

# 2017 PREPARATION, COMPILATION, AND REVIEWS OF NOT-FOR-PROFIT ENTITIES TITLE OVERVIEW FOR KNOWLEDGE COACH USERS

## PURPOSE

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

## WORKPAPER UPDATES AND ROLL FORWARD NOTES

### General Roll Forward Note:

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

The *2017 Knowledge-Based Preparation, Compilation, and Review Engagements* tools have been updated to take into account the latest literature, standards, and guidance applicable to preparation, compilation, and review engagements. The 2017–2018 tools include links to detailed analysis related to the steps and processes discussed in the workpapers. Also included is a revised financial statement disclosures checklist that provides a centralized resource of the required and recommended U.S. GAAP disclosures and key presentation items currently in effect, using the style referencing under the FASB Accounting Standards Codification.<sup>TM</sup>

The tools in this edition of *Knowledge-Based<sup>TM</sup> Preparation, Compilation, and Review Engagements of Not-for-Profit Entities* are current through Statement on Standards for Accounting and Review Services No. 23 (SSARS-23), *Omnibus Statement on Standards for Accounting and Review Services - 2016*; the revised AICPA Code of Professional Conduct (Code), including ET Section 1.295, *Nonattest Services*; AICPA Statement on Quality Control Standards No. 8 (QC Section 10), *A Firm's System of Quality Control (Redrafted)*; and AICPA Audit Risk Alert *Developments in Preparation, Compilation, and Review Engagements—2016/17*.

### Preparation Programs (PRPs):

- Modified where applicable with new practice points, practice alerts, and updated references.

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
<b>PRP-101 Overall Preparation Program</b>					
Modify	Added: The methodology applied to the preparation of financial statements is equally applicable to the preparation of prospective financial statements, pro forma financial information, and other historical financial information.	Purpose	N		
Modify	Added Practice Point: <b>Practice Point:</b> The AICPA Audit Risk Alert <i>Developments in Preparation, Compilation, and Review Engagements—2016/17</i> provides information regarding liability claims related to compilation and review engagements that could possibly apply to preparation engagements. The segment indicates that the	Purpose	Y	ARA	

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
	<p>leading cause of claims against accountants providing compilation and review services was a failure to detect theft or fraud, followed by a failure to perform appropriate testing.</p> <ul style="list-style-type: none"> <li>• The primary basis for losses appears to be a lack of a clear understanding as to the nature and limitations of the services being provided by the accountant.</li> <li>• Another basis for losses appears to result from a failure to follow up on information that appears to be incorrect, incomplete, or otherwise unsatisfactory.</li> </ul> <p>The accountant can minimize liability by making certain that a clear understanding is established with the client and that it is documented in the form of a signed engagement letter. In addition, although an accountant is not required to verify the accuracy or completeness of the information provided by the client in the performance of a preparation or compilation engagement, the accountant performs the engagement with a certain level of knowledge and cannot ignore indications that information is incorrect, incomplete, or otherwise unsatisfactory that are, or should be, obvious to an accountant that is qualified to perform the engagement in conformity with applicable standards.</p> <p>The Risk Alert also notes the following common peer review findings for compilation engagements:</p> <ul style="list-style-type: none"> <li>• Failure to include basic report elements in the accountant's compilation report on the financial statements;</li> <li>• Failure to report the degree of responsibility taken with respect to supplementary information;</li> <li>• Failure to report that substantially all required disclosures have been omitted; and</li> <li>• Omissions and errors in engagement letters.</li> </ul>				
Delete	Deleted Practice Alert on 2015 EDs and 2015/2016 ARA	Purpose	Y	ARA	
Modify	<p>Under "Preliminary Engagement Activities," added the following Note in step 9:</p> <p><i>Note:</i> When the accountant is neither able to include a statement on each page indicating that no assurance is provided nor issue a disclaimer making it clear that no assurance is provided, the accountant may perform a compilation engagement in accordance with AR-C section 80 of SSARS, Compilation Engagements, or may withdraw from the engagement.</p>	Procedure steps	Y	AR-C section 80	This step will retain on Roll Forward with default settings.
Modify	Under "Preliminary Engagement Activities," added the following Note in step 10:	Procedure steps	N		This step will retain on Roll Forward with default settings.

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
	<i>Note:</i> An acknowledgement of responsibility for internal control relevant to reliable financial reporting is not included when the accountant decides to accept responsibility for such internal control.				
Modify	Under “Preliminary Engagement Activities,” added the following Note in step 11, substep b(2): <i>Note:</i> An acknowledgement of responsibility for internal control relevant to reliable financial reporting is not included when the accountant decides to accept responsibility for such internal control.	Procedure steps	N		This step will retain on Roll Forward with default settings.
Modify	Under “Evaluating and Concluding Procedures,” added substep 39.b.: Use the going concern basis of accounting only if appropriate;	Procedure steps	N		Due to content changes this step will RESET on Roll Forward.
<b>PRP-201 Pre-Preparation Program: Procedures Performed Prior to a Preparation Engagement</b>					
Modify	Under Procedure, “Split-Interest Agreements and Beneficial Interests in Trusts”, modified step 3 (c) under section, “Procedures Applicable to Adjustments at General Ledger Level”: Whether the contribution revenue for new split interest agreements is properly classified (unrestricted, temporarily restricted, permanently restricted, or, for those implementing ASU 2016-14, net assets without donor restrictions or net assets with donor restrictions)	Procedure steps	Y	ASU 2016-14	Due to content changes this step will RESET on Roll Forward.
Modify	Under Procedure, “Contributions Receivable”, modified step 4 (d) under section, “Procedures Applicable to Adjustments at General Ledger Level”: Whether contributions are properly classified (unrestricted, temporarily restricted, permanently restricted, or, for those implementing ASU 2016-14, net assets without donor restrictions or net assets with donor restrictions).	Procedure steps	Y	ASU 2016-14	Due to content changes this step will RESET on Roll Forward.
Modify	Under Procedure, “Investments”, modified step 7 (c) under section, “Procedures Applicable to Adjustments at General Ledger Level”:	Procedure steps	Y	ASU 2016-14	Due to content changes this step will RESET on Roll Forward.

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
	Whether investments have been evaluated for propriety of classification (unrestricted, temporarily restricted, permanently restricted, or, for those implementing ASU 2016-14, net assets without donor restrictions or net assets with donor restrictions).				
Modify	Under Procedure, "Investments", modified step 7 (d) under section, "Procedures Applicable to Adjustments at General Ledger Level": Whether investment gains and losses have been evaluated for propriety of valuation and classification (unrestricted, temporarily restricted, permanently restricted, or, for those implementing ASU 2016-14, net assets without donor restrictions or net assets with donor restrictions).	Procedure steps	Y	ASU 2016-14	Due to content changes this step will RESET on Roll Forward.
Modify	Under Procedure, "Net Assets", modified step 13 (a) under section, "Procedures Applicable to Adjustments at General Ledger Level": Whether net assets are appropriately classified (unrestricted, temporarily restricted, permanently restricted, or, for those implementing ASU 2016-14, net assets without donor restrictions or net assets with donor restrictions)	Procedure steps	Y	ASU 2016-14	Due to content changes this step will RESET on Roll Forward.
<b>PRP-902 Preparation Program: Going Concern</b>					
Modify	Modified step 1, which now reads as follows: We inquired of management if there were conditions or events that, in the aggregate, raise substantial doubt about the entity's ability to continue as a going concern for a reasonable period of time.	Procedure steps	N		This step will retain on Roll Forward if you select to keep all responses.

### Compilation Programs (CMPs):

- Modified where applicable with new practice points, practice alerts, and updated references.

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
<b>CMP-101 Overall Compilation Program</b>					

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
Modify	<p>Modified first paragraph of Purpose, which now reads as follows:</p> <p>This overall compilation program has been designed to help the accountant apply a methodology to a compilation of financial statements in accordance with Statements on Standards for Accounting and Review Services (SSARS) by listing the procedures that should typically be performed in each phase of a compilation engagement. The methodology applied to a compilation of financial statements is equally applicable to a compilation of prospective financial statements, pro forma financial information, and other historical financial information. This program is supplemented by forms and practice aids to help the accountant perform various procedures. In addition to this program and the accompanying forms and practice aids, the accountant may need to create additional documentation during the course of the engagement.</p>	Purpose	Y	SSARS	
Modify	<p>Modified wording of second paragraph of Purpose, which now reads as follows:</p> <p>Notations have been made where specific requirements apply to engagements involving the compilation of a specified element, account, or item of a financial statement; the compilation of pro forma or prospective financial information; or the compilation of personal financial statements.</p>	Purpose	N		
Delete	<p>Deleted Practice Alert on three EDs effective for subject matter dated on or after May 1, 2017 (including <i>Compilation of Prospective Financial Information; Compilation of Pro Forma Financial Information; and Omnibus Statement on Standards for Accounting and Review Services – 2016</i>).</p> <p>Updated the ARA reference to 2016/2017.</p>	Purpose	Y	SSARS; ARA <i>Developments in Preparation, Compilation, and Review Engagements</i>	
Modify	<p>Under Preliminary Engagement Activities, added Note after substep 9.b.ii, as follows:</p> <p><b>Note:</b> An acknowledgement of responsibility for internal control relevant to reliable financial reporting is not</p>	Procedures steps	N		This step will retain on Roll Forward with default settings.

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
	included when the accountant decides to accept responsibility for such internal control.				
Modify	<p>Under Preliminary Engagement Activities, modified substep 10.c., which now reads as follows:</p> <p>For the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements, unless the accountant has decided to take responsibility for such internal control;</p> <p>Also, updated references to include new tools or modified titles, as follows:</p> <p><i>COR-201A Engagement Letter: Compilation of Financial Statements Prepared by Client in Accordance with U.S. GAAP</i></p> <p><i>COR-201B Engagement Letter: Compilation of Financial Statements Prepared in Accordance with U.S. GAAP—Statement of Cash Flows and Substantially All Disclosures Omitted</i></p> <p><i>COR-201C Engagement Letter: Compilation of Financial Statements Prepared in Accordance with the Tax-Basis of Accounting</i></p> <p><i>COR-201D Engagement Letter: Compilation of Prospective Financial Statements (Forecast)</i></p> <p><i>COR-201E Engagement Letter: Compilation of Prospective Financial Statements (Projection)</i></p>	Procedures steps	N		This step will retain on Roll Forward with default settings.
Modify	<p>Under Preliminary Engagement Activities, modified substep 12.c.(8), adding substeps; now reads as follows:</p> <p>Designating an individual with suitable skills, knowledge, and experience to oversee our preparation of your financial statements and for evaluating the adequacy and results of the services performed and accepting responsibility for them.</p> <p>If the engagement is for the compilation of pro forma financial information, management must also indicate that ty acknowledges and understands its responsibility for:</p>	Procedures steps	N		Due to content changes this step will RESET on Roll Forward.

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
	<p>(a) Including the following in any document that contains the pro forma financial information:</p> <ul style="list-style-type: none"> <li>(i) The complete financial statements of the entity for the most recent year (or the preceding one if financial statements for the most recent year are not yet available) or such financial statements are readily available.</li> <li>(ii) If pro forma financial information is presented for an interim period, either historical interim information for that period (which may be in condensed form) or that such interim information is readily available.</li> <li>(iii) In the case of a business combination, the relevant historical financial information for the significant constituent parts of the combined entity.</li> </ul> <p>(b) Ensuring that the financial statements of the entity (or, in the case of a business combination, of each significant constituent part of the combined entity) on which the pro forma financial information is based have been subjected to a compilation, review, or an audit engagement;</p> <p>(c) Including the accountant’s compilation or review report or the auditor’s report on the financial statements (or to have readily available) in any document containing the pro forma financial information;</p> <p>(d) Presenting a summary of significant assumptions with the pro forma financial information; and</p> <p>(e) Obtaining the accountant’s permission prior to including the accountant’s compilation report in any document containing the pro forma financial information that indicates that the entity’s accountant has performed a compilation engagement on such pro forma financial information.</p>				

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
Modify	<p>Under “Evaluating, Concluding, and Reporting Procedures,” added substep 42.b., as follows:</p> <p style="padding-left: 40px;">a. Use the going concern basis of accounting only if appropriate;</p> <p>Also, added the following Practice Point:  <b>Practice Point:</b> An accountant should not issue a compilation report on prospective financial statements that omit the summary of significant assumptions, which is considered essential to a user’s understanding of such statements. Nor should an accountant issue a compilation report on a financial projection that omits either an identification of the hypothetical assumptions or a description of the limitations on the usefulness of such a presentation.</p>	Procedures steps	N		Due to content changes this step will RESET on Roll Forward.
Modify	<p>Under “Evaluating, Concluding, and Reporting Procedures,” added step 43, as follows:</p> <p>If, due to rarely occurring circumstances, it was deemed necessary to depart from a relevant presumptively mandatory requirement, document the justification for the departure, and indicate how the alternative procedures applied were sufficient to achieve the objectives of the requirement.</p>	Procedures steps	N		
<b>CMP-201 Pre-Compilation Program: Procedures Performed Prior to a Compilation Engagement</b>					
Modify	<p>Modified and updated.</p> <p>Under “Nature of Pre-Compilation Engagement, added “Assist in Preparation of Financial Statements” as a pre-Compilation procedure:</p> <p>Under “Procedures Applicable to Recordings at Book-of-Original-Entry Level, replaced Practice Alert as follows:  <b>Practice Alert:</b> The AICPA Professional Ethics Executive Committee (PEEC) has adopted a provision clarifying that financial statement preparation, cash-to-accrual conversions, and reconciliations for an attest client are considered outside the scope of an engagement subject to SSARS (compilation, review, or audit) and are considered nonattest bookkeeping services (a nonattest service). Such activities would not impair independence, and the accountant can perform the engagement if the requirements of the <i>Interpretations</i> of the “Nonattest Services” subtopic [1.295] of the revised Code of Professional Conduct are met. The entity should designate an individual (preferably within senior management) who possesses suitable skill, knowledge, and/or experience to oversee the services. The</p>	Text	Y	PEEC; SSARS	

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
	firm should be satisfied that the individual understood the services performed sufficiently to oversee them, make an informed judgment on the results of the nonattest services, and accept responsibility for making significant judgments and decisions. If the entity doesn't designate an individual who possesses the suitable skill, knowledge, and/or experience required to oversee the nonattest service, there would be no one (other than the practitioner) to make the significant judgments that become necessary during the delivery of the service or discharge the other responsibilities required to be performed by client management (or a designee) as required by the "Management Responsibilities" interpretation of the Nonattest Services subtopic. Accordingly, the management participation and self-review threats would be so significant if the member performs those activities that independence would be impaired.				
Modify	Added new section "Procedures Applicable to Assistance in the Preparation of Financial Statements," including Practice Alert and procedures steps.	Text; Procedures steps	Y	SSARS	
Modify	Under Procedure, "Split-Interest Agreements and Beneficial Interests in Trusts", modified step 3 (c) under section, "Procedures Applicable to Adjustments at General Ledger Level":  Whether the contribution revenue for new split interest agreements is properly classified (unrestricted, temporarily restricted, permanently restricted, or net assets without donor restrictions or net assets with donor restrictions, if implementing ASU 2016-14).	Procedure steps	Y	ASU 2016-14	Due to content changes this step will RESET on Roll Forward.
Modify	Under Procedure, "Contributions Receivable", modified step 4 (d) under section, "Procedures Applicable to Adjustments at General Ledger Level":  Whether contributions are properly classified (unrestricted, temporarily restricted, permanently restricted, or net assets without donor restrictions or net assets with donor restrictions, if implementing ASU 2016-14).	Procedure steps	Y	ASU 2016-14	Due to content changes this step will RESET on Roll Forward.
Modify	Under Procedure, "Investments", modified step 7 (c) under section, "Procedures Applicable to Adjustments at General Ledger Level":  Whether investments have been evaluated for propriety of classification (unrestricted, temporarily restricted, permanently restricted, or net assets without donor	Procedure steps	Y	ASU 2016-14	Due to content changes this step will RESET on Roll Forward.

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
	restrictions or net assets with donor restrictions, if implementing ASU 2016-14).				
Modify	Under Procedure, "Investments", modified step 7 (d) under section, "Procedures Applicable to Adjustments at General Ledger Level": Whether investment gains and losses have been evaluated for propriety of valuation and classification (unrestricted, temporarily restricted, permanently restricted, or net assets without donor restrictions or net assets with donor restrictions, if implementing ASU 2016-14).	Procedure steps	Y	ASU 2016-14	Due to content changes this step will RESET on Roll Forward.
Modify	Under Procedure, "Net Assets", modified step 13 (a) under section, "Procedures Applicable to Adjustments at General Ledger Level": Whether net assets are appropriately classified (unrestricted, temporarily restricted, permanently restricted, or net assets without donor restrictions or net assets with donor restrictions, if implementing ASU 2016-14).	Procedure steps	Y	ASU 2016-14	Due to content changes this step will RESET on Roll Forward.
<b>CMP-902 Compilation Program: Going Concern</b>					
Modify	Modified step 1, which now reads as follows: We inquired of management if there were conditions or events that, in the aggregate, raise substantial doubt about the entity's ability to continue as a going concern for a reasonable period of time.	Procedures steps	N		This step will retain on Roll Forward if you select to keep all responses.

### Review Programs (REVs)

- Modified with new practice points, practice alerts, and updated references throughout where applicable.

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
<b>REV-101 Overall Review Program</b>					
Modify	Modified Purpose section (and Practice Points), which now reads as follows: This overall review program has been designed to help the accountant apply a methodology to a review of	Purpose	Y	SSARS; SSAE; ARA 2016/2017	

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
	<p>financial statements in accordance with Statements on Standards for Accounting and Review Services (SSARS) by listing the procedures that should typically be performed in each phase of a review engagement. The methodology applied to a review of financial statements is equally applicable to a review of prospective financial statements and other historical financial information. This program is supplemented by forms and practice aids to help the accountant perform various procedures. In addition to this program and the accompanying forms and practice aids, the accountant may need to create additional documentation during the course of the engagement.</p> <p>Notations have been made where specific requirements apply to engagements involving the review of a specified element, account, or item of a financial statement; the review of prospective financial information; or the review of personal financial statements.</p> <p><b>Practice Point:</b> Reviews of pro forma financial information are performed in accordance with Statements on Standards for Attestation Engagements, not SSARS.</p> <p>This review program and its accompanying forms and practice aids provide a framework for applying SSARS. They are not a substitute for knowledge of professional standards and the exercise of accountant judgment. The accountant should modify the program by revising items listed or adding items where appropriate.</p> <p><b>Practice Point:</b> The AICPA Audit Risk Alert <i>Developments in Preparation, Compilation, and Review Engagements—2016/17</i> provides information regarding liability claims related to compilation and review engagements that could possibly apply to preparation engagements. The segment indicates that the leading cause of claims against accountants providing compilation and review services was a failure to detect theft or fraud, followed by a failure to perform appropriate testing.</p> <ul style="list-style-type: none"> <li>• The primary basis for losses appears to be a lack of a clear understanding as to the nature and limitations of the services being provided by the accountant.</li> </ul>				

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
	<ul style="list-style-type: none"> <li>Another basis for losses appears to result from a failure to follow up on information that appears to be incorrect, incomplete, or otherwise unsatisfactory.</li> </ul> <p>The accountant can minimize liability by making certain that a clear understanding is established with the client and that it is documented in the form of a signed engagement letter. In addition, although an accountant is not required to verify the accuracy or completeness of the information provided by the client in the performance of a preparation or compilation engagement, the accountant performs the engagement with a certain level of knowledge and cannot ignore indications that information is incorrect, incomplete, or otherwise unsatisfactory that are, or should be, obvious to an accountant that is qualified to perform the engagement in conformity with applicable standards.</p> <p>The Risk Alert also notes the following common peer review findings for compilation engagements:</p> <ul style="list-style-type: none"> <li>Failure to include basic report elements in the accountant's compilation report on the financial statements;</li> <li>Failure to report the degree of responsibility taken with respect to supplementary information;</li> <li>Failure to report that substantially all required disclosures have been omitted; and</li> <li>Omissions and errors in engagement letters.</li> </ul>				
Modify	<p>Under "Preliminary Engagement Activities," updated references in step 10:</p> <p><i>COR-209 Engagement Letter: Review of U.S. GAAP Financial Statements Prepared by Accountant</i></p> <p><i>COR-209A Engagement Letter: Review of U.S. GAAP Financial Statements Prepared by Client</i></p> <p><i>COR-209B Engagement Letter: Review of Financial Statements Prepared in Accordance with the Tax-Basis of Accounting</i></p> <p><i>COR-209C Engagement Letter: Review of Element, Account, or Item of a U.S. GAAP Financial Statement</i></p> <p><i>COR-220 Engagement Letter: Management's Acknowledgment and Acceptance of its Responsibilities in a Review Engagement When Understanding Is Established with Governance</i></p>		N		
Modify	Under "Evaluating, Concluding, and Reporting Procedures," added substep 53.k., as follows:	Procedures steps	N		Due to content changes this step will RESET on Roll Forward.

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
	Whether use of the going concern basis of accounting is appropriate.				
<b>REV-201 Pre-Review Program: Procedures Performed Prior to a Review Engagement</b>					
Modify	Under Procedure, "Split-Interest Agreements and Beneficial Interests in Trusts", modified step 3 (c) under section, "Procedures Applicable to Adjustments at General Ledger Level":  Whether the contribution revenue for new split interest agreements is properly classified (unrestricted, temporarily restricted, permanently restricted, or, for those implementing ASU 2016-14, net assets without donor restrictions or net assets with donor restrictions)	Procedure steps	Y	ASU 2016-14	Due to content changes this step will RESET on Roll Forward.
Modify	Under Procedure, "Contributions Receivable", modified step 4 (d) under section, "Procedures Applicable to Adjustments at General Ledger Level":  Whether contributions are properly classified (unrestricted, temporarily restricted, permanently restricted, or, for those implementing ASU 2016-14, net assets without donor restrictions or net assets with donor restrictions).	Procedure steps	Y	ASU 2016-14	Due to content changes this step will RESET on Roll Forward.
Modify	Under Procedure, "Investments", modified step 7 (c) under section, "Procedures Applicable to Adjustments at General Ledger Level":  Whether investments have been evaluated for propriety of classification (unrestricted, temporarily restricted, permanently restricted, or, for those implementing ASU 2016-14, net assets without donor restrictions or net assets with donor restrictions).	Procedure steps	Y	ASU 2016-14	Due to content changes this step will RESET on Roll Forward.
Modify	Under Procedure, "Investments", modified step 7 (d) under section, "Procedures Applicable to Adjustments at General Ledger Level":  Whether investment gains and losses have been evaluated for propriety of valuation and classification (unrestricted, temporarily restricted, permanently restricted, or, for those implementing ASU 2016-14, net assets without donor restrictions or net assets with donor restrictions).	Procedure steps	Y	ASU 2016-14	Due to content changes this step will RESET on Roll Forward.

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
Modify	Under Procedure, “Net Assets”, modified step 13 (a) under section, “Procedures Applicable to Adjustments at General Ledger Level”:  Whether net assets are appropriately classified (unrestricted, temporarily restricted, permanently restricted, or, for those implementing ASU 2016-14, net assets without donor restrictions or net assets with donor restrictions)	Procedure steps	Y	ASU 2016-14	Due to content changes this step will RESET on Roll Forward.
<b>REV-801 Review Program: Entity Inquiries</b>					
Modify	Under Procedure, “Investments”, modified step 7: Have adjustments to fair value, including unrealized gains and losses, been reported in the statement of activities using the appropriate classification (unrestricted, temporarily restricted, or permanently restricted, or net assets without donor restrictions or net assets with donor restrictions, if implementing ASU 2016-14)?	Procedure steps	Y	ASU 2016-14	Due to content changes this step will RESET on Roll Forward.
Modify	Under Procedure, “Contributions, Program Service Fees and Agency Transactions”, modified step 4: Have contributions been properly classified in the statement of financial position (unrestricted, temporarily restricted, permanently restricted, or net assets without donor restrictions or net assets with donor restrictions, if implementing ASU 2016-14)?	Procedure steps	Y	ASU 2016-14	Due to content changes this step will RESET on Roll Forward.
Modify	Under Procedure, “Revenues and Expenses”, modified step 10: Have gains and losses been properly reported as unrestricted, temporarily restricted, or permanently restricted based on the existence or absence of donor restrictions (or net assets without donor restrictions or net assets with donor restrictions, if implementing ASU 2016-14)?	Procedure steps	Y	ASU 2016-14	Due to content changes this step will RESET on Roll Forward.
<b>REV-902 Review Program: Going Concern</b>					
Modify	Modified step 1, which now reads as follows: We inquired of management if there were conditions or events that, in the aggregate, raise substantial doubt about	Procedures steps	N		This step will retain on Roll Forward if you select to keep all responses.

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
	the entity's ability to continue as a going concern for a reasonable period of time.				

### Knowledge-Based Preparation Documents (KBPs)

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
<b>KBP-201 Preparation: Client/Engagement Acceptance and Continuance Form</b>					
Modify	<p>Section II: Communication with Predecessor Accountants, modified item 1 (and comments panel):</p> <p>We determined that communication with the predecessor accountants was not required and used the following means to satisfy ourselves that the client's management does not lack integrity:</p> <p>Added Practice Point below item 2:</p> <p><b>Practice Point:</b> Although an accountant is not required to communicate with a predecessor accountant as a prerequisite to accepting an engagement under SSARS, the accountant still needs to make certain that accepting the engagement will not cause the accountant to be associated with a client whose management lacks integrity. Often, communication with a predecessor is the most effective means of obtaining relevant information as to the client's integrity and, as a result, should be considered.</p>	Procedures steps	Y	SSARS	This step will retain on Roll Forward with default settings.
Modify	<p>Section IV, Additional Evaluation Procedures, added step 12 and substeps, as follows:</p> <p>If the engagement is for the preparation of prospective financial information, disclosures include a summary of significant assumptions and either:</p> <ol style="list-style-type: none"> <li>a. Identification of the hypothetical assumptions; or</li> <li>b. A description of the limitations on the usefulness of the presentation.</li> </ol>	Procedures steps	N		

### Knowledge-Based Compilation Documents (KBCs)

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
<b>KBC-201 Compilation: Client/Engagement Acceptance and Continuance Form</b>					
Modify	Section II, moved the Practice Point to follow step 2: <b>Practice Point:</b> Although an accountant is not required to communicate with a predecessor accountant as a prerequisite to accepting an engagement under SSARS, the accountant still needs to make certain that accepting the engagement will not cause the accountant to be associated with a client whose management lacks integrity. Often, communication with a predecessor is the most effective means of obtaining relevant information as to the client's integrity and, as a result, should be considered.	Procedures steps	N		
Modify	Section IV, modified step 13, as follows: We are not aware of any items that indicate that our firm might have a problem billing or collecting its fees. All fees, billed or unbilled, or note(s) receivable arising from such fees for any professional services provided more than one year prior to the date of the report will be paid prior to the issuance of the report for the current engagement.	Procedures steps	Y	Peer review checklist (20,200.C 108)	Due to content changes this step will RESET on Roll Forward.

### Knowledge-Based Review Documents (KBRs)

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
<b>KBR-201 Review: Client/Engagement Acceptance and Continuance Form</b>					
Modify	Section II: Moved Practice Point to follow step 2: <b>Practice Point:</b> Although an accountant is not required to communicate with a predecessor accountant as a prerequisite to accepting an engagement under SSARS, the accountant still needs to make certain that accepting the engagement will not cause the accountant to be associated with a client whose management lacks integrity. Often, communication with a predecessor is the most effective means of obtaining relevant information as to the client's integrity and, as a result, should be considered.	Procedures steps	N		
Modify	Section IV, modified step 15 to read as follows: We are not aware of any items that indicate that our firm might have a problem billing or collecting its fees. All	Procedures steps	N		Due to content changes this step will RESET on Roll Forward.

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
	fees, billed or unbilled, or note(s) receivable arising from such fees for any professional services provided more than one year prior to the date of the report will be paid prior to the issuance of the report for the current engagement.				

## Knowledge-Based Compilation and Review documents (KBCRs)

**KBCR-901 - Checklists are current through September 30, 2017, including ASU 2017-13**

**Reports (RPTs):** Reports have been modified and updated throughout for applicable guidance, including the provisions of SSARS No. 22 and 23 and the AICPA guide, where applicable.

- **NEW RPT-0914 Compilation Report: Prospective Financial Statements—Forecast**
- **NEW RPT-0915 Compilation Report: Prospective Financial Statements—Projection**
- **RPT-0966 Title modified: Compilation Report: Special-Purpose Financial Presentation Based on a Presentation Established in a Contractual Agreement and Different from U.S. GAAP or Special Purpose Financial Reporting Framework**
- **RPT-1061 Title modified: Review Report: Special-Purpose Financial Presentation Based on a Presentation Established in a Contractual Agreement and Different from U.S. GAAP or Special Purpose Financial Reporting Framework**

**Practice Aids (AIDs):** Practice Aids have been modified where applicable with updated and new Practice Points and Practice Alerts, and updated references.

- **AID-201 Nonattest Services Independence Checklist** Reorganized and updated throughout for current guidance, including ET Section 1.295, Nonattest Services, and modified based on review of the peer reviewer checklist.
- **NEW AID-301 Worksheet for Determination of Materiality, Performance Materiality, and Thresholds for Trivial Amounts** (added in response to user feedback).
- **NEW AID-842 Summary and Evaluation of Misstatements and Omitted, Inaccurate, and Incomplete Disclosures**, replaces former AID-842 Uncorrected Misstatements Analysis
- **AID-903, 904:** Updated with new Practice Points (SSARS 22 and 23) and modified accordingly.

**Correspondence documents (CORs):** Modified throughout with updated references and, where applicable, to reflect changes based on AICPA guide.

- **NEW COR-201A Engagement Letter: Compilation of Financial Statements Prepared By Client in Accordance with U.S. GAAP**
- **Former CORs 201A and 201B renumbered as CORs 201B and 201C**
- **NEW COR-201D Engagement Letter: Compilation of Prospective Financial Statements (Forecast)**
- **NEW COR-201E Engagement Letter: Compilation of Prospective Financial Statements (Projection)**
- **COR-204 Engagement Letter: Compilation – Personal Financial Statements** Added footnote to indicate modifications to engagement letter if related notes are omitted.
- **COR-208 Engagement Letter: Compilation—Pro Forma Financial Information Prepared in Accordance with U.S. GAAP** modified (SSARS 22 and 23); incorporated wording from standard.
- **COR-209 title modified: Engagement Letter: Review of U.S. GAAP Financial Statements Prepared by Accountant**

- **NEW COR-209A Engagement Letter: Review of U.S. GAAP Financial Statements Prepared by Client**
- Former **CORs 209A** and **209B** renumbered as **CORs 209B** and **209C**
- **COR-902 Management Representation Letter: Review Engagement** Modified and updated.

#### **Resource Documents (RESs)**

- **RES-001 Knowledge-Based Preparation, Compilation, and Review Methodology Overview** has been modified and updated.
- **RES-002 Index of Engagement Programs, Forms, and Other Practice Aids** has been updated to reflect changes to the toolset.
- **NEW RES-004 Determination of Materiality, Performance Materiality, and Thresholds for Trivial Amounts** (added in response to user feedback)
- **NEW KCO-003 Answer Effects for the Engagement-Level Tailoring Questions Workpaper**

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

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

- Statement on Standards for Accounting and Review Services No. 23 (SSARS-23), Omnibus Statement on Standards for Accounting and Review Services - 2016)
- Revised AICPA Code of Professional Conduct (Code) including ET Section 1.295, *Nonattest Services*
- AICPA Statement on Quality Control Standards No. 8 (QC Section 10), *A Firm's System of Quality Control (Redrafted)*
- AICPA Audit Risk Alert *Developments in Preparation, Compilation, and Review Engagements —2016/17*

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

## RELATED AND FOUNDATIONS WORKPAPERS FOR THIS TITLE

Related workpapers are Knowledge Coach Word workpapers where information flows in or out of tables within the workpaper. Some of these related workpapers are Foundation workpapers or associated workpapers.

Foundation Workpapers include most of the Communication Hub workpapers, which are central to the Knowledge-Based Audit Methodology used by the Knowledge Coach titles.

<i>Form No.</i>	<i>Form Name</i>	<i>Foundation Workpaper</i>
<b>KBPs</b>	<b>KNOWLEDGE-BASED PREPARATION DOCUMENTS</b>	
KBP-101	Preparation: Significant Matters	X
KBP-201	Preparation: Client/Engagement Acceptance and Continuance Form	
KBP-902	Preparation: Review and Approval Checklist	
<b>KBCs</b>	<b>KNOWLEDGE-BASED COMPILATION DOCUMENTS</b>	
KBC-101	Compilation: Significant Matters	X
KBC-201	Compilation: Client/Engagement Acceptance and Continuance Form	
KBC-902	Compilation: Review and Approval Checklist	
<b>KBRs</b>	<b>KNOWLEDGE-BASED REVIEW DOCUMENTS</b>	
KBR-102	Review: Significant Matters	X
KBR-201	Review: Client/Engagement Acceptance and Continuance Form	

<i>Form No.</i>	<i>Form Name</i>	<i>Foundation Workpaper</i>
KBR-902	Review: Review and Approval Checklist	
<b>PRPs</b>	<b>PREPARATION PROGRAMS</b>	
PRP-100	Engagement-Level Tailoring Questions	X
PRP-101	Overall Preparation Program	X
PRP-201	Pre-Preparation Program: Procedures Performed Prior to a Preparation Engagement	
PRP-202	Preparation Program: Additional Procedures for Initial Year of Engagement	
<b>CMPs</b>	<b>COMPILATION PROGRAMS</b>	
CMP-100	Engagement-Level Tailoring Questions	X
CMP-101	Overall Compilation Program	X
CMP-201	Pre-Compilation Program: Procedures Performed Prior to a Compilation Engagement	
CMP-202	Compilation Program: Additional Procedures for Initial Year of Engagement	
<b>REVs</b>	<b>REVIEW PROGRAMS</b>	
REV-100	Engagement-Level Tailoring Questions	X
REV-101	Overall Review Program	X
REV-201	Pre-Review Program: Procedures Performed Prior to a Review Engagement	

<i>Form No.</i>	<i>Form Name</i>	<i>Foundation Workpaper</i>
REV-202	Review Program: Additional Procedures for Initial Year of Engagement	
REV-801	Review Program: Client Inquiries	