2017 CIRA AUDIT OVERVIEW FOR KNOWLEDGE COACH USERS

PURPOSE

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

WORKPAPER UPDATES AND ROLL FORWARD NOTES

General Roll Forward Note:

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

The ***2017 Knowledge-Based Audits of Common Interest Realty Associations*** tools have been updated to take into account the latest literature, standards, and guidance applicable to audit engagements. The 2017 tools include links to detailed analysis related to the steps and processes discussed in the workpapers. 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 for common interest realty associations, using the style referencing under the FASB Accounting Standards Codification™.

The 2017 edition of ***Knowledge-Based Audits™ of Common Interest Realty Associations*** includes the following updates:

Knowledge-Based Audit Documents (KBAs)

- **KBA-303** title has been modified to ***Inquiries of Management and Others within the Entity about the Risks of Fraud and Noncompliance with Laws and Regulations***
- **KBA-501** title has been modified to ***Team Discussion and Consideration of the Risks of Material Misstatement***

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
KBA-101 Overall Audit Strategy					
Modify	Modified step 3 now reads as follows: Users or expected users of the financial statements (e.g., owners – current or potential, stakeholders, lenders).				
Modify	Added: The auditor may use ***AID-603 Component Identification and Analysis*** to document the entity's components and the auditor's assessment of the significance of each component.	Section 1	N		
Modify	Added step 3, including comment table and Practice Point:	Section III	N		

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
	If applicable, the following is our rationale for concluding not to test operating effectiveness of controls: **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.				
KBA-103 Evaluating and Communicating Internal Control Deficiencies					
Modify	SAS-130 updates throughout; modified throughout; modified instructions accordingly; columns have been reorganized; added N/A option to column 15.	Purpose; Instructions; text; table	Y	SAS-130	All columns will retain on roll forward.
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 CIRA Information and Background					
Modify	Minor modifications for consistency with wording of related workpapers	Table	N		
Modify	Changed "property management company" throughout to "management company" Added reference to Form 990 (step 15), which now reads as follows: Tax status and filing form (taxable, nontaxable, Forms 1120, 1120-H; 990): Added new step 19 as follows: If on-site management or self-managed, name of on-site manger or volunteer manager:	Instructions (table)	N		
KBA-201 Client/Engagement Acceptance and Continuance Form: Complex Entities					
New	The Tailoring Question, "Has the auditor been engaged to perform an integrated audit (i.e., an audit of internal				This TQ will flow the answer from AUD-100.

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
	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.				
Modify	Changed "property management company" throughout to "management company" Added new steps a, b, c, to 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. 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.	Table	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, *An Audit of Internal Control Over Financial Reporting That Is Integrated With an Audit of Financial Statements*, effective for integrated audits for periods ending on or after December 15, 2016). This step will show only when the TQ noted above is answered as "Yes".	Table	Y	AU-C Section 940	
KBA-301 Worksheet for Determination of Materiality, Performance Materiality, and Thresholders for Trivial Amounts					
Modify	Moved "Performance Materiality" section above "Lesser Materiality" on both the Component Materiality tab and the Materiality Calculations tab of the excel version. Also moved this in the word version.	Text	N		
KBA-302 Understanding the CIRA and Its Environment: Complex CIRAs					
Modify	Added: **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, *An Audit of Internal Control over Financial Reporting That Is Integrated*	Instructions	Y	AU-C Section 940	

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
	With an Audit of Financial Statements (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.				
Modify	Changed "property management company" throughout to "management company" Section II, 2. Regulatory Environment, modified examples in item e, which now reads as follows: e. Taxation (e.g., 1120-C Corporation, 1120-H Corporation, tax-exempt, State and Local). Section II, 3. Other External Factors, added new item c: c. Foreclosure and bankruptcy rates.	Text	N		
Modify	Section III, 4., changed "Business Operations" to "Operations" Section III, 7. Selection and Application of Accounting Principles, Including Related Disclosures, added new item b as follows: b. Accounting alternatives adopted by the entity (e.g., those provided for private companies).	Text	N		
Modify	Section V, changed wording of 10 from CIRA's Objectives and Strategies and Related Business Risks to: CIRA's Objectives and Strategies and Related Operation Risks Changed "related business risk" to "related risk" throughout. Section V, 10., modified step i. to read as follows: Objectives and strategies relating to the risk appetite of managers and those charged with governance and any related risk.	Text	N		

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
Modify	Added Practice Point in Section VII **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.	Table	Y	AU-C Section 940	
Modify	Section VII, Subsection I, Consideration of Fraud Risk Factors Relating to Fraudulent Financial Reporting, under 3, Opportunities, modified substep a, which now reads as follows: The management company (e.g., managing agent) has access to multiple bank accounts for a portfolio of clients and may be able to mask money movements among them.	Table substep text	Y	Peer reviewer checklist	
KBA-302N Understanding the CIRA and Its Environment: Noncomplex CIRAs					
Modify	Changed "property management company" throughout to "management company"	Text	N		
Modify	Added Practice Point: **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, *An Audit of Internal Control Over Financial Reporting That Is Integrated With an Audit of Financial Statements* (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.	Instructions	Y	AU-C 940	
Modify	Added Practice Point under Section VI: **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.	Table	Y	AU-C 940	

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
KBA-303 Inquiries of Management and Others Within the CIRA About the Risks of Fraud and Noncompliance With Laws and Regulations					
Modify	Modified title and Purpose and Instructions language from “risks of fraud” to “risks of fraud and noncompliance with laws and regulations.” Modified Practice Point, as follows: **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, *Consideration of Fraud in a Financial Statement Audit*, 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 material misstatement. AU-C Section 250, *Consideration of Laws and Regulations in an Audit of Financial Statements,* 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.” **Practice Point:** For an integrated audit, AU-C Section 940, An Audit of Internal Control Over Financial Reporting That Is Integrated With an Audit of Financial Statements, 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.	Purpose; Instructions	Y	AU-C 940	
Modify	Added items under Inquiries of Management:	Table	N		

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
	Are you aware of laws or regulations that may be expected to have a fundamental effect on the operations of the CIRA? Are you aware of any noncompliance with laws and regulations?				
Modify	Modified/Added under Inquiries of Management: Describe the CIRA's policies and procedures regarding compliance with laws and regulations, and for identifying, evaluating, and accounting for litigation claims resulting from noncompliance: Describe the CIRA's directives issued and periodic representations obtained from management at appropriate levels of authority concerning compliance with laws and regulations.	Table			The modified question will be retained on roll forward if user selects to keep all responses.
Modify	Added (under Inquiries of the Board of Directors or Others Charged with Governance): Are you aware of laws or regulations that may be expected to have a fundamental effect on the operations of the CIRA? Are you aware of any noncompliance with laws and regulations? Modified/added: 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:	Table	N		The modified question will be retained on roll forward if user selects to keep all responses.
Modify	Added (under Inquiries of Internal Audit Function (if applicable): Are you aware of any noncompliance with laws and regulations?	Table	N		
Modify	Added (under Inquiries of Employees Involved in the Financial Reporting Process):	Table	N		

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
	Are you aware of any noncompliance with laws and regulations?				
Modify	Added, under Inquiries of Others: **Practice Point:** Per AU-C Section 240, *Consideration of Fraud in a Financial Statement Audit*, examples of others within the entity to whom the auditor may wish to direct these inquiries include: • 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): Are you aware of any noncompliance with laws and regulations? Modified: 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 ***KBA-502 Summary of Risk Assessments.***	Table	N		The modified question will be retained on roll forward if user selects to keep all responses.

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
KBA-400 Scoping and Mapping of Significant Account Balances, Classes of Transactions, and Disclosures					
Modify	Minor modifications throughout	Text; table, other than procedures	N		Modify
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 CIRAS					
Modify	Added, to Instructions, after first paragraph: 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.	Instructions	N		

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
	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: • 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	Modified bulleted text under "If "No," Identify the Type of Deficiency": *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	Table	Y	ICFR	

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
	event occurring is either reasonably possible or probable as defined as follows: – *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 *design* 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 *operation* 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. 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, *An Audit of Internal Control Over Financial Reporting That Is Integrated With an Audit of Financial Statements*, 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.				

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
KBA-401N Understanding Entity-Level Controls: Noncomplex CIRAS					
Modify	Added: 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: • 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. Modified the text regarding AU-C 265, under "Procedures Performed to Evaluate the Control / Workpaper Reference", which now reads as follows:	Instructions	N		

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
	AU-C Section 265, *Communicating Internal Control Related Matters Identified in an Audit*, defines deficiencies as follows: • *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: – *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 *design* 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 *operation* 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.				

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
	Under "Controls Selected for Operating Effectiveness Testing", added: For an integrated audit (AU-C Section 940, *An Audit of Internal Control Over Financial Reporting That Is Integrated With an Audit of Financial Statements*, 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.				
KBA-402 Understanding General Controls for Information Technology					
Modify	Modified Section III instructions under "If No, Identify the Type of Deficiency": AU-C Section 265, *Communicating Internal Control Related Matters Identified in an Audit*, defines deficiencies as follows: • *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: – *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.	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
	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 *design* 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 *operation* 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	Modified: **If "Yes," Are Controls Selected for Operating Effectiveness Testing?** 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, *An Audit of Internal Control Over Financial Reporting That Is Integrated With an Audit of Financial Statements*, 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.	Table	Y	AU-C Section 940	
KBA-403 Understanding Activity Level Controls: Revenues, Receivables, and Cash Receipts through KBA-410 Understanding Activity Level Controls: Financial Reporting and Closing Process					
	Step 5 instructions, added: • If testing the operating effectiveness of controls, document the *Description of the Identified Key Controls* at ***AID-702 Results of Tests of Controls***. Table column modified: *Description of the Identified Key Controls*	Table	N		

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
	(Document in AID-702, if applicable)				
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 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.	Table	N		
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-408 Understanding Activity Level Controls: Treasury					
Modify	Added control objectives under “Purchases and Sales of Investments and Derivatives: Financial instrument transactions are initiated in accordance with management’s established policies and procedures. Information relating to financial instruments and financial instrument transactions is complete and accurate The carrying amount of debt, equity securities, and financial instruments is adjusted to fair value, when applicable, and changes in the fair value of those financial instruments are accounted for in accordance with the applicable financial reporting framework Financial instruments are monitored on an ongoing basis to recognize and measure events affecting related financial statement assertions Investment and derivative instruments are properly classified	Table	N		
Modify	Added control objective under “Investment and Derivative Income: The carrying amount of debt, equity securities, and financial instruments is adjusted to fair value, when	Table	N		

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
	applicable, and changes in the fair value of those financial instruments are accounted for in accordance with the applicable financial reporting framework				
KBA-409 Understanding Activity Level Controls: Income Taxes					
Modify	Added control objective under Derivative Hedging: Derivatives accounted for as hedges meet the designation, documentation, and assessment requirements of the applicable financial reporting framework	Table	N		
KBA-411 Understanding Controls Maintained by a Service Organization					
Modify	Added: **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 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.	Purpose	Y	AU-C Section 402	
Modify	Added step 4: We inquired of management to determine if management is aware of any changes in the service 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. **Practice Point:** Changes in the service organization's controls may include: • 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.	Table	N		

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
	• 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.				
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	Added step 6: In an integrated audit (AU-C Section 940, *An Audit of Internal Control Over Financial Reporting That Is Integrated With an Audit of Financial Statements*, effective for integrated audits for periods ending on or after December 15, 2016), 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: 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. c. The significance of the activities of the service organization. d. Whether there are errors that have been identified in the service organization's processing. e. The nature and significance of any changes in the service organization's controls identified by management or the auditor. f. If these or similar factors have been found to exist, we determined whether to obtain additional evidence about the operating	Table	Y	AU-C Section 940	

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
	effectiveness of controls at the service organization. This step will Show if the user answers "Yes" to the new TQ noted above.				
Modify	Modified step 7, which now reads as follows: If we plan to use a Type 1 report as audit evidence to support the understanding about the design and implementation of controls at the service organization, we:	Table	N		
Modify	Modified Conclusion; first step reads as follows: 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. Modified step 2, removing the first sentence, which became new step 1 above; step 2 now begins as follows: We also determined whether we can rely on the service auditor's report or whether we need to perform updating or other procedures with respect to the service organization. We considered the following in making this conclusion:	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: 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 502 Summary of Risk Assessments***	Table	N		
KBA-501 Team Discussion and Consideration of the Risks of Material Misstatement					
Modify	Title modified to "Team Discussion and Consideration of the Risks of Material Misstatement"	Instructions	Y	AU-C Section 240	

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
	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.				
Modify	Modified/added items, to the bulleted list in the Instructions, as follows: • The susceptibility of a material misstatement of the financial statements due to fraud or error that could result from the CIRA’s related-party relationships and transactions, including how related-parties may be involved in fraud, such as: – 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 CIRA 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 – 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.	Instructions	N		
Modify	Added Procedures steps 1 to 5 under “Identification of Risks of Material Misstatement”: 1. We discussed the following matters that may be relevant in identifying risks of fraud:	Procedures steps	N		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.

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
	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. 5. If auditor's specialists were assigned to the engagement, we considered involving such specialists in the brainstorming session.				
Modify	Added step at end of document as follows: 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:				

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
	• 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: 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). Note that the significant risks and fraud risks may have already been identified at ***KBA-400 Scoping and Mapping of Significant Account Balances, Classes of Transactions, and Disclosures***. If not done already, the significant or fraud risks should also be identified at ***KBA-400***.				
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	Table	N		

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
	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.)				
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	Modified table to reflect split of AUD-802 (now AUD-802A and 802B)	Table	N		
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	SAS-130 Updates, steps 1 and 2, as follows: 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"); 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 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, *An Audit of Internal Control Over Financial Reporting That Is Integrated With an Audit of Financial Statements*, effective for integrated audits for periods ending on or after December 15, 2016).	Table	Y		Due to the changes within step 1 it will reset on roll forward. Step 2 was added as a new step.

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
	Step 2 above will show if the TQ noted above is answered as "Yes". **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.				
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.

Audit Programs (AUDs)

- Updated where applicable for consistency with CORE.

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
AUD-100 Engagement Level Tailoring Questions					
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)? 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. 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. TQ will affect other workpapers within the title.				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. 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)?" 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.
AUD-101 Overall Audit Program					

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 will flow from AUD-100. New TQ will show/hide multiple steps within AUD-101. Each of these are new steps for this title. TQ answer will flow from AUD-100.				
Modify	Modified first paragraph as follows: 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 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.	Purpose	Y	ICFR	
Modify	Modified and updated throughout for ICFR and with new references and Practice Points where applicable. Added step (new step 3) and Practice Point, step will show if the TQ above is answered "Yes": Added step (new step 3) and Practice Point: 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, *An Audit of Internal Control Over Financial Reporting That Is Integrated With an Audit of Financial Statements*, effective for integrated audits for periods ending on or after December 15, 2016). **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	Text; procedures steps	Y	AU-C 940	

	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.				
Modify	Modified item a in the Practice Point (in step 13) as follows: **Practice Point:** The required elements of the terms of engagement include: a. The objective, timing, and scope of the audit of the financial statements (and, if applicable, the audit of internal control over financial reporting); Added new Practice Point: **Practice Point:** Generally either a board member, as one charged with governance, should sign the engagement letter or, if signed by management, the board should be informed of the approved engagement. Alternatively, verification in the board minutes of approval would suffice. Modified references: ***COR-201 Audit Engagement Letter*** ***COR-201A Audit Engagement Letter: Integrated Audit*** ***COR-202 Audit Engagement Letter When Also Performing Reviews of Interim Financial Information*** ***COR-202A Audit Engagement Letter: Integrated Audit When Also Performing Reviews of Interim Financial Information***	Procedures step	Y	ICFR	
Modify	Added new step (14) and Practice Points: 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, *An Audit of Internal Control Over Financial Reporting That Is Integrated With an Audit of Financial Statements*, effective for integrated audits for periods ending on or after December 15, 2016). Added step and Practice Point, step will show if the TQ above is answered "Yes":	Procedures steps	Y	AU-C 940	

	Practice Point: Management's refusal to provide the auditor with a written assessment represents a scope limitation. See ***RES-001 Knowledge-Based Audit Methodology Overview*** for further guidance. **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.				
Modify	Step 17 modified: 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. Modified Practice Point: **Practice Point:** Elements of the overall audit strategy may include: • The characteristics of the engagement that define its scope, such as the components (e.g., locations) to be visited or the reliance on other auditors or internal auditors; • Reporting objectives, audit timing, and nature of communications; • Factors that, in the auditor's professional judgment, are significant in directing the engagement team's efforts; • The results of preliminary engagement activities; • Relevant knowledge gained on other engagements performed, when applicable; and • The nature, timing, and extent of resources necessary to perform the engagement. Added: **Practice Point:** For an integrated audit (AU-C Section 940*, An Audit of Internal Control Over Financial Reporting That Is Integrated With an Audit of Financial Statements*, 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: • Knowledge of the entity's internal control over financial reporting obtained during other engagements	Procedures steps	Y	AU-C 940	Step will reset on roll forward due to extent of changes.

	performed by the auditor or, if applicable, during a review of a predecessor auditor's working papers; • 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. Updated references: ***KBA-101 Overall Audit Strategy*** ***AID-601 Considering the Use of the Work of Internal Auditors*** ***AID-602 Understanding and Preliminary Assessment of the Entity's Internal Audit Function*** ***AID-603 Component Identification and Analysis*** ***AUD-601 Audit Program: Testing and Evaluating Internal Auditors' Work*** ***AUD-602 Audit Program: Involvement of a Component Auditor*** ***AUD-603 Audit Program: Using the Work of an Auditor's Specialist***				

	AUD-604 Audit Program: Using the Work of a Management's Specialist				
Modify	Step (23) modified: 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 CIRA's facts and circumstances.	Procedures step	Y	ICFR	
Deleted	Deleted Practice Point: **Practice Point:** During the engagement team meeting, the auditor should: a. Discuss the susceptibility of the CIRA's financial statements to material misstatements. b. Discuss the CIRA's selection and application of accounting principles, including related disclosure requirements. c. "Brainstorm" about how and where the CIRA's financial statements might be susceptible to material misstatement due to fraud; consideration of known external and internal factors affecting the CIRA that might create incentives, pressures, and opportunities; how management could perpetrate and conceal fraudulent financial reporting and how assets of the CIRA could be misappropriated; and consideration of risk of management override of internal controls. The discussion should occur setting aside beliefs that management and those charged with governance are honest and have integrity. d. Emphasize the importance of maintaining professional skepticism throughout the audit regarding the potential for material misstatement due to fraud and, when issues arise, remind engagement team members of the need to probe the issues, acquire additional evidence, and consult with other team members. e. Enable the engagement partner to determine which matters discussed are to be communicated to the team members not involved in the discussion.	Procedures step	Y	ICFR	
Modify	Added step (25) and substeps as follows: 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	Procedures step	Y	ICFR	

	obtaining such an understanding, consider the following: a. Whether the structure of such transactions is unnecessarily complex (e.g., involving multiple entities within a consolidated group or unrelated third parties). 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	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).	Procedures step	Y	ICFR	Step will reset on roll forward due to extent of changes
Modify	Added 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 CIRA and its environment, including the composition of revenues, specific attributes of the revenue transactions, and unique industry considerations.	Procedures step	Y	ICFR	
Modify	Added step (46) and substeps as follows: Evaluate whether the CIRA'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:	Procedures step	Y	ICFR	

	a. Controls over significant, unusual transactions, particularly those that result in late or unusual journal entries; 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	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: 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. f. Making oral inquiries of major customers and suppliers in addition to sending written confirmations.	Procedures step	Y	ICFR	Step will reset on roll forward due to extent of changes

	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. 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.				
Modify	Added step (63) and Practice Point: 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, *An Audit of Internal Control Over Financial Reporting That Is Integrated With an Audit of Financial Statements*, effective for integrated audits for periods ending on or after December 15, 2016). Step will show if TQ above is answered as "Yes". **Practice Point:** The auditor should evaluate and test controls over the following: • 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 charged with governance, and self-assessment programs; • Controls over the period-end financial reporting process; and • Programs and controls that address significant business risks.	Procedures step	Y	ICFR	
Modify	Added step (92) as follows: For an integrated audit, the auditor may issue either separate reports or a combined report on the entity's	Procedures step	Y	ICFR	

	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, *An Audit of Internal Control Over Financial Reporting That Is Integrated With an Audit of Financial Statements*, effective for integrated audits for periods ending on or after December 15, 2016). Step will show if TQ above is answered as "Yes". ***AID-903***				
Modify	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 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, *An Audit of Internal Control Over Financial Reporting That Is Integrated With an Audit of Financial Statements*, effective for integrated audits for periods ending on or after December 15, 2016).	Procedures step	Y	ICFR	Step will reset on roll forward due to extent of changes
Modify	Modified step (98) and added new Practice Point as follows: Obtain a representation letter addressed to the auditor signed by management and those charged with governance with appropriate responsibilities for the financial statements and, if applicable, internal	Procedures step	Y	ICFR	Step will reset on roll forward due to extent of changes

	control over financial reporting and knowledge of the matters concerned. **Practice Point:** It is generally recommended that the president and treasurer sign the representation letter. The manager should also sign the letter. ***COR-901 Management Representation Letter*** ***COR-901A Management Representation Letter: ICFR***				
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. ***AID-903***	Procedures step	N		Step will reset on roll forward due to extent of changes
AUD-201 Audit Program: Opening Balances and Additional Audit Procedures for Initial Audit Engagements and Transition Periods					
Modify	Under "Opening Balance Procedures for Initial Engagements," modified step 9 which now reads as follows: We reviewed the predecessor auditor's report on the financial statements and other reports as necessary (such as the management letter or communication of significant deficiencies in internal control; attorney response letters to audit inquiries; the management representation letter; and permanent file documents that are pertinent to the audit, such as articles of incorporation, bylaws, declaration of covenants, codes, and restrictions (CC&Rs), and significant agreements and legal documents).	Procedures step	N		
Modify	Under "Opening Balance Procedures for Initial Engagements," modified the main part of step 17, which now reads as follows: We performed the following procedures if the CIRA is still under developer (declarant) control or is in the early stages of development:	Procedures step	N		
Modify	Under "Transition Period Procedures," modified step e, which now reads as follows: We determined whether the CIRA paid for expenses beginning with the date of transition, if there was a subsidy agreement, and that there are no amounts payable to the developer.				

AUD-601 Audit Program: Testing and Evaluating Internal Auditors' Work					
Modify	Modified Purpose section (now reads as follows); added a new Practice Point: 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: • 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. **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, *Using the Work of Internal Auditors*, as if others were internal auditors.	Purpose	Y	AU-C Section 610	
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	Modified Purpose; now reads as follows: 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:	Purpose	Y	ICFR	

	• 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.				
Modify	Modified instructions; now reads as follows: 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. The auditor may use ***AID-603 Component Identification and Analysis***, to identify, assess significance of, and document all the components included in the group. 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, *Special Considerations—Audits of Group Financial Statements (Including the Work of Component Auditors)* and, for integrated audits, AU-C Section 940, *An Audit of Internal Control Over Financial Reporting That Is Integrated With an Audit of Financial Statements*, 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	Instructions	Y	AU-C Section 940	

	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). Added Practice Point: **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 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		
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, *An Audit of Internal Control Over Financial Reporting That Is Integrated With an Audit of Financial Statements*, 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 Obtain sufficient appropriate audit evidence to support the auditor's control risk assessments for purposes of the audit of financial statements.	Instructions	Y	SAS-130; AU-C 940	
Modify	Updated for SAS-130 throughout. Added the following section, steps, and substeps: **Integrating the Audit of Internal Control Over Financial Reporting with the Financial Statement Audit (AU-C Section 940, *An Audit of Internal Control Over Financial Reporting That Is Integrated With an Audit of Financial Statements*, effective for integrated audits for periods ending on or after December 15, 2016)** 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. 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). 17. For purposes of identifying significant classes of transactions, account balances, and disclosures, and	Procedures steps	Y	AU-C Section 940	

	their relevant assertions, and understanding the likely sources of potential misstatements, we have: 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; 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; c. Identified the controls that management has implemented to address these potential misstatements; and d. Identified the controls that management has implemented over the prevention, or timely detection and correction, of unauthorized acquisition, use, or disposition of the entity's assets that could have a material effect on the financial statements. 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. 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. 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: 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. 21. When management has implemented changes to the entity's controls prior to the "as of date", we determined whether the new controls achieve the related objectives of the criteria and have been in effect for a sufficient period to allow us to assess their design and operating effectiveness by performing tests of controls, and whether it was necessary to test the superseded controls. 22. We have formed an opinion on the effectiveness of internal control over financial reporting by evaluating evidence obtained from all sources including: a. Our testing of controls for the audit of internal control over financial reporting; b. Any additional tests of controls performed to achieve the objective related to expressing an opinion on the financial statements; c. Findings or misstatements detected during the financial statement audit; d. Any identified deficiencies; and e. Reports issued during the year by the internal audit function (or similar functions) that address controls related to internal control over financial reporting. This ENTIRE section will show after the TQ above has been answered as "Yes".				
Modify	References to steps (under Results) adjusted: Our planned control reliance for all risks and assertions remains appropriate after completion of our audit procedures to test the operating effectiveness of controls:	Procedures steps	N		
AUD-800 Audit Program: Custom through AUD-819 Audit Program: Concentrations					
Modify	Minor wording modifications in text and Practice Points (clarity); audit program step headings added throughout; additional references added (to other tools) where applicable.	Text	N		
AUD-801 Audit Program: Cash					

Modify	Step (4) modified: 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 ***COR-802 Standard Form to Confirm Account Balance Information with Financial Institutions***). When not performed electronically, we maintained control of the bank confirmation forms and mailed the forms directly to the bank/custodian.	Procedures step	N		
AUD-802 Audit Program: Investments in Securities, Derivative Instruments, and Hedging Activities					
Deleted	The content of this audit program has been split up and reorganized as 802A and 802B.		N		Due to the split of this program only "Investments in Securities" audit area will stay selected in AUD-100 tailoring question, "What financial statement audit areas are applicable to this engagement?". The user will need to reselect the "Derivative Instruments and Hedging Activities" audit area if this audit area is applicable. The same function will happen in the next TQ, "What audit areas, applicable to the engagement, will you be performing tests of the operating effectiveness of controls?" Due to only being able to retain the "Investments in Securities" audit area and not both due to split, the audit area "Derivative Instruments and Hedging Activities" will be lost from KBA-400 and new flow will need to be established in AUD-100, if applicable.
AUD-802A Audit Program: Investments in Securities					
New	Former AUD-802 content for investments in securities; updated; new practice alerts and practice points added.	Text	Y	ASU No. 2016-01	Make sure to publish AUD-802 from the 2015 title before rolling the file forward as there are many steps that will reset due to this split of this audit program. There are some TQ's that will reset on roll forward as well since they may be duplicated in these programs now and can't retain the answer to both places from 2015.
AUD-802B Audit Program: Derivative Instruments and Hedging Activities					
New	Former AUD-802 content for derivative instruments and hedging activities; updated; new practice alerts and practice points added.	Text	Y	ASU No. 2016-01; AU-C Section 540	Make sure to publish AUD-802 from the 2015 title before rolling the file forward as ALL TQ's and ALL steps will RESET on roll forward.
AUD-803 Audit Program: Accounts Receivable and Revenue					
Modify	Under "Receivables Analytical," added new Practice Point below substep 1.d., as follows:	Procedures steps	N		

	We compared total reported assessments for the period under audit with the prior period's and budgeted amounts and tested whether amounts assessed to individual owners have been computed in accordance with the CIRA's documents. **Practice Point:** Generally there are operating and replacement fund assessments. These are recorded in their separate funds. Modified substep 1.g., to read as follows: We computed the relevant ratios for the current period and compared them with the prior period's ratios (see the sample analytical procedures for receivables at ***AID-810 Receivables: Analytical Procedures***).				
Modify	Under "Receivables Aging Testing," added new Practice Point at substep 2.f., as follows: **Practice Point:** Many CIRA auditors do not feel that assessments receivable meet the definition of a "third party" as defined in the External Confirmation definition. As members of the CIRA, they are not customers, but rather part of the entity itself. This is the explanation used for not considering confirmation of receivables.	Procedures steps	N		
Modify	Under "Allowance for Uncollectible Accounts," modified step 6, which now reads as follows: We tested the adequacy of the allowance for uncollectible accounts as follows (see ***AUD-818 Audit Program: Accounting Estimates*** for audit procedures to be performed on significant estimates and the illustrative allowance for uncollectible accounts receivable at ***AID-814 Allowance for Uncollectible Accounts Analysis***):	Procedures steps	N		
Modify	Under "Allowance for Uncollectible Accounts," modified substep 6.d. and added new Practice Point as follows: We inquired of management as to whether any collection problems with assessments receivable are currently classified as current assets. If so, we considered whether such accounts should be reclassified to noncurrent assets. **Practice Point:** CIRAs generally do not present classified balance sheets.	Procedures steps	N		

Modify	Under "Penalty Assessments," modified step 7 to read as follows: If significant, we considered whether penalty assessments, such as late fees, lien fees, and interest, are being appropriately computed and assessed.	Procedures steps	N		
Modify	Under "Special Assessments," added substep 8.d., as follows: We determined the appropriate fund for the special assessment – operating, replacement, or separate fund.	Procedures steps	N		
Modify	Added Practice Point (under the Receivables Transferred section, step 21): **Practice Point:** If the entity has transferred or factored accounts receivable, the auditor should consider performing the transfers or sales procedures in ***AUD-802A Investments in Securities***.	Text	N		
AUD-805 Audit Program: Intangible Assets					
Modify	Added the following Practice Alerts: **Practice Alert:** In September 2015, the FASB issued Accounting Standards Update (ASU) No. 2015-16, *Business Combinations (Topic 805): Simplifying the Accounting for Measurement-Period Adjustments*. To simplify the accounting for adjustments made to provisional amounts recognized in a business combination, the amendments eliminate the requirement to retrospectively account for those adjustments. U.S. GAAP currently requires that during the measurement period, the acquirer retrospectively adjust the provisional amounts recognized at the acquisition date with a corresponding adjustment to goodwill. Those adjustments are required when new information is obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the measurement of the amounts initially recognized or would have resulted in the recognition of additional assets or liabilities. The acquirer also must revise comparative information for prior periods presented in financial statements as needed, including revising depreciation, amortization, or other income effects as a result of changes made to provisional amounts. The amendments in ASU No. 2015-16 require that an acquirer recognize adjustments to provisional amounts that are identified during the measurement period in the reporting period in which the adjustment amounts are determined. The amendments require that the acquirer record, in the same period's financial statements, the effect on earnings of changes in depreciation, amortization, or other income effects, if any, as a result of the change to the provisional amounts, calculated as if the accounting had been completed at the acquisition date.	Purpose	Y	ASU 2015-16; ASU 2015-05	

	In addition, the amendments require an entity to present separately on the face of the income statement or disclose in the notes the portion of the amount recorded in current-period earnings by line item that would have been recorded in previous reporting periods if the adjustment to the provisional amounts had been recognized as of the acquisition date. For public business entities, the amendments are effective for fiscal years beginning after December 15, 2015, including 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 fiscal years beginning after December 15, 2017. The amendments should be applied prospectively to adjustments to provisional amounts that occur after the effective date with earlier application permitted for financial statements that have not been issued. **Practice Alert:** In April 2015, the FASB issued Accounting Standards Update No. 2015-05, *Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40): Customer's Accounting for Fees Paid in a Cloud Computing Arrangement*. Existing U.S. GAAP does not include explicit guidance about a customer's accounting for fees paid in a cloud computing arrangement. Examples of cloud computing arrangements include: (*a*) software as a service; (*b*) platform as a service; (*c*) infrastructure as a service; and (*d*) other similar hosting arrangements. The amendments add guidance to Subtopic 350-40, which will help entities evaluate the accounting for fees paid by a customer in a cloud computing arrangement. The guidance already exists in ASC paragraphs 985-605-55-121 through 55-123, but it is included in a Subtopic applied by cloud service providers to determine whether an arrangement includes the sale or license of software. The amendments in ASU No. 2015-05 provide guidance to customers about whether a cloud computing arrangement includes a software license. If a cloud computing arrangement includes a software license, then the customer should account for the software license element of the arrangement consistent with the acquisition of other software licenses. If a cloud computing arrangement does not include a software license, the customer should account for the arrangement as a service contract. The amendments do not change the accounting for a customer's accounting for service contracts. As a result of the amendments, all software licenses within the scope of Subtopic 350-40 will be accounted for consistent with other licenses of intangible assets. For public business entities, the amendments are effective for annual periods, including interim periods within those annual periods, beginning after December 15, 2015. For all other entities, the amendments are effective for annual periods beginning after December 15, 2015, and interim periods in annual periods beginning after December 15, 2016. Early adoption is permitted for all entities.				

	An entity can elect to adopt the amendments either: (1) prospectively to all arrangements entered into or materially modified after the effective date; or (2) retrospectively.				
Modify	Modified substep 2.d.(3), now reads as follows: We ascertained that capitalized costs are recognized in accordance with the requirements of the applicable financial reporting framework. Modified substep 2.f., now reads as follows: We reviewed valuations (prepared by an independent third party or internally) for intangible assets, obtaining an understanding of the methods used, and assessed the reasonableness thereof. Deleted substeps: We evaluated whether the intangible asset was recorded in accordance with the applicable financial reporting framework. We identified fully amortized intangible assets and ascertained whether they are still utilized or held by the CIRA, and whether they have been de-recognized in accordance with the applicable financial reporting framework We evaluated whether the CIRA's policy for measurement after recognition is appropriate and consistently applied in accordance with the applicable financial reporting framework (e.g., cost or revaluation method).	Procedures steps	N		
Modify	Under "Long Lived Intangibles Subject to Amortization," modified substep 3.d.(9), which now reads as follows: A current expectation that, an asset will be sold or otherwise disposed of significantly before the end of its previously estimated useful life. Modified substep 3.f., which now reads as follows: If an impairment loss should have been or was recognized, we tested the calculation of the loss in accordance with the applicable financial reporting framework and evaluated whether any impairments or write-offs have been authorized and approved by	Procedures steps	N		The first step modified here will RESET on Roll Forward due to content changes. The second step will Retain on RF.

	appropriate officials and examined related supporting documentation (e.g., board minutes, agreements, and correspondence).				
Modify	Modified substep (4.c); now reads as follows: We evaluated whether an impairment loss was recorded in the income statement in accordance with the applicable financial reporting framework.	Procedures steps	N		This step will RESET on Roll Forward due to content changes.
AUD-806 Audit Program: Property and Equipment, and Depreciation					
Modify	Added: **Practice Alert:** In February 2016, the FASB issued its new lease accounting guidance in Accounting Standards Update (ASU) No. 2016-02, *Leases (Topic 842)*. 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: • 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, *Revenue from Contracts with Customers*. 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. 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. 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.	Purpose	Y	ASU No. 2016-02	

Modify	Deleted previous sub-substeps 2.c.(1) and (2): Depreciation expense to total depreciable fixed assets. Repairs and maintenance expense to total depreciable fixed assets.	Procedures steps	N		
Modify	Under "Repairs and Maintenance Testing," modified step 5, which now reads as follows: If repairs and maintenance expense account (operating fund) or major repair and replacement expense account (replacement fund) balances were material to the overall financial statements, or contain a specific risk; and analytical procedures were not performed or were not sufficient, we scanned the general ledger activity and examined supporting documentation on a test basis to determine whether the amounts should have been capitalized.	Procedures steps	N		
Modify	Under "Long-Lived Assets Classified as Held for Sale," modified substep 9.c. and 9.d., which now read as follows: We evaluated whether an impairment loss was recorded in the income statement in accordance with the applicable financial reporting framework. We evaluated whether any impairments or write-offs have been authorized and approved by appropriate officials and examined related supporting documentation (e.g., board minutes, agreements, and correspondence).	Procedures steps	N		
AUD-807 Accounts Payable and Purchases					
Modify	Added new item "C" to the Primary Objectives table: Expenses and costs of products and services are valid, complete, and recorded correctly as to account, amount, and period. Recorded expenses include costs that are properly allocable to the year and are properly matched with revenues.	Table other than procedures	N		
Modify	Step under "AP Pledged Collateral" has been modified and now reads as follows: We inquired of the CIRA's accounting personnel about any assets that were pledged as collateral on accounts payable.				This step will RESET on roll forward due to content changes.
AUD-808 Audit Program: Payroll and Other Liabilities					

Modify	Added: **Practice Alert:** In April 2015, the FASB issued Accounting Standards Update (ASU) No. 2015-04, *Compensation—Retirement Benefits (Topic 715): Practical Expedient for the Measurement Date of an Employer's Defined Benefit Obligation and Plan Assets*. For an entity with a fiscal year-end that does not coincide with a month-end (e.g., companies with a 52/53-week fiscal year), the amendments in ASU No. 2015-04 provide a practical expedient that permits the entity to measure defined benefit plan assets and obligations using the month-end that is closest to the entity's fiscal year-end and apply that practical expedient consistently from year to year. The practical expedient should be applied consistently to all plans if an entity has more than one plan. Employee benefit plans are not within the scope of the amendments. If a contribution or significant event (e.g., a plan amendment, settlement, or curtailment that calls for a remeasurement in accordance with existing requirements) occurs between the month-end date used to measure defined benefit plan assets and obligations and an entity's fiscal year-end, the entity should adjust the measurement of defined benefit plan assets and obligations to reflect the effects of those contributions or significant events. However, an entity should not adjust the measurement of defined benefit plan assets and obligations for other events that occur between the month-end measurement and the entity's fiscal year-end that are not caused by the entity (e.g., changes in market prices or interest rates). If an entity applies the practical expedient and a contribution is made between the month-end date used to measure defined benefit plan assets and obligations and the entity's fiscal year-end, the entity should not adjust the fair value of each class of plan assets for the effects of the contribution. Instead, the entity should disclose the amount of the contribution to permit reconciliation of the total fair value of all the classes of plan assets in the fair value hierarchy to the ending balance of the fair value of plan assets. An entity is required to disclose the accounting policy election and the date used to measure defined benefit plan assets and obligations in accordance with the amendments in this ASU. The new guidance includes a similar practical expedient for interim remeasurement for significant events that occur on other than a month-end date, which permits entities to remeasure defined benefit plan assets and obligations using the month-end that is closest to the date of the significant event, adjusted as necessary for the effects of the significant event. The amendments are effective for public business entities for financial statements issued for fiscal years beginning after December 15, 2015, and interim periods within those fiscal years. For all other entities, the amendments are effective for financial statements issued for fiscal years beginning after December 15, 2016, and interim periods within fiscal years beginning after December 15, 2017. Earlier application is permitted. If elected,	Purpose	Y	ASU No. 2015-04	

	the practical expedient amendments should be applied prospectively.				
Modify	Modified step 4.g.(6), now reads as follows: We evaluated whether the actuary appears to have the proper professional qualifications and credentials, in accordance with AU-C Section 500, *Audit Evidence*, and evaluated whether the relationships between the actuary and the entity would impair independence.	Procedures steps	Y	AU-C Section 500	This step will RESET on roll forward due to content changes.
Deleted	Deleted former substep: We inquired about any relationships between the actuary and the entity that would impair independence.	Procedures steps	N		
Modify	Modified step 4.g.(7), now reads as follows: We compared key plan provisions included in the actuarial valuation report to the latest plan document and inquired about any recent plan amendments.	Procedures steps	N		This step will RESET on roll forward due to content changes.
Deleted	Deleted former substep 4.g.(7): We inquired about any recent plan amendments considered in preparing the actuarial valuation.	Procedures steps	N		
Deleted	Deleted former substep 4.g. (8).: We evaluated whether the financial statements included adequate disclosures, including proper classification of the type of employee benefit plan, as required by the applicable financial reporting framework.	Procedures steps	N		
Modify	Modified substep 5.b. under Postemployment Benefits; now reads as follows: We ascertained that the postemployment benefits are accrued in accordance with the applicable financial reporting framework.	Procedures steps	N		This step will RESET on roll forward due to content changes.
Deleted	Deleted former substep 5.b.(1): They relate to services already rendered.				
Deleted	Deleted former substep 5.g.: We evaluated whether management properly disclosed postemployment benefit policies relating to key management personnel, as well as any contingent liabilities relating to postemployment benefits.	Procedures steps	N		
AUD-809 Audit Program: Income Taxes					

Modify	Added: **Practice Alert:** In January 2016, the FASB issued Accounting Standards Update No. 2016-01, *Financial Instruments—Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities*, which affects current U.S. GAAP primarily as it relates to the accounting for equity investments, financial liabilities under the fair value option, and the presentation and disclosure requirements for financial instruments. ASU No. 2016-01 also amends ASC Topic 740, *Income Taxes*, to clarify that an entity should evaluate the need for a valuation allowance on a deferred tax asset related to available-for-sale debt securities in combination with the entity's other deferred tax assets. This amendment is intended to reduce diversity in current practice whereby some entities evaluate the need for a valuation allowance on a deferred tax asset related to available-for-sale debt securities separately from their other deferred tax assets. In addition, ASU No. 2016-01 moves from ASC Topic 320, *Investments—Debt and Equity Securities*, to ASC Topic 740 the content addressing presentation of deferred tax assets relating to losses on available-for-sale debt securities. ASU No. 2016-01 is effective for public business entities for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2017. For all other entities (including nonpublic entities), the requirements are effective for fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019. **Practice Alert:** In November 2015, the FASB issued Accounting Standards Update (ASU) No. 2015-17, *Income Taxes (Topic 740): Balance Sheet Classification of Deferred Taxes*, which changes how deferred taxes are classified on an entity's balance sheet. The ASU eliminates the current requirement for entities to present deferred tax liabilities and assets as current and noncurrent in a classified balance sheet. Instead, entities will be required to classify all deferred tax assets and liabilities (along with any related valuation allowance) as noncurrent. Consequently, each jurisdiction will now only have one net noncurrent deferred tax asset or liability; however, entities are still prohibited from offsetting deferred tax liabilities from one jurisdiction against deferred tax assets of another jurisdiction. The amendments apply to all entities that present a classified balance sheet. For public business entities, the amendments are effective for financial statements issued for annual periods beginning after December 15, 2016, and interim periods within those annual periods. For all other entities, the amendments are effective for financial statements issued for annual periods beginning after December 15, 2017, and interim periods within annual periods beginning after December 15, 2018. Early adoption is permitted for all entities as of the beginning of an interim or annual reporting period. The amendments in ASU No. 2015-17 may be applied either	Purpose	Y	ASU No. 2016-01; ASU No. 2015-17	

	prospectively to all deferred tax liabilities and assets or retrospectively (i.e., by reclassifying the comparative balance sheets) to all periods presented. If an entity applies the guidance prospectively, the entity should disclose in the first interim and first annual period of change, the nature of and reason for the change in accounting principle and a statement that prior periods were not retrospectively adjusted. If an entity applies the guidance retrospectively, the entity should disclose in the first interim and first annual period of change the nature of and reason for the change in accounting principle and quantitative information about the effects of the accounting change on prior periods.				
Modify	Added D. to the Primary Audit Objectives table: D. Provisions for unrecognized tax benefits (uncertain tax positions), including the related liability, penalties, and interest have been properly accounted for and disclosed.	Table, other than procedures			
Modify	Step 3(b) under "Income Tax Accruals" has been modified and now reads as follows: The CIRA's basis for assessing deferred tax assets and related valuation allowances in accordance with the applicable financial reporting framework.				This step will RESET on roll forward due to content changes.
AUD-810 Audit Program; Debt Obligations					
Modify	Added: **Practice Alert:** In February 2016, the FASB issued its new lease accounting guidance in Accounting Standards Update (ASU) No. 2016-02, *Leases (Topic 842)*. 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: • 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, *Revenue from Contracts with Customers*. 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. 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	Purpose	Y	ASU No. 2016-02	

	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. 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.				
Delete	Under "Debt Substantive Analytical Procedures," modified step 1.b., deleting subitems (1) to (5); substep now reads as follows: We computed the relevant ratios and relationships for the current year and compared them with the prior year's data and/or industry data (see the sample analytical procedures for debt obligations and interest at ***AID-827 Debt Obligations and Interest: Analytical Procedures***).	Procedures steps	N		
Modify	Under "Debt Summary and Analysis," modified step 2.d., which now reads as follows: We obtained copies of new debt agreements and amendments to existing agreements entered into during the year and reviewed terms, conditions, and restrictive covenants.	Procedures steps	N		This step will RESET on roll forward due to content changes.
Modify	Under "Debt Maturing within the Next Year-Extended, Renewed, or Replaced," modified step 4, which now reads as follows: 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.				This step will RESET on roll forward due to content changes.
AUD-813 Audit Program: Journal Entries and Financial Statement Review					
Modify	Added the following new Practice Point at the end of Section 1 (above the heading for Section II): **Practice Point:** For an integrated audit (AU-C Section 940*, An Audit of Internal Control Over Financial Reporting That Is Integrated With an Audit of Financial Statements*, effective for	Section 1	Y	AU-C 940	

	integrated audits for periods ending on or after December 15, 2016), because the annual period-end financial reporting process normally occurs after the “as of date” specified in management’s assessment about the effectiveness of internal control over financial reporting, those controls usually cannot be tested until after the “as of date.”				
Modify	Under “Required Supplementary Information,” modified step 25, which now reads as follows: We performed the following procedures to the required supplementary information on future major repairs and replacements required by the applicable financial reporting framework.	Procedures steps	N		
Deleted	Deleted: Practice Point: Steps 3 through 5 relate to testing journal entries and other adjustments for indications of potential fraud. Step 7 relates to testing journal entries as part of substantive procedures related to the financial statement reporting process. Because of the nature of the testing, the auditor may consider testing the steps in conjunction with each other.	Procedures steps	N		
Modify	Added substeps 1.f. and 1.g.: f. The nature and extent of the oversight of the process by management. g. Management’s procedures for preparing the financial statements.	Procedures steps	N	AUD-814	
Modify	Former steps 9 to 20 moved down and renumbered as steps 16 – 27.	Procedures steps	N	AUD-814	
Modify	Under “All Required Supplementary Information Is Included,” modified step 14, which now reads as follows: We determined that all required supplementary information required by the applicable financial reporting framework accompanied the basic financial statements and that the contents of such required supplementary information met the requirements of the applicable financial reporting framework or if required supplementary information is not included, the audit report and disclosures are appropriately modified.	Procedures steps	N		
Modify	Under “Change in Accounting Principle,” added Practice Point (under step 28) as follows: Where the CIRA has changed its accounting for significant transactions, we considered the reason for the change and whether the change is consistent with the applicable financial reporting framework	Procedures steps	N		

	Practice Point: The most common change in accounting principle is moving from nonfund to fund financial presentation.				
AUD-814 Audit Program: Related-Party Transactions					
Modify	Under "Transactions Outside the Normal Course of Business," modified step 2 and substeps a. and b., which now read as follows: 2. If we identified significant transactions outside the CIRA's normal course of operations when performing the audit procedures above or through other audit procedures: a. We inquired of management about the nature of these transactions and whether related parties could be involved. b. We inspected the underlying contracts or agreements and evaluated whether: (1) The rationale of the transaction suggests that they may have been entered into to engage in fraudulent financial reporting or to conceal misappropriation of assets. (2) The terms of the transactions are consistent with management's explanations. The transactions have been appropriately accounted for and disclosed.	Procedures steps	N		Step 2(a) will RESET on roll forward due to content changes.
Modify	Under "Scope of Procedures to Apply," modified substeps 3. c. and d., which read as follows: Considering the purpose served by the various components or segments of the CIRA. Considering the CIRA's organizational structure and whether it appears to be designed to conceal related-party transactions.	Procedures steps	N		
Delete	Deleted (heading and former step 8): Related-Party Effects on the Tax Provision We considered the effect, if any, of the related-party transactions on the tax provision and informed the tax engagement team of all such transactions for purposes of their review of the tax provision and the preparation of tax returns.	Procedures steps	N		
Modify	Under "Management Representations for Related Parties,' modified step 9 as follows:	Procedures steps	N		

	9. We obtained written representations from management and those charged with governance (in the representation letter) about the completeness of information provided regarding related parties and related-party transactions and the adequacy of related-party disclosures in the financial statements. ***COR-901 Management Representation Letter*** ***COR-901A Management Representation Letter: ICFR***				
AUD-815 Audit Program: Fair Value Measurements and Disclosures					
Modify	Added: **Practice Alert:** In January 2016, the FASB issued Accounting Standards Update (ASU) No. 2016-01, *Financial Instruments—Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities*, which affects current U.S. GAAP primarily as it relates to the accounting for equity investments, financial liabilities under the fair value option, and the presentation and disclosure requirements for financial instruments. The following discussion addresses the more significant provisions of ASU No. 2016-01. *Equity investments with readily determinable fair values*. Equity investments (except those accounted for under the equity method of accounting or those that result in consolidation of the investee) are required to be measured at fair value with unrealized holding gains and losses in fair value to be recognized in net income. This amendment supersedes the guidance that requires (1) classification of equity securities with readily determinable fair values into different categories (i.e., trading or available-for-sale), and (2) recognition of changes in fair value of available-for-sale securities in other comprehensive income. *Equity investments without readily determinable fair values*. For equity investments without readily determinable fair values, ASU No. 2016-01 eliminates the cost method of accounting previously allowed in ASC Subtopic 325-20, *Investments—Other—Cost Method Investments*. Rather, under ASU No. 2016-01, an entity has the option to measure these equity investments either at: (1) cost minus impairment, if any, plus or minus changes resulting from observable price changes in orderly transactions for the identical or a similar investment of the same issuer, or (2) fair value. This amendment simplifies the impairment assessment of equity investments without readily determinable fair values by requiring a qualitative assessment to identify impairment (similar to the qualitative assessment for long-lived assets, goodwill, and indefinite-lived intangible assets). When a qualitative assessment indicates that impairment exists, an entity is required to measure the equity investment at fair value and recognize an impairment loss in net income. The impairment loss is calculated as the difference between the fair value of the investment and its carrying amount. This impairment assessment reduces the	Purpose	Y	ASU 2016-1; 2015-7	

	complexity of the other-than-temporary impairment guidance entities were required to follow before ASU No. 2016-01. *Simplified disclosures.* This amendment eliminates the requirement to disclose the fair value of financial instruments measured at amortized cost for entities that are not public business entities. Although public business entities will still be required to do so, they no longer will have to disclose the methods and significant assumptions used in estimating those fair values. *Using the exit price notion when measuring fair value for disclosure purposes.* This amendment requires public business entities that are required to disclose fair value of financial instruments measured at amortized cost to use the exit price notion when measuring the fair value for disclosure purposes, consistent with ASC Topic 820, *Fair Value Measurement*. This change to U.S. GAAP eliminates the entry price method previously used by some entities to estimate the fair values of certain instruments when a market price is not available. *Financial liabilities measured under the fair value option.* For entities that elect the fair value option to measure financial liabilities, this amendment requires the entity to present separately in other comprehensive income the portion of the total change in the fair value of a financial liability resulting from a change in the instrument-specific credit risk (also referred to as "own credit risk"). Upon derecognition of the financial liability, the accumulated gains and losses due to changes in the instrument-specific credit risk will be reclassified from other comprehensive income to net income. Under current U.S. GAAP, entities that elect the fair value option to measure financial liabilities recognize all changes in fair value in net income (including changes in fair value related to instrument-specific credit risk). *Separate presentation of financial assets and financial liabilities*. This amendment requires separate presentation of financial assets and financial liabilities by measurement category and form of financial asset (i.e., securities or loans and receivables) on the balance sheet or in the accompanying notes to the financial statements. *Deferred tax assets*. This amendment clarifies that an entity should evaluate the need for a valuation allowance on a deferred tax asset related to available-for-sale debt securities in combination with the entity's other deferred tax assets. This amendment is intended to reduce diversity in current practice whereby some entities evaluate the need for a valuation allowance on a deferred tax asset related to available-for-sale debt securities separately from their other deferred tax assets. *Effective date*. ASU No. 2016-01 is effective for public business entities for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2017. For all other entities (including nonpublic entities), the requirements are effective for fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019.				

	Early adoption. Nonpublic business entities may early adopt the standard in fiscal years beginning after December 15, 2017, including interim periods within those fiscal years (i.e., as of the effective date for public business entities). Also, nonpublic business entities may early adopt the provisions of the standard that eliminate certain previously required disclosures for financial statements of annual or interim periods that have not yet been made available for issuance, including those for periods in 2015. All entities may early adopt the provisions requiring them to recognize the fair value change in the instrument-specific credit risk in other comprehensive income for financial liabilities measured using the fair value option. These provisions may be early adopted for financial statements of annual or interim periods that have not yet been issued (public business entities) or made available for issuance (nonpublic business entities), including those for periods in 2015. *Transition guidance*. Entities should apply the standard by recording a cumulative-effect adjustment to beginning retained earnings as of the beginning of the fiscal year of adoption, except as follows: (1) the provisions related to equity securities without readily determinable fair values (including disclosure requirements) should be applied prospectively to all equity investments that exist as of the adoption date; and (2) the provisions that require the exit price notion to be used to measure the fair value of financial instruments for disclosure purposes should be applied prospectively. **Practice Alert:** In May 2015, the FASB issued Accounting Standards Update (ASU) No. 2015-07, *Fair Value Measurement (Topic 820): Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)*. 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. 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. 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 which the entity has elected to measure the fair value using that practical expedient. 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.				
Delete	Deleted substep 7.b.(3): Whether the valuation technique meets the criteria of the applicable financial reporting framework and is appropriate in the circumstances.	Procedures steps	N		
Deleted	Under "Business Combinations," step 14.b., deleted (6) We determined that all tangible and intangible assets acquired and all liabilities assumed have been identified and accounted for in accordance with the applicable financial reporting framework:	Procedures steps	N		
Delete	Deleted substeps 7.e. thru 7.h.: We determined that the method of estimation and significant assumptions used are adequately disclosed. We evaluated whether the disclosures adequately inform users about any estimation uncertainty (e.g., observable market input and entity-specific input disclosures). We evaluated whether the nature and extent of risks arising from financial instruments are adequately disclosed in accordance with the applicable financial reporting framework. If the required fair value disclosures have been omitted because it is not practicable to determine fair value, we evaluated the adequacy of disclosures required in the circumstances and whether the financial statements are materially misstated.	Procedures steps	N		
Delete	Deleted former step 10: We considered applying additional audit procedures (e.g., inspecting an asset) to obtain adequate evidence about the appropriateness of a fair value measurement.	Procedures steps	N		

Modify	Modified step 10 (formerly step 11); now reads as follows: If the fair value measurement was made as of a date that is different from the date that the CIRA is required to measure and report that information in its financial statements, we evaluated whether management has appropriately considered the effect of intervening events, transactions, and changes in circumstances (i.e., those occurring between the date of fair value evidence and the reporting date).	Procedures steps	N		
Delete	Deleted former substep 14.b.(6): We determined that all tangible and intangible assets acquired and all liabilities assumed have been identified and accounted for in accordance with the applicable financial reporting framework.	Procedures steps	N		
Modify	Modified 14.c., which now reads: We considered the need for a valuation specialist to assist in the review of significant areas, such as: (1) The purchase price allocation. (2) The methods, assumptions, and inputs used to assign values to the assets acquired and liabilities assumed, particularly those relating to items such as intangibles; complex financial instruments; inventories; executive compensation plans; and plant, property, and equipment. (3) The allocation of assets, including goodwill, and liabilities to reporting units. ***AUD-603 Audit Program: Using the Work of an Auditor's Specialist***	Procedures steps	N		This step will RESET on roll forward due to content changes.
AUD-816 Audit Program: Variable Interest Entities					
Modify	Modified step 13.d., now reads as follows: We considered using a valuation specialist. ***AUD-603 Audit Program: Using the Work of an Auditor's Specialist***	Procedures steps	N		
Modify	Under "Primary Beneficiary Procedures," modified and simplified step 14., which now reads as follows: For VIEs for which the CIRA is the primary beneficiary and for which the CIRA is not electing	Procedures steps	N		This step will RESET on roll forward due to content changes.

	the PCC VIE accounting alternative, we determined that the entity has properly accounted for the VIE in its consolidated financial statements in accordance with the applicable financial reporting framework. **Practice Point:** Additional guidance is provided in AU-C Section 540, *Auditing Accounting Estimates, Including Fair Value Accounting Estimates, and Related Disclosures*, for auditing fair value measurements.				
AUD-817 Audit Program: Commitments and Contingencies					
Modify	Added: **Practice Alert:** In February 2016, the FASB issued its new lease accounting guidance in Accounting Standards Update (ASU) No. 2016-02, *Leases (Topic 842)*. 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: • 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, *Revenue from Contracts with Customers*. 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. 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. 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.	Purpose	Y	ASU 2016-02	

Modify	Under “Environmental Remediation Liabilities,” modified step 14 and substeps a through f as follows: We inquired of management about the existence of or potential for environmental remediation liabilities, including the following: a. Whether the CIRA has policies and procedures in place to help identify environmental remediation liabilities. b. Whether the CIRA is aware of any potential environmental hazards on its site what steps management has taken to minimize the entity’s exposure for environmental remediation liabilities. c. Whether the CIRA is required to have a permit to transport, treat, store, or dispose of any potential environmental hazards. d. Whether the CIRA generates any potential environmental hazards or “regulated substances” in its business e. Whether the CIRA ever used landfills, underground storage tanks, or barrels to dispose of any potential environmental hazards and how management tests and monitors for leakage. f. Whether the CIRA has undergone any cleanup activities on its premises (e.g., tank or pump removal, removal of contaminated soil, installation of new tanks or pumps). Added substeps m. and n., as follows: m. How management monitors claims and assessments, and then estimates its liability for environmental remediation liabilities. n. How management accounts for the costs of environmental remediation efforts.	Procedures steps	N		
Modify	Under “Management Representations for Commitments and Contingencies,” modified step 16., which now reads as follows: We obtained representations from management and, where appropriate, those charged with governance, ordinarily in writing, that the CIRA has disclosed all	Procedures steps	N		

	matters, including contingent liabilities and assessments that their legal counsel has advised them are probable of assertion, required to be disclosed by the applicable financial reporting framework. ***COR-901 Management Representation Letter*** ***COR-901A Management Representation Letter: ICFR***				
Modify	Modified step 21; now reads as follows: If the CIRA had not consulted legal counsel during the period under audit, we included the following item in the representation letter from management: "We are not aware of any pending or threatened litigation, claims, and assessments whose effects should be considered when preparing the financial statements and we have not consulted legal counsel concerning litigation, claims, or assessments." ***COR-901 Management Representation Letter*** ***COR-901A***	Procedures steps	N		This step will RESET on roll forward due to content changes.
AUD-818 Audit Program: Accounting Estimates					
Modify	Under "Difference between Auditor's Estimate and Management's Estimate," added Practice Point under step 7: **Practice Point:** If the estimates in the financial statements are grouped at one end of the range of reasonable estimates in the prior year and are grouped at the other end of the range of reasonable estimates in the current year, the auditor should evaluate whether management is using swings in estimates to achieve an expected or desired outcome, e.g., to offset higher or lower than expected earnings.	Procedures steps	N		
Deleted	Under "Accounting Estimates That Give Rise to Significant Risks, Substantive Procedures," deleted substep 8e.: The adequacy of the disclosure of management's estimation uncertainty in the financial statements in the context of the applicable financial reporting framework.	Procedures steps	N		
AUD-901 Audit Program: Subsequent Events					
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)? This TQ will show/hide multiple steps, see below.				
Modify	Modified Instructions, Section I, General Procedures, paragraph one; now reads as follows: 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 collectibility of accounts receivable by reviewing subsequent-period cash receipts. However, in addition to these normal audit procedures, AU-C Section 560, *Subsequent Events and Subsequently Discovered Facts*, 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 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, *An Audit of Internal Control Over Financial Reporting That Is Integrated With an Audit of Financial Statements* (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.	Instructions	Y	AU-C Section 940	

Modify	Added step 5: For an integrated audit (AU-C Section 940, *An Audit of Internal Control Over Financial Reporting That Is Integrated With an Audit of Financial Statements*, 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.				
Modify	Added step 6: For an integrated audit (AU-C Section 940, *An Audit of Internal Control Over Financial Reporting That Is Integrated With an Audit of Financial Statements*, 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: 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 d. Information about the effectiveness of the entity's internal control over financial reporting obtained through other engagements performed for the entity. This step will show if you have answered "Yes" to the TQ above.	Procedures steps	Y	AU-C Section 940	
Modify	Modified steps 13 to 16; now read as follows: 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	Procedures steps	Y	AU-C Section 940	

	through which management evaluated subsequent events is on or before the date of the auditor's report. 14. For an integrated audit (AU-C Section 940, *An Audit of Internal Control Over Financial Reporting That Is Integrated With an Audit of Financial Statements*, 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. This step will show if you have answered "Yes" to the TQ above. 15. For an integrated audit (AU-C Section 940, *An Audit of Internal Control Over Financial Reporting That Is Integrated With an Audit of Financial Statements*, effective for integrated audits for periods ending on or 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. This step will show if you have answered "Yes" to the TQ above. 16. For an integrated audit (AU-C Section 940, *An Audit of Internal Control Over Financial Reporting That Is Integrated With an Audit of Financial Statements*, 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. This step will show if you have answered "Yes" to the TQ above.				
AUD-902 Audit Program: Going Concern					

Modify	Added: **Practice Alert:** In August 2014, FASB issued Accounting Standards Update (ASU) No. 2014-15, *Presentation of Financial Statements—Going Concern (Subtopic 205-40), Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern* 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, *The Auditor's Consideration of an Entity's Ability to Continue as a Going Concern*), which is defined as "a period of time not to exceed one year beyond the date of the financial statements being 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). 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. In January 2015, the Auditing Standards Board issued four interpretations of AU-C Section 570 (see AU-C Section 9570). Interpretation No. 2 (*Definition of Reasonable Period of Time*) 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.	Instructions	Y	ASU No. 2014-15	
AUD-903 Audit Program: Consideration of Fraud					
Modify	Purpose modified; now reads: 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.	Purpose	Y	ICFR	
Modify	First paragraph of instructions modified and new Practice Point added; now reads:	Instructions	Y	AU-C Section 940	

	This audit program is based on the requirements and guidance set forth in AU-C Section 240, *Consideration of Fraud in a Financial Statement Audit*, and when applicable, AU-C Section 940, *An Audit of Internal Control Over Financial Reporting That Is Integrated With an Audit of Financial Statements* (effective for integrated audits for periods ending on or after December 15, 2016). Refer to this guidance for additional information. **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.				
Modify	Deleted the “Brainstorming” segment (steps 1-25).	Table			The 2015 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	Step 1 modified; now reads as follows: 1. 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: 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	Table	N		Step will reset on roll forward due to extent of changes.

	e. Incorporating our knowledge of the entity's history of noncompliance with laws and regulations. ***KBA-303 Inquiries of Management and Others within the Entity about the Risks of Fraud and Noncompliance with Laws and Regulations***				
AUD-908 Interim Review Program: Management Inquiries					
Modify	Modified throughout with additional steps.	Text; steps	N		

Auditor's Reports (RPTs) have been modified and updated, where applicable, in accordance with current guidance.

- **NEW RPT-0901A *Unmodified Opinion: Single-Year Financial Statements—Combined Report Expressing an Unmodified Opinion on ICFR* -** sample unmodified report for single-year financial statements with a combined opinion on internal control over financial reporting.
- **NEW RPT-0901B *Unmodified Opinion: Single-Year Financial Statements with Reference Made to Separate Report on ICFR* -** Sample unmodified report for single-year financial statements with a separate opinion on internal control over financial reporting..
- **NEW RPT-0902A *Unmodified Opinion: Comparative Years Financial Statements—Combined Report Expressing an Unmodified Opinion on ICFR* -** Sample unmodified report for comparative-years financial statements with a combined opinion on internal control over financial reporting.
- **NEW RPT-0902B *Unmodified Opinion: Comparative Financial Statements with Reference Made to Separate Report on ICFR* -** Sample unmodified report for comparative-year financial statements with a separate opinion on internal control over financial reporting will be issued
- **NEW RPT-0919A *Unmodified Opinion on Internal Control over Financial Reporting When Making Reference to the Report of a Component Auditor* -** Sample unmodified opinion on internal control over financial reporting when part of the opinion is based in part on the report of a component auditor
- **NEW RPT-0928 *Unmodified Opinion: Special-Purpose Financial Statements Prepared in Accordance with the Financial Reporting Framework for Small- and Medium-Sized Entities* -** Sample unmodified opinion for special-purpose financial statements prepared in accordance with the Financial Reporting Framework for small- and medium-sized entities
- **Renumbered:** Former RPTs 0928 through 0948 renumbered as RPTs 0929 through 0949.
- **NEW RPT-0960 *Unmodified Opinion: Separate Report on ICFR* -** Sample separate unmodified opinion on internal control over financial reporting.
- **NEW RPT-1004 *Adverse Opinion: Separate Report on ICFR* -** Sample adverse opinion: internal control over financial reporting.
- **NEW RPT-1019 *Disclaimer of Opinion: Separate Report on ICFR* -** Sample disclaimer of opinion: internal control over financial reporting.

Correspondence Documents (CORs) have been modified throughout with updated references and, where applicable, in accordance with authoritative literature.

- **NEW COR-201A *Audit Engagement Letter: Integrated Audit* -** 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-202A *Audit Engagement Letter: Integrated Audit When Also Performing Reviews of Interim Financial Information* -** 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, when the auditor is also performing reviews of interim financial information.
- **NEW COR-901A *Management Representation Letter: ICFR.***

- **NEW COR-904A** ***Communication to Entity with Significant Deficiencies and/or Material Weaknesses: ICFR***
- **COR-905** modified with new title ***Communication to Entity with No Material Weaknesses (Not for Use When Performing an Integrated Audit).***

Tool	Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference
COR-216	Modify	Modified for ICFR			
COR-820	Modify	Added Additional Guidance Note for ASU No. 2015-04		Y	ASU No. 2015-04
COR-901	Modify	Minor modification for Information Provided (Illustrative Letter); and wording of the note concerning litigation, claims, and assessments.			
COR-901	Modify	Modified Instructions and updated the Illustrative Letter: ICFR		Y	ICFR
COR-904	Modify	Modified, adding “Reasonably possible” and “Probable” considerations.			
COR-906	Modify	Modified, adding “Reasonably possible” and “Probable” considerations; added additional guidance notes, including considerations when the engagement is also performed in accordance with Government Auditing Standards.			AU-C Section 940

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

- **AID-201** ***Nonattest Service Independence Checklist*** modified to add a new step for conditions me when a member or member’s firm is associated with a CIRA as a result of ownership or lease of real estate.
- **AID-601** ***Considering the Use of the Work of Internal Auditors*** 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 CIRA’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-829** ***Deferred Taxes Analysis*** modified to add a section for “Permanent Differences.”
- **AID-833** ***Analysis of Legal Fees*** modified to add a column for “Attorney Representation.”
- **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*.

Resource Documents (RESs) RES-001 modified and updated

- **RES-002** ***Index of Audit Programs, Forms, and Other Practice Aids*** modified as appropriate to incorporate new workpapers.
- **NEW RES-024** ***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-025** ***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 0ver Financial Reporting for an integrated audit
- **NEW RES-026** ***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.

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)

FASB Accounting Standards Codification™ as of December 31, 2016, and through Accounting Standards Update (ASU) No. 2016-19., including:

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.

Form No.	*Form Name*	*Foundation Workpaper*	*Association Workpaper*
KBAs	**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	CIRA Information and Background	X	
KBA-201	Client/Engagement Acceptance and Continuance Form: Complex CIRAs		
KBA-201N	Client/Engagement Acceptance and Continuance Form: Noncomplex CIRAs		
KBA-301	Worksheet for Determination of Materiality, Performance Materiality, and Thresholds for Trivial Amounts		
KBA-302	Understanding the CIRA and Its Environment: Complex CIRAs		
KBA-302N	Understanding the CIRA and Its Environment: Noncomplex CIRAs		

Form No.	*Form Name*	*Foundation Workpaper*	*Association Workpaper*
KBA-303	Inquiries of Management and Others within the CIRA 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 CIRAs		
KBA-401N	Understanding Entity-Level Controls: Noncomplex CIRAs		
KBA-402	Understanding General Controls for Information Technology		
KBA-403	Understanding Activity-Level Controls: Revenues, Receivables, and Cash Receipts		
KBA-404	Understanding Activity-Level Controls: Property and Equipment		
KBA-405	Understanding Activity-Level Controls: Other Assets		
KBA-406	Understanding Activity-Level Controls: Accounts Payable and Cash Disbursements		
KBA-407	Understanding Activity-Level Controls: Payroll		
KBA-408	Understanding Activity-Level Controls: Treasury		
KBA-409	Understanding Activity-Level Controls: Income Taxes		
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	

Form No.	*Form Name*	*Foundation Workpaper*	*Association Workpaper*
KBA-503	Basis for Inherent Risk Assessment		
KBA-902	Audit Review and Approval Checklist		
KBA-904	Audit Documentation Checklist		
AUDs	**AUDIT PROGRAMS**		
AUD-100	Overall Tailoring Questions	X	
AUD-101	Overall Audit Program	X	
AUD-201	Audit Program: Opening Balances and Additional Audit Procedures for Initial Audit Engagements and Transition Periods		
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 in Securities		
AUD-802B	Audit Program: Investments in Derivative Instruments and Hedging Activities		

Form No.	*Form Name*	*Foundation Workpaper*	*Association Workpaper*
AUD-803	Audit Program: Receivables and Revenues		
AUD-804	Audit Program: Prepaid Expenses, Deferred Charges, and Other Assets		
AUD-805	Audit Program: Intangible Assets		
AUD-806	Audit Program: Property and Equipment, and Depreciation		
AUD-807	Audit Program: Accounts Payable and Purchases		
AUD-808	Audit Program: Payroll and Other Liabilities		
AUD-809	Audit Program: Income Taxes		
AUD-810	Audit Program: Debt Obligations		
AUD-811	Audit Program: Equity/Fund Balances		
AUD-812	Audit Program: Other Income, Operating Expenses, and Major Repairs and Replacements Expenditures		
AUD-813	Audit Program: Journal Entries and Financial Statement Review		
AUD-814	Audit Program: Related-Party Transactions		
AUD-815	Audit Program: Fair Value Measurements and Disclosures		
AUD-816	Audit Program: Variable Interest Entities		
AUD-817	Audit Program: Commitments and Contingencies		

Form No.	*Form Name*	*Foundation Workpaper*	*Association Workpaper*
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		
AUD-907	Interim Review Program: Review of Interim Financial Information		
AUD-908	Interim Review Program: Management Inquiries		
AIDs	**PRACTICE AIDS**		
AID-302	Understanding the CIRA's Revenue Streams and Revenue Recognition Policies		
AID-601	Considering the Use of the Work of Internal Auditors		
AID-603	Component Identification and Analysis		
AID-702	Results of Tests of Controls		
AID-802	Audit Sampling Worksheet for Substantive Tests of Details		
AID-901	Differences of Professional Opinion		

Form No.	*Form Name*	*Foundation Workpaper*	*Association Workpaper*
AID-903	Audit Report Preparation Checklist		

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

Workpaper Requiring Association	*What is it associated with?*		
	Workpaper	*Table/Question*	*Association Item (Custom Value)*
KBA-411 Understanding Ctrls: Service Org (Custom)	AUD-100 Tailoring Question Workpaper	Does the CIRA use service organizations? Shows the " Document the service organizations used by the CIRA." table in KBA-101 Overall Audit Strategy.	
	KBA-101 Overall Audit Strategy	Document the service organizations used by the CIRA.	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 the engagement team 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 the engagement team 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