

# 2018 GOVERNMENT ENTITIES 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 **2018 Knowledge-Based Audits of Governments** has been updated to help auditors conduct efficient and effective audit engagements in accordance with U.S. GAAS and to take into account the latest literature, standards, and guidance, including AICPA Statement on Auditing Standards (SAS) No. 132, *The Auditor's Consideration of an Entity's Ability to Continue as a Going Concern*. The 2018 tools include links to detailed analysis related to the steps and processes discussed in the workpapers. Many new tips and examples have been incorporated. Also included are revised financial statement disclosures checklists that provide a centralized resource of the required and recommended U.S. GAAP disclosures and key presentation items currently in effect, using the style referencing under the FASB Accounting Standards Codification™.

The 2018 edition of *Knowledge-Based Audits of Government Entities* includes the following updates:

### Knowledge-Based Audit Documents (KBAs)

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
<b>KBA-101 Overall Audit Strategy</b>					
Modify	Minor wording modifications and additional references added throughout; updated practice point regarding group audit; added verbiage about component materiality.				
Modify	Section I, Characteristics of the Audit Engagement, Reporting Requirements: Audit Coverage, consideration 1 modified; now reads as follows:  Document the entity's multiple components, operating sites or segments that are included in the scope of our engagement (i.e., group audit)?  Practice Point modified: <b>Practice Point:</b> In an audit of an entity with operations in multiple locations or with multiple components, the auditor must comply with the requirements of AU-C 600, <i>Special Considerations—Audits of Group Financial Statements (Including the Work of</i>	Text	Y	AU-C 600	Step will retain on roll forward by using the default settings in KBA-200.

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
	<p><i>Component Auditors</i>) regardless of whether another component auditor has been engaged to perform audit procedures at the component entity, and should consider the extent to which audit procedures should be performed at selected locations, business units, or components. The auditor's objective is to obtain sufficient appropriate audit evidence about whether the entity's consolidated financial statements are free of material misstatement. The auditor should correlate the amount of audit attention devoted to the location or business unit with the degree of risk of material misstatement associated with that location or business unit.</p> <p>When determining whether an engagement requires group audit consideration, the auditor should consider the following factors:</p> <ul style="list-style-type: none"> <li>• All consolidated financial statements.</li> <li>• All combined financial statements.</li> <li>• If more than one location or division/branch/business segment exist.</li> <li>• Joint ventures.</li> <li>• Investees accounted for by the equity or cost method.</li> <li>• Certain governmental considerations, for example, a component may be a separate legal entity reported as a component unit or part of the governmental entity such as a business activity, department or program.</li> </ul> <p>The auditor should consider the following factors when determining which locations or business units should be tested and when determining the nature, timing, and extent of the audit procedures to be performed:</p> <ul style="list-style-type: none"> <li>• The nature and amount of assets, liabilities, and transactions executed at the location or business unit, including, for example, significant transactions executed at the site or segment that are outside the normal course of operations, or that otherwise appear to be unusual given the auditor's understanding of the entity and its environment;</li> <li>• Judgments about the materiality of the site or segment;</li> <li>• The specific and fraud risks associated with the site or segment that present a reasonable possibility of material misstatement to the opinion unit financial statements;</li> <li>• Whether the risks of material misstatement associated with the site or segment apply to other sites or segments such that, in combination, they present a reasonable possibility of material misstatement to the opinion unit financial statements;</li> <li>• The degree of centralization of records or information processing;</li> <li>• The effectiveness of the control environment, particularly with respect to management's control over</li> </ul>				

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
	<p>the exercise of authority delegated to others and its ability to effectively supervise activities at the site or segment; and</p> <ul style="list-style-type: none"> <li>• The frequency, timing, and scope of monitoring activities by the entity or others at the site or segment.</li> </ul> <p>The auditor may also consider the following factors when determining the nature, timing, and extent of audit procedures for entities with multiple components, sites or segments:</p> <ul style="list-style-type: none"> <li>• Existence of component units and whether each is required to be discretely presented or blended.</li> <li>• Funds or component units that are to be audited by other auditors;</li> <li>• Specialized knowledge that is required for funds or component units;</li> <li>• Reporting currency or other location-specific requirements;</li> <li>• Communications with other auditors about the scope of their procedures and other professional requirements regarding the auditor's reliance on their work;</li> <li>• Service organizations—How to obtain evidence regarding the design and operation of internal controls when the entity uses an outside service organization to process significant transactions;</li> <li>• Information from prior audits—Information known from prior audits and whether the auditor may obtain and update evidence concerning the design and operation of internal controls initially obtained in prior-year audits;</li> <li>• Information technology—How information technology affects the audit, including the availability of entity data and whether computer-assisted auditing techniques will be required or used. The auditor may need to consider the use of a specialist to test the operating effectiveness of both IT general and application controls;</li> <li>• Timing of procedures—The possibility of spreading the audit procedures and coverage over the year, particularly in connection with the timing of any interim procedures; and</li> <li>• Coordination with the management—The availability of entity personnel, as well as coordination of entity support such as lead schedules and other supporting schedules requested by the auditor.</li> </ul> <p>Also, to introduce unpredictability into the testing, the auditor should vary the nature, timing, and extent of audit procedures to be performed at sites or segments from year to year.</p> <p>The auditor may eliminate from further consideration sites or segments that, individually or when aggregated with others, do</p>				

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
	not present a reasonable possibility of material misstatement to the opinion unit financial statements. In lower-risk sites or segments, the auditor first might evaluate whether testing entity-level controls, including controls in place to provide assurance that appropriate controls exist throughout the organization, provides the auditor with sufficient appropriate audit evidence.				
<b>KBA-103 Evaluating and Communicating Internal Control Deficiencies</b>					
Modify	<p>Updated, modified, and reorganized throughout; added instructions and column as to whether prudent official would reach same conclusion (based on peer review checklist considerations); revised flow</p> <p>Table for accumulating and evaluating internal control deficiencies has been reorganized as two tables: Evaluation of Internal Control Deficiencies (15 columns) and Communication of Internal Control Deficiencies (10 columns); instructions modified accordingly.</p> <p>If the deficiency is noted in Column 12, 14, or 15 to be a Material Weakness, Significant Deficiency, or a Deficiency in Internal Control, respectively, the Deficiency Number, Description of Control Deficiency, and Description of the Potential Effect will flow to the first 3 columns in the new second table.</p>	Purpose; text; tables	Y	Peer review checklist	<p>The following columns will be retained on roll forward as long as the setting from the associated workpaper where the deficiency is flowing from is set to keep:</p> <p>1. Defic. No.; 2. Wkp. Ref.; 3. Description of Control Deficiency; 4. Description of the Potential Effect; 5. Significant Acct(s) or Disclosure Affected; 6. New Deficiency or Previously Communicated Deficiency That Has Not Yet Been Remediated; 7. Relevant Assertions Affected; 8. Internal Control Component Affected; 9. If There Is a Commonality with Any Other Deficiency, List Defic. No. &amp; Any Common Factor(s); 10. Is It at Least Reasonably Possible That the Entity’s Controls Will Fail to Prevent or Detect and Correct a Misstatement?; 11. Could a Misstatement That Is Not Prevented or Detected and Corrected by Internal Control Potentially Be Material?</p>
New	<p>Potential Error Diagnostic in Table 1: If column 13 is marked as “No” then column 12 should be “Yes”.</p> <p>Diagnostic will appear if column 13 is “No” and column 12 is “No”.</p>				
New	<p>Potential Error Diagnostic in Table 2: This deficiency has been determined to be a material weakness or significant deficiency which is REQUIRED to be communicated to those charged with governance IN WRITING.</p> <p>If column 12 or 14 in Table 1 is marked as “Yes” and user selects “Orally” in column 4 of new table then diagnostic above will appear.</p>				
<b>KBA-200 Entity Information and Background</b>					
Modify	<p>Added Practice Point under item 12 as follows:</p> <p><b>Practice Point:</b> The auditor should identify the appropriate person(s) within the entity’s governance structure with whom to communicate.</p>	Instructions	Y	Peer review checklist	

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
<b>KBA-201 Client/Engagement Acceptance and Continuance Form: Complex Entities</b>					
Modify	Modifications throughout to include considerations for an integrated audit	Instructions, Procedures	Y	AU-C 940	
<b>KBA-301 Worksheet for Determination of Materiality, Performance Materiality, and Thresholds for Trivial Amounts</b>					
Modify	In Step 4: Determination of the Threshold for Trivial” Amounts a rounding level and trivial amount (rounded) column has been added. In the rounding level column, you will select from None, Tens, Hundreds, Thousands, or Ten Thousands and this will calculate in the trivial amount (rounded) column.	Table	N		
<b>KBA-302 Understanding the Entity and Its Environment: Complex Entity’s</b>					
Modify	Section III Nature of the Entity, under “Business Operations,” modified item k., which now reads as follows:  Going-concern and liquidity issues, including consideration of management’s evaluation of whether conditions or events exist that raise substantial doubt about the entity’s ability to continue as a going concern for a reasonable period of time.	Table	Y	SAS-132	Step will reset on roll forward due to extent of content changes.
<b>KBA-303 Inquiries of Management and Others Within the Entity About the Risks of Fraud and Noncompliance With Laws and Regulations</b>					
Modify	Added “Date” line and field to the Name and Title panels throughout.	Table	N		
<b>KBA-400 Scoping and Mapping of Significant Account Balances, Classes of Transactions, and Disclosures</b>					
Modify	Modified Instructions for Table 2 and moved “Describe the Deficiency” to the end; steps 7 through 12, now read as follows:  <i>If Column 6 Is “No”, Describe Compensating Controls, If Any.</i> Describe the nature of any compensating controls identified.  <i>If Column 6 Is “No”, Do Compensating Controls Adequately Reduce the Risk of Material Misstatement?</i> Determine whether the compensating controls identified	Instructions	N		These columns will retain on roll forward using the default settings.

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
	<p>mitigate the risk of material misstatement when controls are not effectively designed and implemented.</p> <p><i>If Column 8 Is “No”, Describe the Risks of Material Misstatement.</i> Describe the risks of material misstatement when controls are not effectively designed and implemented.</p> <p><i>Controls Selected for Operating Effectiveness Testing?</i> Choose “Yes” or “No” to document whether the control identified will be further tested for operating effectiveness.</p> <p><i>Are Control Activities Functioning?</i> Document whether the control activity is functioning effectively.</p> <p><i>If Column 3, 6, 8 or 11 Is “No”, Describe the Deficiency.</i> Control deficiencies noted here will flow to <b>KBA-103 Evaluating and Communicating Internal Control Deficiencies.</b></p> <p>If you select “No” in the following columns your control deficiency documented in the last column will flow to KBA-103: Are Controls Activities Present, Effectively Designed and Implemented, Do Compensating Controls, If Any, Adequately Reduce the Risks of Material Misstatement or Are Control Activities Functioning.</p>				
Modify	<p>Modified Instructions for Table 3 and moved “Describe the Deficiency” to the end; steps 8 through 13 now read as follows:</p> <p><i>If Column 7 Is “No”, Describe Compensating Controls, If Any.</i> Describe the nature of any compensating controls identified.</p> <p><i>If Column 7 Is “No”, Do Compensating Controls Adequately Reduce the Risk of Material Misstatement?</i> Determine whether the compensating controls identified mitigate the risk of material misstatement when controls are not effectively designed and implemented.</p> <p><i>If Column 9 Is “No”, Describe the Risks of Material Misstatement.</i> Describe the risks of material misstatement when controls are not effectively designed and implemented.</p> <p><i>Controls Selected for Operating Effectiveness Testing?</i> Choose “Yes” or “No” to document whether the control</p>	Instructions	N		These columns will retain on roll forward using the default settings.

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
	<p>identified will be further tested for operating effectiveness.</p> <p><i>Are Control Activities Functioning?</i> Document whether the control activity is functioning effectively.</p> <p><i>If Column 4, 7, 9 or 12 Is “No”, Describe the Deficiency.</i> Control deficiencies noted here will flow to <b>KBA-103 Evaluating and Communicating Internal Control Deficiencies.</b></p> <p>If you select “No” in the following columns your control deficiency documented in the last column will flow to KBA-103: Are Controls Activities Present, Effectively Designed and Implemented, Do Compensating Controls, If Any, Adequately Reduce the Risks of Material Misstatement or Are Control Activities Functioning.</p>				
<b>KBA-401 Understanding Entity-Level Controls: Complex CIRAs</b>					
Modify	<p>Added in the Instructions section, under Components of Internal Control, Relevant Principles, and Points of Focus:</p> <p>An essential requirement for effective internal control inherent in the Framework is that each of the five components of internal control and relevant principles is present and functioning.</p> <p>Instructions modified and reorganized; Sections I through V tables modified.</p> <p>Column 2 now reads: <i>Are the Relevant Principles or Points of Focus Present</i></p> <p>Column 6 now reads: <i>Are the Identified Controls Effectively Designed and Implemented</i></p> <p>Column 7 now reads: <i>If Column 6 Is “No”, Describe Compensating Controls, If Any</i></p> <p>Column 8 now reads: <i>If Column 6 Is “No”, Are Compensating Controls Selected for Operating Effectiveness Testing?</i></p> <p>Column 9 now reads: <i>Do Compensating Controls Adequately Reduce the Risks of Material Misstatement?</i></p>	Instructions; text; tables	Y	Framework	These columns will retain on roll forward using the default settings.

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
	<p>Column 11 now reads: <i>Are the Relevant Principles Functioning for this Component of Internal Control?</i></p> <p>Column 12 now reads: <i>If Column 2, 6, 9, or 11 Is "No", Describe the Deficiency</i></p> <p>If you select "No" in the following columns your control deficiency documented in the last column will flow to the conclusion section: Are the Relevant Principles or Points of Focus Present, Are the Identified Controls Effectively Designed and Implemented, Do Compensating Controls Adequately Reduce the Risks of Material Misstatement, or Are the Relevant Principles Functioning for this Component of Internal Control.</p>				
Modify	<p>Adding an "N/A" option to the "Are the Relevant Principles of Points of Focus Present?" column to the "Points of Focus" rows ONLY. The user could document the points of focus as not applicable and the user will not respond to any other columns for that particular row as the diagnostics will clear. The user should focus on the functioning of the relevant principles as not all of the points of focus are required or applicable.</p>				All will retain on roll forward using the default settings. If you change column 2, point of focus row, to "N/A" then the rest of that row will clear.
<b>KBA-401N Understanding Entity-Level Controls: Noncomplex CIRAs</b>					
Modify	<p>Added in the Instructions section, under Components of Internal Control, Relevant Principles, and Points of Focus:</p> <p>An essential requirement for effective internal control inherent in the Framework is that each of the five components of internal control and relevant principles is present and functioning.</p> <p>Instructions modified.</p>	Instructions	Y	Framework	
<b>KBA-402 Understanding General Controls for Information Technology</b>					
Modify	<p>Section III Instructions modified and updated; Sections I through III tables modified and updated.</p>	Instructions; tables			
Modify	<p>Removing user options in the "System Change Controls" column of the "Less Complex IT Structure" table as this should be user entry.</p>	Table	N		This column will retain on roll forward since the user could have added a custom documentation here. Please review your answer here in case you had selected one of the floatie options that are no longer available.



Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
Modify	<p>Instructions modified and reorganized in the “More Complex IT Structure” Table;</p> <p>Column 7 now reads: <i>If Column 6 Is “No”, Describe Compensating Controls, If Any</i></p> <p>Column 8 now reads: <i>Do Compensating Controls Adequately Reduce the Risks of Material Misstatement Created by the Deficiency</i></p> <p>Column 9 now reads: <i>If Column 8 Is “No”, Describe the Risks of Material Misstatement</i></p> <p>Column 10 now reads: <i>Controls Selected for Operating Effectiveness Testing?</i></p> <p>Column 11 now reads: <i>Are Controls Functioning</i></p> <p>Column 12 now reads: <i>If Column 2, 6, 8, or 11 Is “No”, Describe the Deficiency</i></p> <p>If you select “No” in the following columns your control deficiency documented in the last column will flow to the conclusion section: Are Controls Activities Present, Effectively Designed and Implemented, Do Compensating Controls, If Any, Adequately Reduce the Risks of Material Misstatement or Are Control Activities Functioning.</p>	Instructions; text; tables	Y	Framework	These columns will retain on roll forward using the default settings.
<b>KBA-403 Understanding Activity-Level Controls: Revenue, Receivables, and Cash Receipts through KBA-408 Understanding Activity-Level Controls: Financial Reporting and Closing Process</b>					
Modify	Ability to insert custom rows anywhere in the subprocess table	Table	N		
Modify	<p>Modified Instructions for Step 1 Table and moved “Describe the Deficiency” to the end; steps 8 through 13 now read as follows:</p> <p><i>If Column 7 Is “No”, Describe Compensating Controls, If Any.</i> Describe the nature of any compensating controls identified.</p> <p><i>If Column 7 Is “No”, Do Compensating Controls Adequately Reduce the Risk of Material Misstatement?</i> Determine whether the compensating controls identified mitigate the risk of material misstatement when controls are not effectively designed and implemented.</p>	Instructions	N		These columns will retain on roll forward using the default settings as this table flows from KBA-400.

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
	<p><i>If Column 9 Is “No”, Describe the Risks of Material Misstatement.</i> Describe the risks of material misstatement when controls are not effectively designed and implemented.</p> <p><i>Controls Selected for Operating Effectiveness Testing?</i> Choose “Yes” or “No” to document whether the control identified will be further tested for operating effectiveness.</p> <p><i>Are Control Activities Functioning?</i> Document whether the control activity is functioning effectively.</p> <p><i>If Column 4, 7, 9 or 12 Is “No”, Describe the Deficiency.</i></p>				
Modify	<p>Step 6 Instructions modified and columns modified and reorganized.</p> <p>Column 9 now reads: <i>Compensating Controls, If Any</i></p> <p>Column 10 now reads: <i>Do Compensating Controls Adequately Reduce the Risks of Material Misstatement Created by the Deficiency?</i></p> <p>Column 11 now reads: <i>If Column 10 Is “No”, Describe the Risks of Material Misstatement</i></p> <p>Column 12 now reads: <i>If Column 10 is “Yes”, Are the Controls Selected for Operating Effectiveness Testing?</i></p> <p>Column 13 now reads: <i>Are Controls Functioning?</i></p> <p>Column 14 now reads: <i>If Controls Are Not Implemented, Not Designed Effectively, Only Partially Effective or Not Functioning, Describe the Control Deficiency</i></p> <p>Column 15 now reads: <i>Workpaper Reference, if applicable</i></p> <p>If you select “No” in the following columns your control deficiency documented will flow to the conclusion section: Are Controls Designed Effectively, Are Key Controls Implemented, Do Compensating Controls Adequately Reduce the Risks of Material Misstatement Created by the Deficiency or Are Control Activities Functioning. Also, if you select “Partially” in column, Are Controls Designed Effectively, the control deficiency documented will flow to the conclusion section.</p>	Instructions; table	N		These columns will retain on roll forward using the default settings.
Modify	Added activity-level control objective:	Table	Y		

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
	Appropriate segregation of duties exists				
<b>KBA-408 Understanding Activity Level Controls: Financial Reporting and Closing Process</b>					
Modify	<p>Added additional examples of activity-level control objectives under “Prepare Financial Statements and Disclosures” (for management’s assessment of going concern):</p> <p>Management has assessed the entity’s ability to continue as a going concern in accordance with the applicable financial reporting framework and, if applicable, provided the required disclosures.</p> <p>Management has established procedures to ensure that subsequent events are identified and disclosed in accordance with the applicable financial reporting framework.</p>	Table	N		
<b>KBA-409 Understanding Controls Maintained by a Service Organization</b>					
Modify	<p>Modified step 7 which now reads:</p> <p>If we plan to use a Type 1 or Type 2 report as audit evidence to support the understanding about the design and implementation of controls at the service organization, we:</p>	Procedures steps	Y		Step will retain on roll forward using the default settings.
New	<p>New step 6 regarding integrated audits.</p> <p>In an integrated audit (AU-C Section 940, <i>An Audit of Internal Control Over Financial Reporting That Is Integrated With an Audit of Financial Statements</i>, effective for integrated audits for periods ending on or after December 15, 2016), we determined whether additional evidence about the operating effectiveness of controls at the service organization is needed based on (a) the procedures performed by management or us and the results of those procedures, and (b) an evaluation of the following risk factors:</p> <ol style="list-style-type: none"> <li>a. Deficiencies identified as a result of procedures performed.</li> <li>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.</li> </ol>	Procedures steps	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
	<ul style="list-style-type: none"> <li>c. The significance of the activities of the service organization.</li> <li>d. Whether there are errors that have been identified in the service organization's processing.</li> <li>e. The nature and significance of any changes in the service organization's controls identified by management or the auditor.</li> <li>f. If these or similar factors have been found to exist, we determined whether to obtain additional evidence about the operating effectiveness of controls at the service organization.</li> </ul>				
<b>KBA-501 Team Discussion and Consideration of the Risks of Material Misstatement</b>					
Modify	Under "Identification of Risks of Material Misstatement," modified step 5, which now reads as follows: If auditor's specialists were assigned to the engagement, we considered involving such specialists in the engagement team discussion (i.e., brainstorming session)	Procedures steps	N		Step will retain on roll forward using the default settings.
<b>KBA-502 Summary of Risk Assessments</b>					
Modify	Instructions Section II, Assertion-Level Risks, modified and clarified with additional examples and references (updated discussion of SBM).	Instructions	N		
Modify	Added example (reminder) for user to document the planned overall response to management override in Section I: Financial-Statement-Level Risks Planned response must incorporate an element of unpredictability in designing further audit procedures (describe)	Table	Y		This will only show in a new binder or if you roll forward using the default roll forward settings. If you keep all responses for KBA-502 on roll forward then this language will not show only what the user had here in the prior binder.
<b>KBA-503 Basis for Inherent Risk Assessment</b>					
Modify	Instructions modified and clarified with additional examples and references (updated discussion of risk assessment).	Instructions	N		
<b>KBA-902 Audit Review and Approval Checklist</b>					
Modify	Section II, Engagement Partner Review, step 5, modified:				Step will retain on roll forward using the default settings.

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
	A detailed review has been performed of all audit procedures and audit areas to ensure that sufficient appropriate audit evidence has been obtained to support the auditor's report issued.				
<b>KBA-903 Audit Documentation Checklist</b>					
Modify	Updated references.	Procedures steps	Y	QC Section 10	
Modify	<p>Added step 2 and practice point, as follows: For an integrated audit, we requested and obtained from management its written assessment about the effectiveness of the entity's internal control over financial reporting (AU-C Section 940, <i>An Audit of Internal Control Over Financial Reporting That Is Integrated With an Audit of Financial Statements</i>, effective for integrated audits for periods ending on or after December 15, 2016).</p> <p><b>Practice Point:</b> Management's refusal to provide a written assessment represents a scope limitation. See <b>RES-001 Knowledge-Based Audit Methodology Overview</b> for further guidance.</p>	Procedures steps	Y	AU-C Section 940	
Modify	<p>Added step 14 and substeps a through c, as follows: When substantive analytical procedures were performed, we documented the following (AU-C 520):</p> <ol style="list-style-type: none"> <li>a. The expectation of recorded amounts or ratios and the factors we considered when developing those expectations;</li> <li>b. Results of the comparison of the recorded amounts or ratios with our expectations; and</li> <li>c. Any additional auditing procedures performed regarding unexpected fluctuations or relationships identified that are inconsistent with other relevant information or that differ from expected values by a significant amount, and the results of those additional procedures.</li> </ol>	Procedures steps	Y	AU-C 520	
Modify	<p>Added Practice Point to step 15: The audit documentation includes the written communication made to management and those charged</p>	Procedures steps	Y	AU-C 265	

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
	<p>with governance about significant deficiencies in internal control (AU-C 265).</p> <p><b>Practice Point:</b> This communication is best made within the time limit in which the complete assembly of the final audit file is ordinarily done, but not more than 60 days after the date of the auditor's report</p>				

### Audit Programs (AUDs)

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
<b>AUD-100 Engagement-Level Tailoring Questions</b>					
Modify	<p>New TQ, related to Integrated Audits</p> <p>Has the auditor been engaged to perform an integrated audit (i.e., an audit of internal control over financial reporting that is integrated with the audit of financial statements)?</p> <p>Note: The objective of the reporting on internal control in an audit under <i>Government Auditing Standards</i> differs from the objective of reporting on the operating effectiveness of internal control in an audit of internal control over financial reporting in accordance with AU-C 940, <i>An Audit of Internal Control Over Financial Reporting That Is Integrated With an Audit of Financial Statements</i>. In the report in internal controls under <i>Government Auditing Standards</i>, the auditor describes the scope of the testing of internal control over financial reporting and the results of that testing but does not provide an opinion on the effectiveness of internal control over financial reporting. In an audit of internal control, as part of the integrated audit, the auditor expresses an opinion on the effectiveness of an entity's internal control over financial reporting. <b>Only answer this tailoring question "yes" if you have been engaged to perform an audit of internal control over financial reporting in addition to the financial statement audit.</b></p>	TQs	Y	AU-C Section 940	
<b>AUD-101 Overall Audit Program</b>					

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
Modify	Modifications throughout to include considerations for an integrated audit	Instructions, Procedures	Y	AU-C 940	
Modify	<p>Modifications throughout including: revised steps regarding predecessor auditor (from AUD-201); added step regarding understanding internal audit; moved unpredictability from practice point to subpoint; and added examples).</p> <p>Under “Preliminary Engagement Activities,” modified and reorganized steps 7, 8, and 9, as follows:</p> <ol style="list-style-type: none"> <li>1. Prior to beginning the initial audit engagement, request management to authorize the predecessor auditor to allow a review of his or her audit documentation and for the predecessor auditor to respond fully to all inquiries by us. <i>COR-203 Entity Consent and Acknowledgment Letter</i> <i>COR-206 Successor Auditor Acknowledgment Letter</i></li> <li>2. If the prior year’s financial statements were audited, communicate with the predecessor auditor, in compliance with relevant ethical requirements, and request access to the predecessor auditor’s audit documentation in order to obtain evidence regarding the opening balances. <i>COR-204 Communication with Predecessor Auditor Prior to Client/Engagement Acceptance</i> <i>COR-205 Request from Entity to Predecessor Auditor to Release Information to Successor Auditor</i> <i>COR-206-Successor Auditor Acknowledgment Letter</i> <i>COR-207 Representation Letter from Successor Auditor to Predecessor Auditor</i></li> </ol> <p><b>Practice Point:</b> If the prior period’s financial statements were audited by a predecessor auditor, sufficient appropriate audit evidence regarding the opening balances cannot be obtained by reviewing the predecessor auditor’s audit documentation alone.</p> <ol style="list-style-type: none"> <li>3. Perform client acceptance or continuance procedures in accordance with firm policy. <i>KBA-200 Entity Information and Background</i></li> </ol>	Procedures steps	N		Step 7 and 8 will retain on roll forward from AUD-201.

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	<b><i>KBA-201-Engagement Acceptance and Continuance: Complex</i></b>				
Delete	Deleted former step 7: If this is the initial audit engagement for a new client, communicate with the predecessor auditor when there has been a change of auditors.	Procedures steps	N		
Modify	Under “Risk Assessment Procedures: Obtaining an Understanding of the Entity and Its Environment,” added step 7: Obtain an understanding of the nature of the entity’s internal audit function’s responsibilities, how the internal audit function fits into the entity’s organizational structure, and the activities performed or to be performed. <b><i>AID-601-Considering the Use of Work of Internal Auditors’ Work</i></b> <b><i>AID-602-Assessment of Internal Audit Function</i></b>	Procedures steps	N		
Modify	Under “Designing Audit Procedures in Response to Assessed Risks,” modified step 2 and substeps, which now reads as follows: Design, document, and implement the auditor’s overall responses to the assessed risks of material misstatement at the financial statement level, such as performing the following: <ul style="list-style-type: none"> <li>a. Making appropriate assignments of significant engagement responsibilities.</li> <li>b. Providing the extent of supervision that is appropriate for the circumstances, including in particular, the assessed risks of material misstatement.</li> <li>c. Incorporating and documenting the elements of unpredictability in the selection of audit procedures to be performed, such as: <ul style="list-style-type: none"> <li>(1) Performing substantive procedures on selected account balances and assertions not otherwise tested due to their materiality or risk.</li> </ul> </li> </ul>	Procedures steps	N		Step will reset on roll forward due to content changes.



Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	<p>(2) Adjusting the timing of audit procedures from that otherwise expected.</p> <p>(3) Using different sampling methods.</p> <p>(4) Performing audit procedures at different locations or at locations on an unannounced basis.</p> <p>d. Evaluating the entity’s selection and application of significant accounting principles.</p> <p>e. Exercising professional skepticism.</p> <p>f. General changes to the nature, timing, and extent of further audit procedures, such as whether or not to perform interim testing.</p> <p><i>KBA-502-Summary of Risk Assessments</i></p>				
Modify	<p>Under “Evaluating, Concluding, and Reporting Procedures,” subsection “Evaluating the Results of Audit Procedures,” modified step 14, which now reads as follows:</p> <p>Evaluate whether the financial statements as a whole (including disclosures) are prepared, in all material respects, in accordance with the requirements of the applicable financial reporting framework and are free of material misstatement, and evaluate the qualitative aspects of the entity’s accounting practices, including potential bias in management’s judgments and the amounts and disclosures in the financial statements and whether the going concern basis of accounting is appropriate.</p>	Procedures steps	Y	SAS-132	Step will retain on roll forward using default settings.
<b>AUD-201 Audit Program: Opening Balances and Additional Audit Procedures for an Initial Audit Engagement</b>					
Modify	Moved former steps 2-3 (Successor/Predecessor Auditor Communications) to AUD-101 and deleted former step 1 as it was duplicated in AUD-101.	Procedures steps	N		The steps moved to AUD-101 will be retained on roll forward using default settings.
<b>AUD-604 Audit Program: Using the Work of a Management’s Specialist</b>					
Modify	Under “Evaluating the Competence, Capabilities, and Objectivity of the Management’s Specialist,” modified step 4, which now reads as follows:	Procedures steps	N		Step will retain on roll forward if user selects to keep all on roll forward settings as default for this workpaper is to reset on roll forward.

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	The following describes our understanding of the nature, scope and objectives of the work of management's specialist, as well as, complexity and nature of the matter to which management's specialist will perform work, including the risk of material misstatement related to the matter and the procedures we performed to gain that understanding:				
Modify	Under "Evaluating the Competence, Capabilities, and Objectivity of the Management's Specialist," modified step 5, (wording added to document procedures performed to gain understanding); now reads as follows:  The following describes our understanding of the management's specialist's relationship with the entity and the procedures we performed to gain that understanding, including the extent to which management exercises control over the specialist and the procedures we performed to gain that understanding:	Procedures steps	N		Step will retain on roll forward if user selects to keep all on roll forward settings as default for this workpaper is to reset on roll forward.
<b>AUD-701 Audit Program: Designing Tests of Controls</b>					
Modify	In the Risks and/or Assertions table, planned control reliance column, added answer selection for "Maximum" and "Slightly Below Maximum"	Table	N		User answer here from prior year will retain on roll forward if the user selects the keep all option in the roll forward settings.
Modify	New section with steps related to Integrated Audits with show/hide for new "Integrated Audit" TQ added to AUD-100.  <b>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).</b>  14. 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.  15. 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	Procedures steps	Y	AU-C Section 940	

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	<p>our assessment of fraud risk (including the risk of management override of other controls).</p> <p>16. For purposes of identifying significant classes of transactions, account balances, and disclosures, and their relevant assertions, and understanding the likely sources of potential misstatements, we have:</p> <ul style="list-style-type: none"> <li>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;</li> <li>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;</li> <li>c. Identified the controls that management has implemented to address these potential misstatements; and</li> <li>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.</li> </ul> <p>17. For each significant account balance, class of transactions, and disclosure and their relevant assertions, we have obtained an understanding of how IT affects the entity’s flow of transactions and how the entity has responded to risks arising from IT.</p> <p>18. When, during the audit of internal control over financial reporting, we identified deficiencies in internal control over financial reporting (including deficiencies in controls that are designed to prevent, or detect and correct, misstatements due to fraud), we have determined the effect of the deficiency on the nature, timing, and extent of substantive procedures to be performed in the audit of financial statements to reduce audit risk to an acceptably low level.</p> <p>19. 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</p>				

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	<p>of the controls for the remaining period under audit and considered the following factors:</p> <ul style="list-style-type: none"> <li>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;</li> <li>b. The sufficiency of the evidence of the operating effectiveness obtained at an interim date;</li> <li>c. The length of the remaining period; and</li> <li>d. The possibility that there have been any significant changes in internal control over financial reporting subsequent to the interim date.</li> </ul> <p>20. 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.</p> <p>21. We have formed an opinion on the effectiveness of internal control over financial reporting by evaluating evidence obtained from all sources including:</p> <ul style="list-style-type: none"> <li>a. Our testing of controls for the audit of internal control over financial reporting;</li> <li>b. Any additional tests of controls performed to achieve the objective related to expressing an opinion on the financial statements;</li> <li>c. Findings or misstatements detected during the financial statement audit;</li> <li>d. Any identified deficiencies; and</li> <li>e. Reports issued during the year by the internal audit function (or similar functions) that address controls related to internal control over financial reporting.</li> </ul>				
<b>AUD-800 Audit Program: Custom through AUD-823 Audit Program: Concentrations</b>					
Modify	Changing all instances of appropriately to acceptably.	Instructions; Procedures;			

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
		Practice Points			
<b>AUD-802 Audit Program:</b>					
Modify	Under “Investments in Securities Subject to GASB-31, as Amended by GASB-72” deleted former substep 5.f “Valuation allowances as of the beginning and end of the period, and changes in valuation allowances.”	Procedures steps			
Modify	Under “Securities Subject to GASB-31 as Amended by GASB-72—Arithmetical Accuracy,” modified step 6, which now reads as follows: We tested the arithmetical accuracy of the analysis of investments in marketable equity securities and all debt securities.	Procedures steps	N		Step will reset on roll forward due to content changes.
Modify	Under “Securities Subject to GASB-31 as Amended by GASB-72—Opening Balances,” modified step 7, which now reads as follows: We traced the opening balances of investments in marketable equity securities and all debt securities to prior-period workpapers and the year-end balances to the general ledger.	Procedures steps	N		Step will reset on roll forward due to content changes.
Delete	Under “Securities Subject to GASB-31 as Amended by GASB-72 – Held by Third Parties,” deleted the sufficient evidence of investment Practice Point: <b>Practice Point:</b> For investments held by a third party that have no observable market, confirmation of the fair value of investment securities individually or in the aggregate is typically not sufficient evidence of the existence or valuation assertions as that third party is often serving as a management’s specialist. For further guidance, refer to AU-C Section 500, <i>Audit Evidence</i> .	Procedures steps	N		
Modify	Under “T Securities Subject to GASB-31 as Amended by GASB-72 – Transfers between Categories,” modified step 26, which now reads as follows: We evaluated whether any transfers between classifications of investment securities have been properly made and recorded in accordance with GASB-72.	Procedures steps	N		Step will retain on roll forward with default settings.
Modify	Added section, “Investments Carried on the Equity Method – Audits of Internal Control over Financial Reporting and step as follows:	Procedures steps	Y	AU-C Section 940	

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	<p>If performing an integrated audit (AU-C Section 940, <i>An Audit of Internal Control Over Financial Reporting That Is Integrated With an Audit of Financial Statements</i>, effective for integrated audits for periods ending on or after December 15, 2016), for equity-method investments,, we have tested controls over the reporting in the entity’s financial statements of the entity’s portion of the investee’s income or loss, the investment balance, adjustments to the income or loss and investment balance, and related disclosures.</p> <p>Step will show/hide based on new TQ on “Integrated Audit”</p>				
Modify	<p>Under “Audit Procedures for Tests of Valuations,” modified step 49 (and the first Practice Point), as follows:</p> <p>4. For investments in securities that are recorded at fair value, we tested such valuations as follows:</p> <p><b>Practice Point:</b> Typically, for investment securities, confirmation of fair value at the audit date alone would not be sufficient audit evidence to support the valuation assertion.</p> <p><b>Practice Point:</b> The entity may use a different valuation provider for investments than a counterparty investment provider. The official book of record on investments must be clearly and consistently decided by the entity as the confirmation process will be hampered.</p>	Procedures steps	N		Step will retain on roll forward with default settings.
Modify	<p>Under “Audit Procedures for Tests of Valuations,” modified the Practice Point in step 49, substep e.(2), as follows:</p> <p><b>Practice Point:</b> For investment securities where a readily determinable fair value does not exist, confirmation of fair value at the audit date alone may not be sufficient audit evidence to support the valuation assertion. Additionally, when using third-party pricing services to audit client fair value estimates, consideration should be given to ensure the same pricing services used by the client are not also used by the auditor and the use of multiple pricing services is recommended.</p>	Procedures steps	N		
<b>AUD-803 Audit Program: Exchange Revenues and Receivables</b>					
Modify	Modified step heading “Receivables Analytical” to “Receivables and Revenue Analytical”	Procedures steps	N		
Modify	Modified step heading “Receivables Cutoff” to “Receivables and Revenue Cutoff”	Procedures steps	N		

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
<b>AUD-804 Audit Program: Nonexchange Revenues and Receivables</b>					
Modify	Modified step heading "Receivables Analytical" to "Receivables and Nonexchange Revenue Analytical"	Procedures steps	N		
Modify	Modified step heading "Receivables Transferred" to "Receivables and Nonexchange Revenue Transferred"	Procedures steps	N		
<b>AUD-805 Audit Program: Inventories and Cost of Goods Sold</b>					
Modify	Modified step heading "Lower of Cost or Market" to "Lower of Cost or Net Realizable Value" and updated step 9 which now reads as follows: We performed the following procedures to determine lower of cost or net realizable value applications	Procedures steps			Step will retain on roll forward with default settings.
<b>AUD-807 Audit Program: Capital Assets and Depreciation Including Service Concession Arrangements</b>					
Modify	Added new Practice Alert as follows: <b>Practice Alert:</b> In November 2017, the Governmental Accounting Standards Board proposed a new statement, <i>Accounting for Interest Cost During the Period of Construction</i> , which would change the accounting for interest incurred during the construction period for proprietary funds. If adopted as proposed, this statement would require interest costs to be expensed in the period incurred and no longer be included in the historical cost of the capital asset.  The requirements of this proposed Statement would be effective for reporting periods beginning after December 15, 2018. Earlier application would be encouraged.	Purpose	Y	Proposed GASB	
Modify	Under "Inquire of Management" added new step 3 which reads as follows: We inquired of management regarding intangible assets. (CO)	Procedures steps	N		
<b>AUD-809 Audit Program: Payroll, Pensions, Other Liabilities, and Deferred Inflows of Resources</b>					
Modify	Under "Deferred Inflows of Resources", added practice alerts in 19d which reads as follows: <b>Practice Alert:</b> In March 2017, the Governmental Accounting Standards Board issued GASB Statement No. 85, <i>Omnibus 2017</i> . One of the provisions of the new standard requires amounts reported as goodwill resulting from acquisitions prior to the effective date of GASB Statement No. 69, <i>Government Combinations and Disposals of Government Operations</i> to be reclassified as deferred outflows of resources. The statement is effective for periods beginning after June 15, 2017. Early application is encouraged.	Procedures steps	Y	GASB 85; BASG 87	

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	<p><b>Practice Alerts:</b> In June 2017, the Governmental Accounting Standards Board issued GASB Statement No.87, <i>Leases</i>, requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. Under this Statement:</p> <ul style="list-style-type: none"> <li>• The lessee is required to recognize a lease liability and an intangible right-to-use lease asset; and</li> <li>• The lessor is required to recognize a lease receivable and a deferred inflow of resources.</li> </ul> <p>The statement application is limited to nonfinancial leases and excludes traditional financing leases (capital leases).</p> <p>The effective date of the standard for reporting periods beginning after December 15, 2019, with earlier application encouraged.</p>				
<b>AUD-810 Audit Program: Long-Term Debt and Debt Service</b>					
Modify	<p>Under “Summary of Lease Obligations” added new practice point to step 3 which reads as follows:</p> <p><b>Practice Point:</b> In June 2017, the Governmental Accounting Standards Board issued GASB Statement No.87, <i>Leases</i>, requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. Under this Statement:</p> <ul style="list-style-type: none"> <li>• The lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and</li> <li>• The lessor is required to recognize a lease receivable and a deferred inflow of resources.</li> <li>• The statement application is limited to nonfinancial leases and excludes traditional financing leases (capital leases).</li> </ul> <p>The effective date of the standard for reporting periods beginning after December 15, 2019, with earlier</p>	Procedures steps	Y	GASB 87	
Modify	<p>Under “Debt Disclosures” added practice alert to step 11d which reads as follows:</p> <p><b>Practice Alert:</b> In May 2017, the Governmental Accounting Standards Board issued GASB 86, <i>Certain Debt Extinguishment</i>, to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. Under this Statement:</p>	Procedures steps	Y	GASB 86	



Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	<ul style="list-style-type: none"> <li>• Governments that defease debt using only existing resources will provide a general description of the transaction in the notes to the financial statements in the period of the defeasance. In all periods following an in-substance defeasance of debt using only existing resources, the amount of that debt that remains outstanding at period-end will be disclosed.</li> <li>• Governments that extinguish debt, whether through a legal extinguishment or through an in-substance defeasance will include any remaining prepaid insurance related to the extinguished debt in the net carrying amount of that debt for the purpose of calculating the difference between the reacquisition price and the net carrying amount of the debt.</li> <li>• One of the criteria for determining an in-substance defeasance is that the trust be limited to holding only monetary assets that are classified as being essentially risk-free. If the substitution of essentially risk-free monetary assets with monetary assets that are not essentially risk-free is not prohibited, governments will disclose that fact in the period in which the debt is defeased in substance. In subsequent periods, governments will disclose the amount of debt defeased in substance that remains outstanding for which that risk of substitution exists.</li> </ul> <p>The requirements of this Statement are effective for reporting periods beginning after June 15, 2017. Earlier application is encouraged.</p>				
Delete	<p>Under “Debt Disclosures” deleted former step 11e which read:</p> <p>For advance refundings that resulted in an in-substance defeasance of debt and occurred in prior periods, we confirmed or otherwise verified the amount of defeased bonds that remain legally outstanding.</p> <p><i>Note: COR-828 Request for Confirmation of Refunded Bonds Legally Outstanding</i> may be used to confirm the amount of defeased bonds that remain legally outstanding at period end, for which U.S. GAAP requires disclosure.</p> <p><b>Practice Alert:</b> The GASB has proposed similar provisions for cash defeasances where operating funds are held in escrow to retire debt either on a current basis or in an advance refunding. Should the exposure draft Certain Debt Extinguishment Issues be approved as proposed, the requirements would be effective for periods beginning after June 15, 2017.</p>	Procedures steps			
<b>AUD-818 Audit Program: Derivative Instruments</b>					
Modify	<p>Under “Specific Audit Procedures for Derivative Instruments”</p> <p>Modified step 13e which now reads as follows:</p>	Procedures steps	N		Step 13i will reset on roll forward due to content changes, other steps will retain on roll forward with default settings.

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	<p>We inspected financial instruments and other significant agreements to identify embedded derivatives.</p> <p>Modified step 13i which now reads as follows: We traced payments for purchases or settlements of derivative instruments to original (or substitute) canceled checks, ACHs, or wire transfers.</p> <p>Modified step 13j which now reads as follows: We gathered sufficient appropriate audit evidence to support the amount of unrealized gain or loss in the fair value of a derivative that is recognized in the statement of net position as a component of deferred inflows or outflows of resources or the statement of activities or a statement of revenues, expenses and changes in net position (for investment derivatives).</p>				
Modify	<p>Under “Audit Procedures for Tests of Valuations,” modified Practice Point in sub-substep 14.e.(2) as follows: <b>Practice Point:</b> For derivatives where a readily determinable fair value does not exist, confirmation of fair value at the audit date alone may not be sufficient audit evidence to support the valuation assertion. Additionally, when using third-party pricing services to audit client fair value estimates, consideration should be given to ensure the same pricing services used by the client are not also used by the auditor and the use of multiple pricing services is recommended</p>	Procedures steps	N		
<b>AUD-821 Audit Program: Commitments and Contingencies</b>					
Modify	<p>Added Practice Alert <b>Practice Alert:</b> in November 2016, the Governmental Accounting Standards Board issue GASB Statement No.83, <i>Certain Asset Retirement Obligations</i>, which establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for certain asset retirement obligations (AROs) defined as a legally enforceable liability associated with the retirement of a tangible capital asset. An ARO measurement is based on the best estimate of the current value of outlays expected to be incurred. The best estimate should include probability weighting of all potential outcomes, when such information is available or can be obtained at reasonable cost. If probability weighting is not feasible at reasonable cost, the most likely amount should be used. This Statement requires that a deferred outflow of resources associated with an ARO be measured at the amount of the corresponding liability upon initial measurement. The statement requires the disclosures of a general description of AROs and the related tangible assets, source of the obligations, methods and assumptions used to</p>	Instructions	Y	GASB No. 83	

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	measure the liabilities, estimated useful life of associated tangible capital assets, how the liabilities are legally funded and amounts of restricted assets. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Earlier application is encouraged.				
Modify	Under “Policies for Identifying, Evaluating, and Accounting for Commitments and Contingencies,” modified step 3, which now reads as follows:  We inquired of management and, where applicable, others within the entity including in-house counsel regarding its policies for identifying, evaluating, and complying with, laws and regulations, and accounting for litigation, claims, and loss contingencies.	Procedures steps	N		Step will retain on roll forward with default settings.
Modify	Under “Management and In-House or External Legal Counsel,” added substep 4.i., as follows:  Buy/sell agreements. (EO, CO)	Procedures steps	N		
<b>AUD-901 Audit Program: Subsequent Events</b>					
Modify	Added TQ from AUD-100 and multiple steps related to “Integrated Audits” as follows:  For an integrated audit (AU-C Section 940, <i>An Audit of Internal Control Over Financial Reporting That Is Integrated With an Audit of Financial Statements</i> , effective for integrated audits for periods ending on or after December 15, 2016), we inquired of management, and where appropriate those charged with governance, and obtained information about any changes in, or conditions that might significantly affect, internal control over financial reporting that have occurred subsequent to the “as of date” but before the date of the auditor’s report on internal control over financial reporting.  For an integrated audit (AU-C Section 940, <i>An Audit of Internal Control Over Financial Reporting That Is Integrated With an Audit of Financial Statements</i> , effective for integrated audits for periods ending on or after December 15, 2016), we inquired about, and if available, obtained and read the following for the subsequent period:  a. Relevant internal audit (or similar functions) reports issued;				

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	<p>b. Reports regarding deficiencies in internal control over financial reporting issued by other independent auditors;</p> <p>c. Regulatory agency reports on the entity’s internal control over financial reporting; and</p> <p>d. Information about the effectiveness of the entity’s internal control over financial reporting obtained through other engagements performed for the entity.</p> <p>For an integrated audit (AU-C Section 940, <i>An Audit of Internal Control Over Financial Reporting That Is Integrated With an Audit of Financial Statements</i>, effective for integrated audits for periods ending on or after December 15, 2016), if we have become aware of a subsequent event and have determined that this event materially and adversely affected the operating effectiveness of the entity’s internal control over financial reporting, as of the date of management’s assessment, we have issued an adverse opinion on the internal control over financial reporting.</p> <p>For an integrated audit (AU-C Section 940, <i>An Audit of Internal Control Over Financial Reporting That Is Integrated With an Audit of Financial Statements</i>, effective for integrated audits for periods ending on or after December 15, 2016), if we were unable to determine the effect of the subsequent event on the operating effectiveness of internal control over financial reporting, we disclaimed an opinion.</p> <p>For an integrated audit (AU-C Section 940, <i>An Audit of Internal Control Over Financial Reporting That Is Integrated With an Audit of Financial Statements</i>, effective for integrated audits for periods ending on or after December 15, 2016), if we have become aware of a material subsequent event with respect to conditions that did not exist as of the date of management’s assessment but arose subsequent to that date and before the release of the audit report, we included in the auditor’s report either: (1) an emphasis-of-matter paragraph directing the reader’s attention to the subsequently discovered fact and its effects as disclosed in management’s report, or (2) an other-matter</p>				

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	paragraph describing the subsequently discovered fact and its effects.				
<b>AUD-902 Audit Program: Going Concern</b>					
Modify	<p>Modified, updated, and reorganized throughout in accordance with SAS-132 (to accommodate new accounting standard).</p> <p>Add new sections along with instructions, tables and procedures.</p> <p>Section I renamed as “Risk Assessment Procedures and Related Activities”</p> <p>Section II renamed as “Additional Audit Procedures When Events or Conditions Are Identified That Raise Substantial Doubt</p> <p>Section III renamed as “Conclusions and Implications for the Auditor’s Report”</p> <p>Section IV will now be the results section</p>	Throughout	Y	SAS-132	
Modify	<p>Added new bulleted point in the purpose section:</p> <p>--Evaluate and conclude, based on the audit evidence obtained, whether management’s use of the going concern basis of accounting in the preparation of the financial statements, when relevant, is appropriate;</p>	Throughout	Y	SAS-132	
Modify	<p>New Table in Section I with added procedures:</p> <ol style="list-style-type: none"> <li>1. We remained alert throughout the audit for evidence of events or conditions that raise substantial doubt about the entity’s ability to continue as a going concern for a reasonable period of time.</li> <li>2. We determined whether management has performed a preliminary evaluation of the entity’s ability to continue as a going concern.</li> <li>3. If management has not yet performed a preliminary evaluation of the entity’s ability to continue as a going concern, we discussed the basis for the intended use of the going concern basis of accounting with management and inquired as to whether events or conditions exist that raise substantial doubt about the entity’s ability to continue as a going concern for a reasonable period of time.</li> </ol>	Purpose			

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	<p><b>Practice Point:</b> U.S. GAAP requires an entity's management to assess whether substantial doubt about an entity's ability to continue as a going concern exists 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). Management must evaluate whether conditions and events, considered in the aggregate, indicate that it is probable the entity will not be able to meet its obligations when they become due (within one year after the date that the financial statements are issued or are available to be issued, when applicable). Therefore, auditors should assess management's process for performing the going concern evaluation, including any potential implications on internal controls.</p> <p>4. If management has performed a preliminary evaluation of the entity's ability to continue as a going concern, we (a) discussed the evaluation with management and determined whether management has identified events or conditions that raise substantial doubt about the entity's ability to continue as a going concern for a reasonable period of time, and (b) if so, obtained an understanding of management's plans to address them.</p> <p>5. We inquired of management as to its knowledge of events or conditions beyond the period of its evaluation that may have an effect on the entity's ability to continue as a going concern.</p> <p>6. We assessed management's evaluation and supporting analysis of whether there are 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. In assessing management's evaluation, we:</p> <p style="padding-left: 20px;">a. Covered the same period as that used by management to make its evaluation as required by the applicable financial reporting framework, or by law or regulation if it specifies a defined period of time. If management's evaluation of the entity's ability to continue as a going concern does not meet the period of time required by the applicable financial reporting framework, we requested management to extend its evaluation period to meet the required period of time.</p>				

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	<p><b>Practice Point:</b> When performing an audit of financial statements prepared in accordance with U.S. GAAP, the period of evaluation should extend at least one year from the date the financial statements are issued or available to be issued, which is typically the report date.</p> <p>b. Considered whether management’s evaluation includes all relevant information of which we are aware as a result of the audit.</p>				
Modify	<p>Step 3: “Based on the above, there is substantial doubt about the entity’s ability to continue as a going concern.” Has been moved below the new second table in Section I. and modified as follows:</p> <p>Based on the above, there are 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.</p>				Step will retain on roll forward if user selects to keep all on roll forward settings as default for this workpaper is to reset on roll forward.
Modify	Section II table 2 (py section II) has many modified and new steps and four new practice alerts.				Many of these steps modified here will reset on roll forward.
Modify	<p>New Section III with following steps:</p> <p>1) We concluded on the appropriateness of management’s use of the going concern basis of accounting, when relevant, in the preparation of the financial statements.</p> <p><b>Practice Point:</b> If the financial statements were prepared using the going concern basis of accounting, but the auditor concludes that management’s use of the going concern basis of accounting is inappropriate, an adverse opinion should be expressed.</p> <p>2) If conditions or events related to going concern have been identified and substantial doubt has been alleviated by management’s plans, we evaluated the adequacy of related financial statement disclosures. If adequate disclosure is made in the financial statements, we expressed an unmodified opinion</p> <p><b>Practice Point:</b> SAS-132 provides that if substantial doubt about the entity’s ability to continue as a going concern is alleviated by management’s plans, the auditor may include an emphasis of matter paragraph making reference to management’s disclosures related to the conditions and events and management’s related plans.</p>				

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	<p>3) If conditions or events related to going concern have been identified and substantial doubt has not been alleviated by management’s plans, we evaluated the adequacy of related financial statement disclosures. If adequate disclosure is made in the financial statements, we expressed an unmodified opinion and included an emphasis-of-matter paragraph in the auditor’s report.</p> <p><b>Practice Point:</b> The emphasis-of-matter paragraph should be expressed through the use of terms consistent with those included in the applicable financial reporting framework. In a going concern emphasis-of-matter paragraph, the auditor should not use conditional language concerning the existence of substantial doubt about the entity’s ability to continue as a going concern for a reasonable period of time.</p> <p>4) If adequate disclosure about the entity’s ability to continue as a going concern for a reasonable period of time is not made in the financial statements, we expressed a qualified opinion or adverse opinion, as appropriate, and we stated in the auditor’s report that events or conditions exist that may indicate substantial doubt on the entity’s ability to continue as a going concern for a reasonable period of time.</p> <p>5) We communicated with those charged with governance, when applicable, events or conditions identified that raise substantial doubt about the entity’s ability to continue as a going concern for a reasonable period of time. That communication included:</p> <ul style="list-style-type: none"> <li>a) Whether the conditions or events, considered in the aggregate, that raise substantial doubt about the entity’s ability to continue as a going concern for a reasonable period of time constitute substantial doubt;</li> <li>b) The auditor’s consideration of management’s plans;</li> <li>c) Whether management’s use of the going concern basis of accounting, when relevant, is appropriate in the preparation of the financial statements;</li> <li>d) The adequacy of related disclosures in the financial statements; and</li> </ul>				



Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	<p>e) The implications for the auditor’s report.</p> <p>6) If management has not yet performed an evaluation of the entity’s ability to continue as a going concern (as addressed in the guidance in Section I above), we requested that management make such an evaluation.</p> <p><b>Practice Point:</b> If management is unwilling to perform or extend its evaluation, the auditor should consider the implications for the auditor’s report. This may also indicate a deficiency in internal control that the auditor is required to evaluate in order to determine whether the deficiency constitutes a significant deficiency or material weakness.</p>				
Modify	<p>Added Practice Alert:</p> <p><b>Practice Alert:</b> In February 2017, the AICPA issued SAS-132, <i>The Auditor’s Consideration of an Entity’s Ability to Continue as a Going Concern</i>, which supersedes SAS-126 (AU-C Section 570) of the same title. The AICPA retained several concepts from SAS-126 (AU-C Section 570), including the requirement for the auditor to separately conclude whether there is substantial doubt about the entity’s ability to continue as a going concern for a reasonable period of time. The most significant changes to AU-C Section 570 under the new standard include</p> <ul style="list-style-type: none"> <li>• <i>Evaluation of and conclusion on the appropriateness of management’s use of the going concern basis of accounting, when relevant, in preparing financial statements.</i> Specifically, SAS-132 clarifies that the auditor’s objectives include separate determinations and conclusions regarding: (1) the appropriateness of management’s use of the going concern basis of accounting in the preparation of the financial statements, and (2) whether, based on the audit evidence obtained, substantial doubt exists about an entity’s ability to continue as a going concern for a reasonable period of time.</li> <li>• <i>New requirements regarding the auditor’s consideration of financial support by third parties or the entity’s owner-manager.</i> Specifically, SAS-132 indicates that when management’s plans include financial support by third parties or the entity’s owner-manager, and such support is necessary in supporting management’s assertions about the entity’s ability to continue as a going concern for a reasonable period of time, the auditor should obtain sufficient appropriate audit evidence about: (1) the <i>intent</i> of such supporting parties to provide the necessary financial support,</li> </ul>		Y	SAS-132	

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	<p>including written evidence of such intent, and (2) the <i>ability</i> of such supporting parties to provide the necessary financial support.</p> <ul style="list-style-type: none"> <li>• <i>Emphasis-of-matter paragraph when substantial doubt is alleviated by management's plans.</i> Specifically, SAS-132 includes application and other explanatory material addressing situations when substantial doubt has been alleviated by management's plans. The guidance indicates that, when the auditor concludes that management's disclosures in the financial statements are adequate, the auditor may decide to include an emphasis-of-matter paragraph that makes reference to management's disclosures related to the conditions and events and management's related plans.</li> <li>• <i>Period beyond management's evaluation.</i> Specifically, SAS-132 includes a requirement that the auditor inquire of management regarding its knowledge of conditions or events beyond the period of management's evaluation that may have an effect on the entity's ability to continue as a going concern. This is not intended to require management to extend its evaluation period beyond the requirements of the applicable financial reporting framework, but may affect other disclosure requirements or consideration of whether the financial statements are fairly presented.</li> </ul> <p>SAS-132 also amends SAS-122, <i>Statements on Auditing Standards: Clarification and Recodification</i>, as follows:</p> <ul style="list-style-type: none"> <li>• Section 800, <i>Special Considerations—Audits of Financial Statements Prepared in Accordance With Special Purpose Frameworks</i>, as amended (AU-C Section 800). Specifically, AU-C Section 800 has been amended to specify that special purpose financial statements may or may not be prepared in accordance with an applicable financial reporting framework for which the going concern basis of accounting is relevant. When it is not relevant, the auditor is not required to obtain sufficient appropriate audit evidence regarding the appropriateness of management's use of the going concern basis of accounting. However, the auditor is still required to conclude whether or not substantial doubt exists and to evaluate the possible financial statement effects, including adequacy of disclosures.</li> </ul>				

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	<ul style="list-style-type: none"> <li>Section 930, <i>Interim Financial Information</i> (AU-C Section 930). Specifically, AU-C Section 930 has been amended to require performing review procedures to address the situations when the applicable financial reporting framework includes requirements for management to evaluate the entity's ability to continue as a going concern for a reasonable period of time in preparing interim financial information. (Note that procedures are also still required if the applicable reporting framework does not include requirements for management to evaluate the entity's ability to continue as a going concern if (1) there was substantial doubt about the entity's ability to continue as a going concern at the date of the prior period financial statements, even if that doubt was alleviated by management's plans, or (2) substantial doubt about the entity's ability to continue as a going concern was raised in the course of performing review procedures on the current period financial information.) Also, AU-C Section 930 has been amended to include a new requirement for the auditor to include an emphasis-of matter paragraph in the review report when certain conditions or events exist related to substantial doubt about an entity's ability to continue as a going concern, in order to achieve consistency in auditor reporting in both the annual audit and interim financial information.</li> </ul> <p>SAS-132 is effective for audits of financial statements for periods ending on or after December 15, 2017 and reviews of interim financial information for interim periods beginning after fiscal years ending on or after December 15, 2017.</p>				

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

- **AID-201 Nonattest Services Independence Checklist** modified and updated with additional examples and tips; columns added to Section I table on Nature of Nonattest Services Provided; Section II table column heading modified for document-specific considerations; clarifications added based on peer review checklist.
- **AID-301 Preliminary Analytical Procedures: Fluctuation and Ratio Analysis** Updated Instructions; fluctuation tab, table column heading modified: Basis for Auditor Expectation (i.e., events occurred, description of procedure performed) or Changes to Planned Risk Assessment.
- **AID-302 Determining the Financial Reporting Entity, Including Component Units** Added steps for description of the entity's accounting policies related to revenue recognition and principal vs. agent considerations.
- **AID-601 Considering the Use of the Work of Internal Auditors** Modified to include considerations for an integrated audit.
- **AID-801 Audit Sampling Worksheet for Substantive Tests of Details** Modified and clarified; moved risk tables to a separate tab; updated formula to use the visible tables; updated formulas to prevent sample size from exceeding population size; added alerts if using a factor of less than 3 to determine ISI. Added rounding level and TM(Rounded) columns to the word version as well.

- **AID-807 Investments in Securities Analysis** Minor wording modifications (changed “market value to “fair value”).
- **AIDs 823, 828, 830, 832** Minor wording modification (added “The auditor should also identify any system-generated reports used in the performance of the substantive analytical procedures and ensure the completeness and accuracy of such reports are tested. Testing can be performed through general and application controls for information technology over the relevant IT application or a manual test of the report.”).
- **AID-826 Prepaid Insurance Analysis** Added tab (Prepaid Insurance and Expense Calculation).
- **AID-903 Audit Report Preparation Checklist** Modified to include considerations for an integrated audit.

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

- **RPTs 0901 through 0913** Added footnote about going concern
- **NEW RPT-0927 Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* (Material Weakness Identified; No Significant Deficiencies Identified; Reportable Instances of Noncompliance and Other Matters Identified)**
- **NEW RPT-0960 Unmodified Opinion: Separate Report on ICFR**
- **NEW RPT-0961 Adverse Opinion: Separate Report on ICFR**
- **NEW RPT-0962 Disclaimer of Opinion: Separate Report on ICFR**

**Correspondence Documents (CORs)** have been modified and updated, where applicable, in accordance with current guidance.

- **COR-201 Audit Engagement Letter** Added footnote about preparation of financial statements.
- **COR-215 Communication with Those Charged with Governance During Planning** Added footnote about group audit and modified to include considerations for an integrated audit.
- **COR-804 Request for Confirmation of Securities Held by Brokers or Other Third Parties When Listing of Securities is Not Included in the Confirmation Request** Modified to add confirmation of CUSIP number.
- **COR-814 Request for Confirmation of Lines of Credit** Modified to add verbiage about covenant violations.
- **COR-828 Request for Confirmation of Refunded Bonds Legally Outstanding** Added practice alert regarding GASB No. 86 *Certain Debt Extinguishments*.
- **COR-901 Management Representation Letter** Updated item regarding going concern.
- **COR-903 Communication with Those Charged with Governance** Updated footnote regarding going concern; added footnote regarding group audit.
- **NEW COR-201A Audit Engagement Letter: Integrated Audit**
- **NEW COR-833 Request for Actuary Report for a Single Employer Defined Benefit OPEB Plan**
- **NEW COR-834 Request for Actuary Report for an Agent Multiple-Employer Defined Benefit OPEB Plan**
- **NEW COR-835 Request for Actuary Report for a Cost-Sharing Defined Benefit OPEB Plan**
- **NEW COR-901A Management Representation Letter: ICFR**
- **NEW COR-904A Communication to Entity with Significant deficiencies and/or Material Weaknesses: ICFR**
- **NEW COR-906 Communication of Material Weaknesses: Ineffective Oversight by those Charged with Governance**

**Resource Documents (RESs)**

- **RES-001 Knowledge-Based Audit Methodology Overview** modified and updated.

- **RES-002 Index of Audit Program, Forms, and Other Practice Aids** modified as appropriate to incorporate new workpapers.
- **RES-003 Government Auditing Standards and Single Audits** added practice alert about new yellow book exposure draft.
- **RES-010 through 015** Modified consistent with KBA-403 through KBA-408.
- **NEW RES-023 Illustrative Management’s Report on Internal Control Over Financial Reporting**
- **NEW RES-024 Considerations of an Audit of Internal Control over Financial Reporting that is Integrated with the Knowledge-Based Audit of Financial Statements**

**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:

Revised AICPA Code of Professional Conduct (Code) including ET Section 1.295, *Nonattest Services*

Statements on Auditing Standards (SASs):

SAS No. 132, *The Auditor’s Consideration of an Entity’s Ability to Continue as a Going Concern*

GASB-88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements.*

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

## RELATED, FOUNDATIONS AND ASSOCIATION WORKPAPERS FOR THIS TITLE

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

Foundation Workpapers include most of the Communication Hub workpapers, which are central to the Knowledge-Based Audit Methodology used by the Knowledge Coach titles. Associated workpapers require you to associate them with custom values, such as audit areas, specialists, service organizations, and other items. Workpapers require an association when you need to have more than one instance of a particular Knowledge Coach workpaper in your binder for each type of item to which the workpaper is related. Making this association allows Knowledge Coach information to flow properly between workpapers.

<i>Form No.</i>	<i>Form Name</i>	<i>Foundation Workpaper</i>	<i>Association Workpaper</i>
<b>KBAs</b>	<b>KNOWLEDGE-BASED AUDIT DOCUMENTS</b>		
KBA-101	Overall Audit Strategy	X	
KBA-102	Engagement Completion Document	X	
KBA-103	Evaluating and Communicating Internal Control Deficiencies and Noncompliance	X	
KBA-105	Review of Significant Accounting Estimates	X	
KBA-200	Entity Information and Background	X	
KBA-201	Client/Engagement Acceptance and Continuance Form		
KBA-201N	Client/Engagement Acceptance and Continuance Form: Noncomplex Entities		
KBA-301	Worksheet for Determination of Materiality, Performance Materiality, and Thresholds for Trivial Amounts		
KBA-302	Understanding the Entity and Its Environment: Complex Entities		
KBA-302N	Understanding the Entity and Its Environment: Noncomplex Entities		
KBA-303	Inquiries of Management and Others within the Entity about the Risks of Fraud		

<i>Form No.</i>	<i>Form Name</i>	<i>Foundation Workpaper</i>	<i>Association Workpaper</i>
KBA-400	Scoping and Mapping of Significant Account Balances, Classes of Transactions, and Disclosures	X	
KBA-401	Understanding Entity-Level Controls: Complex Entities		
KBA-401N	Understanding Entity-Level Controls: Noncomplex Entities		
KBA-402	Understanding General Controls for Information Technology		
KBA-403	Understanding Activity-Level Controls: Revenue, Receivables, and Cash Receipts		
KBA-404	Understanding Activity-Level Controls: Purchases, Inventory, and Capital Assets		
KBA-405	Understanding Activity-Level Controls: Accounts Payable and Disbursements		
KBA-406	Understanding Activity-Level Controls: Payroll		
KBA-407	Understanding Activity-Level Controls: Treasury		
KBA-408	Understanding Activity-Level Controls: Financial Reporting and Closing Process		
KBA-409	Understanding Controls Maintained by a Service Organization		X
KBA-502	Summary of Risk Assessments	X	
KBA-503	Basis for Inherent Risk Assessment		
KBA-902	Audit Review and Approval Checklist		
KBA-903	Audit Documentation Checklist		
<b>AUDs</b>	<b>AUDIT PROGRAMS</b>		

<i>Form No.</i>	<i>Form Name</i>	<i>Foundation Workpaper</i>	<i>Association Workpaper</i>
AUD-100	Overall Tailoring Questions	X	
AUD-101	Overall Audit Program	X	
AUD-201	Audit Program: Opening Balances and Additional Audit Procedures for an Initial Audit Engagement		
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-802	Audit Program: Investments and Investment-Related Activities		
AUD-803	Audit Program: Exchange Revenues and Receivables		
AUD-804	Audit Program: Nonexchange Revenues and Receivables		
AUD-805	Audit Program: Inventories and Cost of Goods Sold		
AUD-806	Audit Program: Prepaid Expenses and Other Assets or Deferred Outflows of Resources		
AUD-807	Audit Program: Capital Assets and Depreciation Including Service Concession Arrangements		
AUD-808	Audit Program: Accounts Payable and Purchases		



<i>Form No.</i>	<i>Form Name</i>	<i>Foundation Workpaper</i>	<i>Association Workpaper</i>
AUD-809	Audit Program: Payroll, Other Liabilities, and Deferred Inflows of Resources		
AUD-810	Audit Program: Long-Term Debt and Debt Service		
AUD-811	Audit Program: Net Position and Fund Balance		
AUD-812	Audit Program: Other Income and Expenditures/Expenses		
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: Interfund Transactions		
AUD-817	Audit Program: Budgets		
AUD-818	Audit Program: Derivative Instruments		
AUD-819	Audit Program: Self-Insurance		
AUD-820	Audit Program: Municipal Solid Waste Landfill		
AUD-821	Audit Program: Commitments and Contingencies		
AUD-822	Audit Program: Accounting Estimates		
AUD-823	Audit Program: Concentrations		
AUD-901	Audit Program: Subsequent Events		

<i>Form No.</i>	<i>Form Name</i>	<i>Foundation Workpaper</i>	<i>Association Workpaper</i>
AUD-902	Audit Program: Going Concern		
AUD-903	Audit Program: Consideration of Fraud		
AUD-904	Audit Program: Compliance with Laws and Regulations, Contract Provisions and Grant Agreements, and Abuse		
<b>AIDs</b>	<b>PRACTICE AIDs</b>		
AID-201	Nonattest Services Independence Checklist		
AID-304	Understanding the Entity's Revenue Streams and Revenue Recognition Policies		
AID-601	Considering the Use of the Work of Internal Auditors		
AID-603	Group Engagement Documentation		
AID-702	Results of Tests of Controls		
AID-801	Audit Sampling Worksheet for Substantive Tests of Details		
AID-901	Differences of Professional Opinion		

### 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-409 Understanding Ctrl: Service Org (Custom)	AUD-100 Tailoring Question Workpaper	Does the entity use service organizations? is "Yes" Shows the "Document the service organizations used by the entity." table in KBA-101 Overall Audit Strategy.	
	KBA-101 Overall Audit Strategy	Document the service organizations used by the entity.	Service Organization
AUD-602 Audit Program: Component Auditor Involvement (Custom)	AUD-100 Tailoring Question Workpaper	Does the auditor plan to rely on audit evidence provided by a component auditor? is "Yes" Shows the "Document the audit evidence provided by the component auditor(s) that we will rely on in our engagement." table in KBA-101 Overall Audit Strategy.	
	KBA-101 Overall Audit Strategy	Document the audit evidence provided by the component auditor(s) that 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