | | |
| Modify | <p>Updated for SAS-130 throughout. Added the following section, steps, and substeps:</p> <p>Integrating the Audit of Internal Control Over Financial Reporting with the Financial Statement Audit (AU-C Section 940, <i>An Audit of Internal Control Over Financial Reporting That Is Integrated With an Audit of Financial Statements</i>, effective for integrated audits for periods ending on or after December 15, 2016)</p> <p>15. We have considered the effect of the results of the financial statement auditing procedures on our risk assessments and the testing necessary to conclude on the operating effectiveness of a control.</p> <p>16. In selecting which internal controls to test for operating effectiveness, we have focused more attention on areas of higher risk and have taken into consideration our assessment of fraud risk (including the risk of management override of other controls).</p> <p>17. For purposes of identifying significant classes of transactions, account balances, and disclosures, and their relevant assertions, and understanding the likely sources of potential misstatements, we have:</p> <p>a. Obtained an understanding of the flow of transactions related to the relevant assertions, including how these transactions are initiated, authorized, recorded, processed, and reported;</p> <p>b. Identified the points within the entity's processes at which a misstatement due to fraud or error could arise that, individually or in combination with other misstatements, would be material;</p> <p>c. Identified the controls that management has implemented to address these potential misstatements; and</p> <p>d. Identified the controls that management has implemented over the prevention, or timely detection and correction, of unauthorized acquisition, use, or</p> | Procedures steps | Y | AU-C Section 940 | |

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| | <p>disposition of the entity’s assets that could have a material effect on the financial statements.</p> <p>18. For each significant account balance, class of transactions, and disclosure and their relevant assertions, we have obtained an understanding of how IT affects the entity’s flow of transactions and how the entity has responded to risks arising from IT.</p> <p>19. When, during the audit of internal control over financial reporting, we identified deficiencies in internal control over financial reporting (including deficiencies in controls that are designed to prevent, or detect and correct, misstatements due to fraud), we have determined the effect of the deficiency on the nature, timing, and extent of substantive procedures to be performed in the audit of financial statements to reduce audit risk to an acceptably low level.</p> <p>20. For tests of the operating effectiveness of controls that we performed at an interim date, we determined the need for additional evidence concerning the operation of the controls for the remaining period under audit and considered the following factors:</p> <ul style="list-style-type: none"> a. The specific control tested prior to the “as of date”, including the risks associated with the control, the nature of the control, and the results of those tests; b. The sufficiency of the evidence of the operating effectiveness obtained at an interim date; c. The length of the remaining period; and d. The possibility that there have been any significant changes in internal control over financial reporting subsequent to the interim date. <p>22. We have formed an opinion on the effectiveness of internal control over financial reporting by evaluating evidence obtained from all sources including:</p> <ul style="list-style-type: none"> a. Our testing of controls for the audit of internal control over financial reporting; | | | | |

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| | <p>b. Any additional tests of controls performed to achieve the objective related to expressing an opinion on the financial statements;</p> <p>c. Findings or misstatements detected during the financial statement audit;</p> <p>d. Any identified deficiencies; and</p> <p>e. Reports issued during the year by the internal audit function (or similar functions) that address controls related to internal control over financial reporting.</p> <p>All steps under this section will show if you have answered “Yes” to the new TQ above.</p> | | | | |
| Modify | <p>References to steps (under Results) adjusted:</p> <p>Our planned control reliance for all risks and assertions remains appropriate after completion of our audit procedures to test the operating effectiveness of controls:</p> <p>If “No,” steps 1 and 2 below this table will show.</p> | Procedures steps | N | AUD-701 | |
| AUD-801 Audit Program: Cash through AUD-819 Audit Program: Concentrations | | | | | |
| Modify | <p>Minor wording modifications in text and Practice Points (clarity); audit program step headings added throughout; additional references added (to other tools) where applicable.</p> | Text | N | | |
| AUD-801 Audit Program: Cash | | | | | |
| Modify | <p>Step (7) modified:</p> <p>For accounts selected for testing, we obtained electronic bank confirmations or requested that the entity prepare bank confirmation forms for bank/custodian accounts used during the period under audit (see the sample confirmation request at <i>COR-802 Standard Form to Confirm Account Balance Information with Financial Institutions</i>). When not performed electronically, we maintained control of the bank confirmation forms and mailed the forms directly to the bank/custodian.</p> | Procedures step | N | | |

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| AUD-802A Audit Program: Investments (Full-Scope Audits) | | | | | |
| Modify | Under “Benefit Responsive Synthetic GICs,” modified step (20) which now reads as follows: For Benefit Responsive Synthetic GICs, in addition to the procedures above, we obtained a detail of the investments and wrapper contracts underlying the synthetic GIC and tested the methods whereby the investments are valued. | Procedures step | N | | This step will RESET on roll forward based on content changes. |
| Modify | Under “Derivatives and Hedging--Management’s Calculation,” modified step 27 which now reads as follows: We reviewed the plan’s reconciliations of statements or data feeds from custodians to the accounting records and evaluated whether: (a) reconciling items were resolved properly and (b) journal entries related to the reconciliations were appropriate and made by authorized persons. | Procedures step | N | | This step will RESET on roll forward based on content changes. |
| Modify | Under “Derivatives and Hedging—Procedures,” modified substep (29.a.): We evaluated whether (a) recorded amounts are resulting from transactions that meet the criteria to be classified as a derivative instrument, and (b) designated hedging instruments and hedged items or transactions meet applicable criteria to qualify for fair value hedges, cash flow hedges, or net investment hedges in accordance with the applicable financial reporting framework. | Procedures step | N | | |
| Modify | Under “Audit Procedures for Tests of Valuations,” added Practice Point under step (33): Practice Point: Further guidance is provided in AU-C Section 540, <i>Auditing Accounting Estimates, Including Fair Value Accounting Estimates, and Related Disclosures</i> , and AU-C Section 620, <i>Using the Work of an Auditor’s Specialist</i> , on obtaining and evaluating sufficient appropriate audit evidence to support significant accounting estimates and using the work of an auditor’s specialist in connection therewith. | Procedures step | Y | AU-C 540; AU-C 620 | |

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| | Minor wording adjustments throughout. | | | | |
| AUD-804 Audit Program: Other Assets – Including Other Receivables, Deposits or Reserves with and Receivables from Insurance Companies and Other Service Providers, and Operating Assets | | | | | |
| Modify | Section III, Substantive Audit Procedures, under “Other Receivables,” added Practice Point to step (4):: Practice Point: Confirmation of accounts receivable is presumptively mandatory requirements. If accounts receivable confirmations where not requested, the auditor must document how the presumption for such requests was overcome. | Procedures step | N | | |
| AUD-807 Audit Program: Debt Obligations | | | | | |
| Modify | Added Practice Alert: Practice Alert: In February 2016, the FASB issued its new lease accounting guidance in Accounting Standards Update (ASU) No. 2016-02, <i>Leases (Topic 842)</i> . Under the new guidance, lessees will be required recognize the following for all leases (with the exception of short-term leases) at the commencement date: <ul style="list-style-type: none"> • A lease liability, which is a lessee’s obligation to make lease payments arising from a lease, measured on a discounted basis; and • A right-of-use asset, which is an asset that represents the lessee’s right to use, or control the use of, a specified asset for the lease term. Under the new guidance, lessor accounting is largely unchanged. Certain targeted improvements were made to align, where necessary, lessor accounting with the lessee accounting model and ASC Topic 606, <i>Revenue from Contracts with Customers</i> . The new lease guidance simplified the accounting for sale and leaseback transactions primarily because lessees must recognize lease assets and lease liabilities. Lessees will no longer be provided with a source of off-balance sheet financing. | Purpose | Y | ASU 2016-02 | |

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| | <p>Public business entities should apply the amendments in ASU 2016-02 for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years (i.e., January 1, 2019, for a calendar year entity). Nonpublic business entities should apply the amendments for fiscal years beginning after December 15, 2019 (i.e., January 1, 2020, for a calendar year entity), and interim periods within fiscal years beginning after December 15, 2020. Early application is permitted for all public business entities and all nonpublic business entities upon issuance.</p> <p>Lessees (for capital and operating leases) and lessors (for sales-type, direct financing, and operating leases) must apply a modified retrospective transition approach for leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements. The modified retrospective approach would not require any transition accounting for leases that expired before the earliest comparative period presented. Lessees and lessors may not apply a full retrospective transition approach.</p> | | | | |
| Modify | <p>Under “Debt Summary and Analysis” step 2.d., now reads as follows:</p> <p>We obtained copies of new debt agreements and amendments to existing agreements entered into during the year and reviewed terms, conditions, and restrictive covenants.</p> | | | | This step will RESET on roll forward based on content changes. |
| Modify | <p>Under “Debt Maturing within the Next Year – Extended, Renewed, or Replaced” step 4., now reads as follows:</p> <p>We obtained or reviewed executed agreements documenting 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.</p> | | | | This step will RESET on roll forward based on content changes. |
| AUD-813 Audit Program: Related-Party and Party-In-Interest Transactions | | | | | |
| Modify | Modified step 2.a., now reads as follows: | Procedures steps | N | | This step will RESET on roll forward based on content changes. |

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| | We inquired of management about the nature of these transactions and whether related parties could be involved. | | | | |
| Deleted | Deleted substeps 2.a.(1) and (2); (1) The nature of these transactions; and (2) Whether related parties could be involved | Procedures steps | N | | |
| Modify | Added step and Practice Point: Prohibited Transactions We considered whether any of the transactions with related parties or parties-in-interest were prohibited transactions requiring disclosure in the financial statements and in the plan's Form 5500. Practice Point: To determine whether related-party or party-in-interest transactions are prohibited transactions, consultation with the plan's ERISA attorney is advisable. | Y | ERISA | | |
| Modify | Added step and substeps: Other Reporting Issues We considered the following reporting issues: <ul style="list-style-type: none"> a. If the financial statements disclosed transactions with related parties that imply they were consummated on terms equivalent to those that prevail in arm's-length transactions, we obtained sufficient appropriate audit evidence about the assertion. If such representations were unsubstantiated by management, we expressed a qualified or an adverse opinion (depending on materiality). b. If sufficient appropriate audit assurance could not be obtained regarding related parties and transactions with such parties, we considered whether a report modification was necessary. c. If there were significant transactions with related parties, we considered whether to emphasize this matter by adding an emphasis-of-matter paragraph to the auditor's report. | | | | |

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| | <p>d. If the auditor concludes that the plan has entered into a prohibited transaction with a party-in-interest that is material to the financial statements and the transaction has not been properly disclosed in the required supplemental schedule, we modified the report on the supplemental schedule.</p> <p>e. If a material party in interest transaction that is not disclosed in the supplemental schedule is also considered a related party transaction and if that transaction is not properly disclosed in the notes to the financial statements, we expressed a qualified or an adverse opinion on the financial statements.</p> <p>f. If the effect of the transaction is not material to the financial statements, we considered whether to add a paragraph to the report on the supplemental schedule to disclose the omitted transaction.</p> | | | | |
| AUD-814B Audit Program: Participant Data – Defined Benefit Plans | | | | | |
| Modify | New TQ added: Is the plan a multiemployer plan? | | N | Peer Rvw Cklst | |
| Modify | Added “Multiemployer Plans” and step (4.) as follows (in accordance with peer reviewer checklist items): For multiemployer plans, we reviewed selected payroll audits of contributing employers to determine if contributions are being received for eligible participants. This step will be marked N/A if the TQ above is answered “No”. | Procedures step | N | Peer Rvw Cklst | |
| AUD-814C Audit Program: Participant Data – Health and Welfare Defined Benefit Plans | | | | | |
| Modify | New TQ added: Is the plan a multiemployer plan? | | N | Peer Rvw Cklst | |
| Modify | Added “Multiemployer Plans” and step (4.) as follows (in accordance with peer reviewer checklist items): | Procedures step | N | Peer Rvw Cklst | |

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| | <p>For multiemployer plans, we reviewed selected payroll audits of contributing employers to determine if contributions are being received for eligible participants. This step will be marked N/A if the TQ above is answered “No”.</p> | | | | |
| AUD-816 Audit Program: Fair Value Measurements and Disclosures | | | | | |
| Modify | <p>Added Practice Alert:</p> <p>Practice Alert: In May 2015, the FASB issued Accounting Standards Update (ASU) No. 2015-07, <i>Fair Value Measurement (Topic 820): Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)</i>. The amendments apply to reporting entities that elect to measure the fair value of an investment using the net asset value per share (or its equivalent) practical expedient.</p> <p>ASC Topic 820 permits a reporting entity, as a practical expedient, to measure the fair value of certain investments using the net asset value per share of the investment. Currently, investments valued using the practical expedient are categorized within the fair value hierarchy on the basis of whether the investment is redeemable with the investee at net asset value on the measurement date, never redeemable with the investee at net asset value, or redeemable with the investee at net asset value at a future date. For investments that are redeemable with the investee at a future date, a reporting entity must consider the length of time until those investments become redeemable to determine the classification within the fair value hierarchy.</p> <p>The amendments remove the requirement to categorize within the fair value hierarchy all investments for which fair value is measured using the net asset value per share practical expedient. The amendments also remove the requirement to make certain disclosures for all investments that are eligible to be measured at fair value using the net asset value per share practical expedient. Rather, those disclosures are limited to investments for</p> | Purpose | Y | ASU 2015-07 | |

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| | <p>which the entity has elected to measure the fair value using that practical expedient.</p> <p>The amendments are effective for public business entities for fiscal years beginning after December 15, 2015, and interim periods within those fiscal years. For all other entities, the amendments are effective for fiscal years beginning after December 15, 2016, and interim periods within those fiscal years. A reporting entity should apply the amendments retrospectively to all periods presented. The retrospective approach requires that an investment for which fair value is measured using the net asset value per share practical expedient be removed from the fair value hierarchy in all periods presented in an entity's financial statements. Earlier application is permitted.</p> | | | | |
| AUD-901 Audit Program: Subsequent Events | | | | | |
| New | <p>New TQ: Has the auditor been engaged to perform an integrated audit (i.e., an audit of internal control over financial reporting that is integrated with the audit of financial statements)?</p> <p>This TQ will show/hide multiple steps, see below.</p> | | | | |
| Modify | <p>Modified Instructions, Section I, General Procedures, paragraph one; now reads as follows:</p> <p>Many audit procedures that normally are integrated as part of the verification of year-end account balances, provide evidence of subsequent events. For example, subsequent-period sales and purchases transactions are tested to determine whether the cutoff is accurate. Likewise, the auditor often tests the collectability of accounts receivable by reviewing subsequent-period cash receipts. However, in addition to these normal audit procedures, AU-C Section 560, <i>Subsequent Events and Subsequently Discovered Facts</i>, requires the auditor to perform other audit procedures to obtain sufficient appropriate audit evidence that all events occurring between the date of the financial statements and the date of the auditor's report that require adjustment of, or disclosure in, the financial statements have been identified. The auditor's responsibility for reviewing for</p> | Instructions | Y | | |

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| | <p>subsequent events normally is limited to the period from the date of the financial statements to the date of the auditor’s report. When performing an integrated audit of financial statements and internal control over financial reporting, AU-C Section 940, <i>An Audit of Internal Control Over Financial Reporting That Is Integrated With an Audit of Financial Statements</i> (effective for integrated audits for periods ending on or after December 15, 2016), provides additional direction with respect to subsequent events in an audit of internal control over financial reporting. In an integrated audit, the auditor is also concerned about changes in internal control over financial reporting, or other conditions that might significantly affect internal control over financial reporting, that have occurred subsequent to the date specified in management’s assessment about the effectiveness of internal control over financial reporting but before the date of the auditor's report. The procedures in this audit program incorporate the audit requirements discussed in both AU-C Section 560 and AU-C Section 940 and are designed to help the auditor address those requirements.</p> | | | | |
| Modify | <p>Added step 5: For an integrated audit (AU-C Section 940, <i>An Audit of Internal Control Over Financial Reporting That Is Integrated With an Audit of Financial Statements</i>, effective for integrated audits for periods ending on or after December 15, 2016), we inquired of management, and where appropriate those charged with governance, and obtained information about any changes in, or conditions that might significantly affect, internal control over financial reporting that have occurred subsequent to the “as of date” but before the date of the auditor’s report on internal control over financial reporting. This step will show if you have answered “Yes” to the TQ above.</p> | Procedures steps | Y | AU-C 940 | |
| Modify | <p>Added step 6: For an integrated audit (AU-C Section 940, <i>An Audit of Internal Control Over Financial Reporting That Is</i></p> | Procedures steps | Y | AU-C 940 | |

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| | <p><i>Integrated With an Audit of Financial Statements</i>, effective for integrated audits for periods ending on or after December 15, 2016), we inquired about, and if available, obtained and read the following for the subsequent period:</p> <ul style="list-style-type: none"> a. Relevant internal audit (or similar functions) reports issued; b. Reports regarding deficiencies in internal control over financial reporting issued by other independent auditors; c. Regulatory agency reports on the entity’s internal control over financial reporting; and <p>Information about the effectiveness of the entity’s internal control over financial reporting obtained through other engagements performed for the entity.</p> <p>This step will show if you have answered “Yes” to the TQ above.</p> | | | | |
| Modify | <p>Modified steps 13 to 16; now read as follows:</p> <p>13. We reviewed the entity’s financial statement disclosures related to subsequent events to ensure the disclosures are complete and accurate, and that the date through which management evaluated subsequent events is on or before the date of the auditor’s report.</p> <p>14. For an integrated audit (AU-C Section 940, <i>An Audit of Internal Control Over Financial Reporting That Is Integrated With an Audit of Financial Statements</i>, effective for integrated audits for periods ending on or after December 15, 2016), if we have become aware of a subsequent event and have determined that this event materially and adversely affected the operating effectiveness of the entity’s internal control over financial reporting, as of the date of management’s assessment, we have issued an adverse opinion on the internal control over financial reporting.</p> <p>15. For an integrated audit (AU-C Section 940, <i>An Audit of Internal Control Over Financial Reporting That Is Integrated With an Audit of Financial Statements</i>, effective for integrated audits for periods ending on or</p> | Procedures steps | Y | AU-C Section 940 | |

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| | <p>after December 15, 2016), if we were unable to determine the effect of the subsequent event on the operating effectiveness of internal control over financial reporting, we disclaimed an opinion.</p> <p>16. For an integrated audit (AU-C Section 940, <i>An Audit of Internal Control Over Financial Reporting That Is Integrated With an Audit of Financial Statements</i>, effective for integrated audits for periods ending on or after December 15, 2016), if we have become aware of a material subsequent event with respect to conditions that did not exist as of the date of management’s assessment but arose subsequent to that date and before the release of the audit report, we included in the auditor’s report either: (1) an emphasis-of-matter paragraph directing the reader’s attention to the subsequently discovered fact and its effects as disclosed in management’s report, or (2) an other-matter paragraph describing the subsequently discovered fact and its effects.</p> <p>These steps will show if you have answered “Yes” to the TQ above.</p> | | | | |
| AUD-902 Audit Program: Going Concern | | | | | |
| Modify | <p>Added:</p> <p>Practice Alert: In August 2014, FASB issued Accounting Standards Update (ASU) No. 2014-15, <i>Presentation of Financial Statements—Going Concern (Subtopic 205-40), Disclosure of Uncertainties about an Entity’s Ability to Continue as a Going Concern</i> to provide guidance under U.S. GAAP as to whether there is substantial doubt about an entity’s ability to continue as a going concern or to provide related footnote disclosures. Under generally accepted auditing standards (U.S. GAAS), the auditor’s responsibility is to evaluate whether there is substantial doubt about an entity’s ability to continue as a going concern for a reasonable period of time (AU-C Section 570, <i>The Auditor’s Consideration of an Entity’s Ability to Continue as a Going Concern</i>), which is defined as “a period of time not to exceed one year beyond the date of the financial statements being</p> | Instructions | Y | ASU No. 2014-15 | |

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| | <p>audited.” ASU No. 2014-15 requires the entity’s management to evaluate whether there is substantial doubt about the entity’s ability to continue as a going concern within one year after the date that the financial statements are issued (or within one year after the date that the financial statements are available to be issued, when applicable).</p> <p>ASU 2014-15 is effective for annual periods ending after December 15, 2016, and for interim periods thereafter. Early application is permitted for annual or interim reporting periods for which the financial statements have not previously been issued.</p> <p>In January 2015, the Auditing Standards Board issued four interpretations of AU-C Section 570 (see AU-C Section 9570). Interpretation No. 2 (<i>Definition of Reasonable Period of Time</i>) addresses how an auditor should apply the definition of “reasonable period of time” when the applicable financial reporting framework requires management to evaluate whether there are conditions and events that raise substantial doubt for a period of time greater than one year from the date of the financial statements. It states that, if under the entity’s applicable financial reporting framework management is required to evaluate whether there are conditions and events that raise substantial doubt for a period of time greater than one year from the date of the financial statements, the auditor’s assessment of management’s going concern evaluation would be for the same period of time as required by the applicable financial reporting framework.</p> | | | | |
| NEW | AUD-902A Audit Program: Going Concern (For 11-K Filings) | | Yes | PCAOB AS 3 (as of December 31, 2016, AS 1215) | This form will be a flat file and has no KC functioning. If the benefit plan under audit has an 11-K filing then please use this form instead of the regular AUD-902. |
| AUD-903 Audit Program: Consideration of Fraud | | | | | |
| Modify | Purpose modified; now reads: | Purpose | Y | ICFR | |

| Type of Change | Description of Change | Location | Based on Standard Y/N | Standard Reference | Roll Forward and Update Content Considerations |
|--------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|-----------------------|------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | This audit program is designed to help the auditor address the risk of fraud in a financial statement audit or, when applicable, in an integrated audit of financial statements and internal control over financial reporting. | | | | |
| Modify | <p>First paragraph of instructions modified and new Practice Point added; now reads:</p> <p>This audit program is based on the requirements and guidance set forth in AU-C Section 240, <i>Consideration of Fraud in a Financial Statement Audit</i>, and when applicable, AU-C Section 940, <i>An Audit of Internal Control Over Financial Reporting That Is Integrated With an Audit of Financial Statements</i> (effective for integrated audits for periods ending on or after December 15, 2016). Refer to this guidance for additional information.</p> <p>Practice Point: For an integrated audit, AU-C Section 940 states that when planning and performing the audit of internal control over financial reporting, the auditor should (1) incorporate the results of the fraud risk assessment performed in the financial statement audit pursuant to the requirements of AU-C Section 240; (2) evaluate whether the entity's controls sufficiently address identified risks of material misstatement due to fraud and the risk of management override of other controls; and (3) focus more of his or her attention on the areas of higher risk.</p> | Instructions | Y | AU-C Section 940 | |
| Delete | Deleted the “Brainstorming” segment (steps 1-25). | Table | | | The 2016 AUD-903 steps 2, 2a – 2d, 3, 4, 5, and 6 will retain into KBA-501 on roll forward if you have set to keep all responses on roll forward. If KBA-501 wasn’t included in the binder before roll forward please insert it so that these steps will retain on roll forward. |
| AUD-904 Audit Program: Compliance with Laws and Regulations | | | | | |
| Modify | <p>Under Instructions, modified Section II, Results, which now reads as follows:</p> <p>This section is used to document issues and (or) findings. Any significant modifications to the audit plan and other matters identified as a result of the performance of these</p> | Instructions | Y | PCAOB AU 317 (as of December | Step will reset on roll forward due to extent of changes. |

| Type of Change | Description of Change | Location | Based on Standard Y/N | Standard Reference | Roll Forward and Update Content Considerations |
|----------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|-----------------------|------------------------------|----------------------------------------------------------------|
| | <p>procedures should be documented in the appropriate workpapers.</p> <p>AU-C Section 250, <i>Consideration of Laws and Regulations in an Audit of Financial Statements</i>, provides further guidance on this topic (for 11k filings, PCAOB AU 317 (as of December 31, 2016, AS 2405), <i>Illegal Acts by Clients</i>, provides further guidance on the auditor's responsibilities regarding this topic.).</p> | | | 31, 2016, AS 2405) | |
| Modify | <p>Step 1 modified; now reads as follows:</p> <p>We obtained an understanding of the legal and regulatory framework applicable to the entity and the industry or sector in which the entity operates, including the identification of instances of noncompliance, by performing the following steps:</p> <ol style="list-style-type: none"> a. Understanding the entity's policies and procedures for compliance with laws and regulations; b. Inquiring of management regarding compliance with laws and regulations; c. Understanding those laws and regulations that directly determine the reported amounts and disclosures in the financial statements; d. Inspecting correspondence, if any, with the relevant licensing or regulatory authorities; and e. Incorporating our knowledge of the entity's history of noncompliance with laws and regulations. <p><i>KBA-303 Inquiries of Management and Others within the Entity about the Risks of Fraud and Noncompliance with Laws and Regulations</i></p> | Table | N | | This step will RESET on roll forward based on content changes. |
| Modify | <p>Modified step 15, which now reads as follows:</p> <p>If we have been unable to determine whether the noncompliance occurred due to limitations imposed by the circumstances rather than by management or those</p> | Procedures steps | Y | PCAOB AU 508 (as of December | |

| Type of Change | Description of Change | Location | Based on Standard Y/N | Standard Reference | Roll Forward and Update Content Considerations |
|---------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|-----------------------|-------------------------------------------------|------------------------------------------------|
| | <p>individuals responsible for financial reporting oversight, we have evaluated the impact on our audit opinion in accordance with AU-C Section 705, <i>Modifications to the Opinion in the Independent Auditor's Report</i> (or for 11k filings, we have evaluated the impact on our audit opinion in accordance with PCAOB AU 508 (as of December 31, 2016, AS 3101), <i>Reporting on Audited Financial Statements</i>).</p> | | | 31, 2016, AS 3101) | |
| AUD-905 Audit Program: Evaluating Subsequently Discovered Facts Existing at the Date of the Auditor's Report | | | | | |
| Modify | <p>Modified second paragraph of instructions, which now reads as follows:</p> <p>Although there is no requirement to continue auditing after the date of the auditor's report, in some instances facts may be discovered after the date of the auditor's report that, had they been known to the auditor at that date, may have caused the auditor to revise the auditor's report. The discovery of such facts may occur when performing interim audit work in the subsequent year or when performing other nonaudit services for the client. In such circumstances, the auditor should consider the guidance in AU-C Section 560 <i>Subsequent Events and Subsequently Discovered Facts</i>. AID-902 Changes to Audit Documentation after the Auditor's Report Release Date may be used to properly document changes made in response to the subsequent discovery of facts existing at the date of the auditor's report. For 11k filings, the auditor should consider the guidance in Public Company Accounting Oversight Board (PCAOB) Interim Auditing Standard AU 561 (as of December 31, 2016, AS 2905), <i>Subsequent Discovery of Facts Existing at the Date of the Auditor's Report</i>. When the auditor determines that additional procedures are required, the auditor should consider the documentation required by both PCAOB Auditing Standard No. 3 (AS 3) (as of December 31, 2016, AS 1215), <i>Audit Documentation</i>, and SEC Reg. S-X Rule 2-06, <i>Retention of Audit and Review Records</i>. AID-902 Changes to Audit Documentation after the Auditor's Report Release Date</p> | Instructions | Y | PCAOB AU 561 (as of December 31, 2016, AS 2905) | |

| Type of Change | Description of Change | Location | Based on Standard Y/N | Standard Reference | Roll Forward and Update Content Considerations |
|----------------|----------------------------------------------------------------------------------------------------------------------------------------------|----------|-----------------------|--------------------|------------------------------------------------|
| | may be used to properly document changes made in response to the subsequent discovery of facts existing at the date of the auditor's report. | | | | |

Auditor's Reports (RPTs) have minor modifications and updated references; and:

- **RPT-0903** title modified to *Unmodified Opinion: Defined Benefit Plan Comparative Financial Statements—Beginning-of-Year Benefit Information Date—Only When the Statement of Plan Obligations Is a Separate Financial Statement*; minor modification in the additional guidance notes.
- **RPT-0904** title modified to *Unmodified Opinion: Defined Benefit Plan Comparative Financial Statements—End-of-Year Benefit Information Date—Only When the Statements Are Included as Part of the Financial Statements*
- **RPT-0907** title modified to *Unmodified Opinion: Initial Audit—Full-Scope Audit (Prior Period Financial Statements Not Audited)*; report modified and updated.
- **RPT-0983** title modified to *DOL Limited-Scope Audit: Disclaimer of Opinion—Defined Contribution Plan—Emphasis-of-Matter Paragraph for the Adoption of ASU 2015-12 and/or ASU 2015-7 If Adoption Is Material*
- **NEW RPT-0995** *Auditor's Consent When Financial Statements Are Incorporated By Reference in a Form 11-K* is provided for audits of employee benefit plans that file a Form 11-K.

Correspondence Documents (CORs) have been modified throughout with updated references and, where applicable, in accordance with authoritative literature and, where applicable, provide sample letters for audits of employee benefit plans that file a Form 11-K.

- **NEW COR-201B** *Audit Engagement Letter: Integrated Audit* provides a sample letter from auditor to client confirming scope of audit engagement that includes both an audit of the financial statements and an audit of internal control over financial reporting.
- **NEW COR-207A** *Representation Letter from Successor Auditor to Predecessor Auditor (For 11-K Filings)*
- **NEW COR-210A** *Principal Auditor's Request for Representations from Other Auditor Who Audits the Financial Statements of a Subsidiary, Division, or Branch (For 11-K Filings)*
- **NEW COR-211A** *Principal Auditor's Request for Representations for Representations from Other Auditor Who Performs Certain Audit Procedures (For 11-K Filings)*
- **NEW COR-216A** *Communication with the Audit Committee during Planning (11-K Filings)*
- **NEW COR-220A** *Preapproval of Nonattest Services (For 11-K Filings)*
- **NEW COR-221** *Communication of Independence to Audit Committee: Initial Audit (For 11-K Filings)*
- **NEW COR-221A** *Communication of Independence to Audit Committee (Continuing Audit) (For 11-K Filings)*
- **NEW COR-901B** *Management Representation Letter: ICFR*
- **NEW COR-903A** *Communication with the Audit Committee: Financial Statements Only Audit (For 11-K Filings)*
- **NEW COR-904A** *Communication to Entity with Significant Deficiencies and/or Material Weaknesses: ICFR*
- **NEW COR-905A** *Communication to Entity with No Material Weaknesses Financial Statements Audit Only (For 11-K Filings)*
- **NEW COR-906A** *Communication to Board of Directors of Material Weaknesses: Ineffective Audit Committee Oversight (For 11-K Filings)*

Practice Aids (AIDs) have been modified and updated, where applicable, with additional tips, references, and examples.

- **NEW AID-201A** *Nonattest Services Independence Checklist (For 11-K Filings)*. This workpaper will be a flat file and have no KC functioning.
- **AID-601** *Considering the Use of the Work of Internal Auditors* modified and updated in accordance with the requirements of AU-C Section 610, *Using the Work of Internal Auditors*, and AU-C Section 940, *An Audit of Internal Control Over Financial Reporting That Is Integrated With an Audit of Financial Statements*
- **AID-602** *Understanding and Preliminary Assessment of the Plan or Plan Sponsor's Internal Audit Function* updated in accordance with the provisions of AU-C Section 610, *Using the Work of Internal Auditors*.

- **AID-701 Audit Sampling Worksheet for Tests of Controls** modified Purpose to add consideration, if applicable, for an audit that is integrated with an audit of internal control over financial reporting. New Practice Point added regarding the auditor’s assessment of control risk; Section III table modified to add a column for “Assertion Is Relevant/Not Relevant.”
- **AID-702 Results of Tests of Controls** modified to add an Appendix illustrating a recommended workflow when evaluating and testing controls.
- **AID-903 Audit Report Preparation Checklist** modified with new tips and references and updated with additional new steps reflecting the provisions of AU-C Section 940, *An Audit of Internal Control Over Financial Reporting That Is Integrated With an Audit of Financial Statements*.
- **NEW AID-903A Audit Report Preparation Checklist (For 11-K Filings)**. This workpaper will be a flat file and have no KC functioning.

Resource Documents (RESs) have minor modifications and updated references; and:

- **RES-001 Knowledge-Based Audit Methodology Overview** modified and updated.
- **NEW RES-001A Knowledge-Based Audit Methodology Overview (For 11-K Filings)** is provided for audits of employee benefit plans that file a Form 11-K.
- **RES-002 Index of Audit Programs, Forms, and Other Practice Aids** modified as appropriate to incorporate changes and new workpapers.
- **NEW RES-021 Special Considerations in Auditing Financial Instruments** has been added to illustrate questions that may be helpful to the auditor in obtaining an understanding of an entity’s controls over its financial instrument activities.
- **NEW RES-022 Illustrative Management’s Report on Internal Control over Financial Reporting** has been added as an aid to the client in preparing their Management’s Report on Internal Control Over Financial Reporting for an integrated audit
- **NEW RES-023 Considerations of an Audit of Internal Control over Financial Reporting That Is Integrated with the Knowledge-Based Audit of Financial Statements** has been added to provide a cross reference between the key AU-C 940 (SAS 130) requirements and the applicable form.
- **NEW RES-QCA-A Meeting Quality Control Standards Using KBA Audit Tools (For 11-K Filings)** is provided for audits of employee benefit plans that file a Form 11-K.

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-131, *Amendment to Statement on Auditing Standards No. 122 Section 700, “Forming an Opinion and Reporting on Financial Statements”* (AU-C Section 700)

SAS-130, *An Audit of Internal Control Over Financial Reporting That Is Integrated With an Audit of Financial Statements* (AU-C Section 940)

AICPA Statement on Quality Control Standards No. 8, *A Firm’s System of Quality Control (Redrafted)* (QC Section 10);

The revised AICPA Code of Professional Conduct (Code), often referred as the AICPA Ethics Codification Project, including ET Section 1.295, *Nonattest Services*);

FASB Accounting Standards Codification as of December 31, 2017 through Accounting Standards Update No. 2016-19.

Users of this content should consider guidance issued subsequent to these items to determine their effect on engagements conducted using this product.

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-200 | Plan Information and Background | X | |
| KBA-201 | Client/Engagement Acceptance and Continuance Form: Complex Plans | | |
| KBA-201N | Client/Engagement Acceptance and Continuance Form: Noncomplex Plans | | |
| KBA-301 | Worksheet for Determination of Materiality, Performance Materiality, and Thresholds for Trivial Amounts | | |
| KBA-302 | Understanding the Plan and Its Environment: Complex Plans | | |
| KBA-302N | Understanding the Plan and Its Environment: Noncomplex Plans | | |

| <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 Plan 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 Plans | | |
| KBA-401N | Understanding Entity-Level Controls: Noncomplex Plans | | |
| KBA-402 | Understanding General Controls for Information Technology | | |
| KBA-403 | Understanding Activity-Level Controls: Revenue, Employer and Employee Contributions Receivable, and Cash Receipts | | |
| KBA-404 | Understanding Activity-Level Controls: Benefit Payments and Distributions | | |
| KBA-405 | Understanding Activity-Level Controls: Investments | | |
| KBA-406 | Understanding Activity-Level Controls: Participant Data | | |
| KBA-407 | Understanding Activity-Level Controls: Notes Receivable from Participants and Hardship Withdrawals | | |
| KBA-408 | Understanding Activity-Level Controls: Accounts Payable and Disbursements | | |
| KBA-410 | Understanding Activity-Level Controls: Financial Reporting and Closing Process | | |
| KBA-411 | Understanding Controls Maintained by a Service Organization | | X |
| KBA-502 | Summary of Risk Assessments | X | |
| KBA-503 | Basis for Inherent Risk Assessment | | |

| <i>Form No.</i> | <i>Form Name</i> | <i>Foundation Workpaper</i> | <i>Association Workpaper</i> |
|-----------------|-------------------------------------------------------------------------------------------------|---------------------------------|----------------------------------|
| KBA-902 | Audit Review and Approval Checklist | | |
| KBA-904 | Audit Documentation Checklist | | |
| AUDs | AUDIT PROGRAMS | | |
| AUD-100 | Tailoring Question Workpaper | X | |
| AUD-101 | Overall Audit Program | X | |
| AUD-201 | Audit Program: Opening Balances and Additional Audit Procedures for an Initial Audit Engagement | | |
| AUD-202 | Planning the Employee Benefit Plan Audit | | |
| 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 | | |
| AUD-802A | Audit Program: Investments (Full-Scope Audits) | | |
| AUD-802B | Audit Program: Investments (DOL Limited-Scope Audits) | | |

| <i>Form No.</i> | <i>Form Name</i> | <i>Foundation Workpaper</i> | <i>Association Workpaper</i> |
|-----------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|----------------------------------|
| AUD-803 | Audit Program: Employer and Employee Contributions Received and Contributions Receivable | | |
| AUD-804 | Audit Program: Other Assets—Including Other Receivables, Deposits or Reserves with and Receivables from Insurance Companies and Other Service Providers, and Operating Assets | | |
| AUD-805 | Audit Program: Notes Receivable from Participants | | |
| AUD-806 | Audit Program: Accounts Payable and Accrued Expenses | | |
| AUD-807 | Audit Program: Debt Obligations | | |
| AUD-808 | Audit Program: Other Income and Operating Expenses | | |
| AUD-809 | Audit Program: Benefit Payments | | |
| AUD-810 | Audit Program: Tax Status of the Plan | | |
| AUD-811 | Audit Program: Changes in Service Providers; Plan Mergers or Spin-Offs; and Terminated and Partially Terminated or Frozen Plans | | |
| AUD-812 | Audit Program: Journal Entries and Financial Statement Review | | |
| AUD-813 | Audit Program: Related-Party and Party-in-Interest Transactions | | |
| AUD-814A | Audit Program: Participant Data and Accounts—Defined Contribution Plans | | |
| AUD-814B | Audit Program: Participant Data—Defined Benefit Plans | | |
| AUD-814C | Audit Program: Participant Data—Health and Welfare Defined Benefit Plans | | |
| AUD-814D | Audit Program: Benefit Obligations—Defined Benefit Plans, Including Health and Welfare Defined Benefit Plans | | |

| <i>Form No.</i> | <i>Form Name</i> | <i>Foundation Workpaper</i> | <i>Association Workpaper</i> |
|-----------------|--------------------------------------------------------------------------------------------------------|---------------------------------|----------------------------------|
| AUD-815 | Audit Program: Minutes, Plan Documents, Agreements, and Relevant Contracts of an Employee Benefit Plan | | |
| AUD-816 | Audit Program: Fair Value Measurements and Disclosures | | |
| AUD-817 | Audit Program: Commitments and Contingencies | | |
| AUD-818 | Audit Program: Accounting Estimates | | |
| AUD-819 | Audit Program: Concentrations | | |
| 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 | | |
| AIDs | PRACTICE AIDs | | |
| AID-302 | Understanding the Entity's Revenue Streams and Revenue Recognition Policies | | |
| AID-601 | Considering the Use of the Work of Internal Auditors | | |
| AID-702 | Results of Tests of Controls | | |
| AID-801 | Audit Sampling Worksheet for Substantive Tests of Details | | |
| AID-901 | Differences of Professional Opinion | | |

| <i>Form No.</i> | <i>Form Name</i> | <i>Foundation Workpaper</i> | <i>Association Workpaper</i> |
|-----------------|------------------------------------|---------------------------------|----------------------------------|
| 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.

| <i>Workpaper Requiring Association</i> | <i>What is it associated with?</i> | | |
|------------------------------------------------------------------------|-----------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------|
| | <i>Workpaper</i> | <i>Table/Question</i> | <i>Association Item (Custom Value)</i> |
| KBA-411 Understanding Ctrl: Service Org (Custom) | AUD-100 Tailoring Question Workpaper | Does the plan use service organizations? Shows the "Document the service organizations used by the plan." table in KBA-101 Overall Audit Strategy. | |
| | KBA-101 Overall Audit Strategy | Document the service organizations used by the plan. | Service Organization |
| AUD-602 Audit Program: Component Auditor Involvement (Custom) | AUD-100 Tailoring Question Workpaper | Does the auditor plan to rely on audit evidence provided by a component auditor? is "Yes" Shows the "Document the audit evidence provided by the component auditor(s) that we will rely on in our engagement." table in KBA-101 Overall Audit Strategy. | |
| | KBA-101 Overall Audit Strategy | Document the audit evidence provided by the component auditor(s) that we will rely on in our engagement. | Audit Firm Name |
| AUD-603 Audit Program: Auditor's Specialist (Custom) | AUD-100 Tailoring Question Workpaper | Does the auditor intend to use a specialist on this engagement? 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 | Does the auditor intend to use a specialist on this engagement? 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 |