

2019 PREPARATIONS, COMPILATIONS AND REVIEWS TITLES OVERVIEW FOR KNOWLEDGE COACH USERS

PURPOSE

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

WORKPAPER UPDATES AND ROLL FORWARD NOTES

General Roll Forward Note:

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

The **2019 Knowledge-Based Preparation, Compilation, and Review Engagements** tools have been updated to take into account the latest literature, standards, and guidance applicable to preparation, compilation, and review engagements. The 2019–2020 tools include links to detailed analysis related to the steps and processes discussed in the workpapers. Also included is a revised financial statement disclosures checklist that provides a centralized resource of the required and recommended U.S. GAAP disclosures and key presentation items currently in effect, using the style referencing under the FASB Accounting Standards Codification.TM The tools in this edition of **Knowledge-BasedTM Preparation, Compilation, and Review Engagements** are current through Statement on Standards for Accounting and Review Services No. 24 (SSARS-24), *Omnibus Statement on Standards for Accounting and Review Services - 2018*; the AICPA Guide *Preparation, Compilation and Review Engagements*; the revised AICPA Code of Professional Conduct (Code), including ET Section 1.295, *Nonattest Services*; AICPA Statement on Quality Control Standards No. 8 (QC Section 10), *A Firm’s System of Quality Control (Redrafted)*; and AICPA Audit Risk Alert *Developments in Preparation, Compilation, and Review Engagements —2017/18*. This update is current through FASB Accounting Standards Codification as of June 30, 2019 through Accounting Standards Update No. 2019-06.

Note: The Industry-Specific section for Not-for-Profit Entities in KBCR-901 Financial Statement Disclosure Checklist for the Commercial PCR title has been removed. This industry-specific section was originally added to supplement the Commercial PCR title as we offered no Not-for-Profit PCR titles. We have been offering Not-for-Profit Preparation, Compilation and Review titles for 3 years now and this is where any Not-for-Profit Entity Preparation, Compilation, or Review should be completed as the content in that title is far more applicable to Not-for-Profit Entities.

Preparation Programs (PRPs):

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

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
PRP-100 Engagement-Level Tailoring Questions					
Added	New comment table to document any comments related to the Tailoring Questions	Table	N		

Compilation Programs (CMPs):

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

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
CMP-100 Engagement-Level Tailoring Questions					
Added	New comment table to document any comments related to the Tailoring Questions	Table	N		
CMP-101 Overall Compilation Program					
Removed	Removed Practice Point regarding SSARS No. 24, <i>Omnibus Statement on Standards for Accounting and Review Services - 2018</i>	Procedures	N		
Modify	<p>Modified step 2 under “Preliminary Engagement Activities” and added a new practice points as follows:</p> <ol style="list-style-type: none"> 1. Determine whether the financial reporting framework selected by management is acceptable, by obtaining an understanding of the following: <ol style="list-style-type: none"> a. The purpose for which the financial statements are prepared and whether the financial reporting framework applied in the preparation of the financial statements is a fair presentation framework; b. The intended users of the financial statements; and c. The steps taken by management to determine that the applicable financial reporting framework is acceptable in the circumstances. <p>Practice Point: When the compilation is performed in accordance with a financial reporting framework of generally accepted in another country, the accountant should obtain an understanding of such framework and whether the intended users are likely to be familiar with the applicable financial reporting framework. Additionally, the accountant should obtain an understanding of the applicable legal responsibilities involved when the compilation is to be performed in accordance with both SSARS and another set of compilation standards and both of the following are true: (a) the financial statements are intended for use only outside the U.S. and (b) the accountant plans to use the form and content of the accountant's compilation report of the other set of compilation standards.</p>	Steps	Y	SSARS	Step will reset on roll forward due to content changes.
Added	Added new practice point in step 3 under “Preliminary Engagement Activities” as follows:	Steps	Y	SSARS	

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
	Practice Point: When the terms of the engagement require the accountant to apply another set of compilation standards in addition to SSARs, the accountant should obtain an understanding of and apply those relevant standards, as well as SSARs. The accountant may consult with persons having expertise in the compilation or review reporting requirements in the other set of compilation or review standards and associated legal responsibilities to obtain the understanding needed to issue the compilation or review report in accordance with the other set of compilation or review standards.				
Modify	Modified practice point in step 3 under “Performing Compilation Procedures” as follows: Practice Point: Obtaining an understanding of the entity and its operations, and the accounting policies and procedures used by management, can be done through inquiry, the review of entity prepared documents, or experience with the entity. When an accountant is applying another set of compilation or review standards, such as ISRS 4410 (Revised), <i>Compilation Engagements</i> , or ISRE 2400 (Revised), <i>Engagements to Review Financial Statements</i> , the accountant may be required to perform procedures in addition to those procedures required by SSARs.	Steps	Y	ISRS 4410 Revised	

Review Programs (REVs)

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

	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
REV-100 Engagement-Level Tailoring Questions					
Added	New comment table to document any comments related to the Tailoring Questions	Table	N		
REV-101 Overall Review Program					
Removed	Removed Practice Point regarding SSARS No. 24, <i>Omnibus Statement on Standards for Accounting and Review Services - 2018</i>	Procedures	N		
Modify	Modified step 2 under “Preliminary Engagement Activities” and added a new practice points as follows: 2. Determine whether the financial reporting framework selected by management is acceptable, by obtaining an understanding of the following:	Steps	Y	SSARS	Step will reset on roll forward due to content changes.

	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
	<p>a. The purpose for which the financial statements are prepared and whether the financial reporting framework applied in the preparation of the financial statements is a fair presentation framework;</p> <p>b. The intended users of the financial statements; and</p> <p>c. The steps taken by management to determine that the applicable financial reporting framework is acceptable in the circumstances.</p> <p>Practice Point: When the review is performed in accordance with a financial reporting framework of generally accepted in another country, the accountant should obtain an understanding of such framework and whether the intended users are likely to be familiar with the applicable financial reporting framework. Additionally, the accountant should obtain an understanding of the applicable legal responsibilities involved when the compilation is to be performed in accordance with both SSARS and another set of review standards and both of the following are true: (a) the financial statements are intended for use only outside the U.S. and (b) the accountant plans to use the form and content of the accountant’s review report of the other set of review standards.</p>				
Modify	<p>Modified practice point in step 3 under “Performing Review Procedures” as follows:</p> <p>Practice Point: Obtaining an understanding of the entity and its operations, and the accounting policies and procedures used by management, can be done through inquiry, the review of entity prepared documents, or experience with the entity. When an accountant is applying another set of compilation or review standards, such as ISRS 4410 (Revised, <i>Compilation Engagements</i>, or ISRE 2400 (Revised), <i>Engagements to Review Financial Statements</i>, the accountant may be required to perform procedures in addition to those procedures required by SSARSs.</p>	Steps	Y	ISRS 4410 Revised	
REV-801 Review Program: Entity Inquiries					

	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
Modify	<p>Under General modified step 22 and practice point as follows:</p> <p>If the reporting entity has an interest in a variable interest entity (VIE), has management performed an assessment of whether the reporting entity has a controlling financial interest in or fee arrangements with the VIE that results in the entity being the VIE’s primary beneficiary?</p> <p>Practice Point: Management of entities that do not qualify for or do not elect the Private Company Council accounting alternative for VIEs is required to perform the assessment in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The failure to perform such an assessment and management’s instructions to the accountant to not perform the assessment constitute a departure from U.S. GAAP, unless the entity is eligible to apply the accounting alternative in ASC 810-10-15-17.</p>	Steps	Y	ASC 810-10-15-17	Step will retain on roll forward if user selects to keep all responses on roll forward.
Modify	<p>Renamed section, “Investments in Marketable Equity Securities” to “Equity Investments”</p> <p>Renamed both sub-sections:</p> <p>“For entities that are NOT early implementing ASU 2016-01” to “For entities that have NOT implemented ASU 2016-01”</p> <p>“For entities that ARE early implementing ASU 2016-01” to “For entities that HAVE implemented ASU 2016-01”</p>	Steps			
Removed	<p>Removed the following steps under “Investments in Debt Securities”:</p> <p>What is the basis of accounting for investments reported in the financial statements (e.g., securities, joint ventures, or closely held businesses)?</p> <p>Are derivative instruments properly measured and disclosed in the financial statements? If those derivatives are utilized in hedge transactions, have the documentation or assessment requirements related to hedge accounting been met?</p>	Steps			

	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
	<p>Has appropriate consideration been given to the classification of investments between current and noncurrent?</p> <p>How were fair values of the reported investments determined?</p> <p>Have unrealized gains and losses been properly reported in the financial statements?</p> <p>If the fair values of marketable debt and equity securities are less than cost, have the declines in value been evaluated to determine whether the declines are other than temporary?</p> <p>For any debt securities classified as held to maturity, does management have the positive ability and intent to hold the securities until they mature? If so, have those debt securities been properly measured?</p> <p>Have gains and losses related to disposal of investments been properly reflected in the financial statements?</p> <p>For investments made by the reporting entity, have consolidation, equity, or cost method accounting requirements been considered?</p>				
Added	<p>Added the following new steps to section “Investments in Debt Securities”:</p> <p>Has an analysis been made to report the trading and available-for-sale portfolios at fair value?</p> <p>Has an analysis been made to report the held-to-maturity portfolio at amortized cost?</p> <p>Has interest income been properly accrued at the end of the period?</p> <p>Does management have the positive ability and intent to hold the debt securities classified as held to maturity until they mature?</p> <p>Have gains or losses from the sale of securities in the three portfolios been reported on the income statement?</p>	Steps			
Added	<p>Added the following new steps to section “Income and Other Taxes”:</p> <p>Is the entity’s analysis of all income tax effects impacting the current and deferred income taxes payable and/or</p>	Steps			

	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
	receivable resulting from newly enacted tax laws, segregated by those that are (1) completed, (2) incomplete, but for which a reasonable estimate may be determined, and (3) incomplete, and not capable of a reasonable estimate? For those income tax effects that are considered to be provisional or not capable of reasonable estimate, was management’s conclusions over each income tax effect performed in good faith? Have those income tax effects that are considered to be provisional or not capable of reasonable estimate been properly disclosed?				
Removed	Removed the following step under “Other Liabilities, Contingencies, and Commitments”: What is the nature of the amounts included in other liabilities?	Steps			
Modified	Modified section name “Equity” to “Equity – Corporate Entities” and removing one step as follows: Are syndication fees properly reflected in the financial statements as a reduction of equity (rather than an asset)?	Steps			
Added	Adding new section “Equity – Noncorporate Entities (Partnerships, LLCs, Trusts, Etc.)	Steps			
Modified	Modified following step under “Revenues and Expenses”: Has the entity’s revenue recognition policy been consistently applied and appropriately disclosed and, if ASC Topic 606 has been adopted, has the five-step core revenue recognition principle been appropriately applied?				Step will reset on roll forward based on content changes.
REV-902 Review Program: Going Concern					
Modified	Modified Purpose and Instructions as follows: PURPOSE This program has been designed to help the accountant perform appropriate procedures in a review engagement to determine if management has met its responsibilities for evaluating 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	Purpose and Instructions	Y	SSARS 24	

	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
	<p>time. Reasonable period of time is defined in SSARS 24 as “the period of time required by the applicable financial reporting framework or, if no such requirement 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).”</p> <p>The following are examples of conditions <i>or</i> events <i>that raise substantial doubt about the entity’s ability to continue as a going concern for a reasonable period of time</i>:</p> <ul style="list-style-type: none"> • <i>Negative trends.</i> For example, recurring operating losses, working capital deficiencies, negative cash flows from operating activities, <i>and other</i> adverse key financial ratios. • <i>Other indications of possible financial difficulties.</i> For example, default on loan or similar agreements, arrearages in dividends, denial of usual trade credit from suppliers, a need to restructure debt to avoid default, noncompliance with statutory capital requirements, and a need to seek new sources or methods of financing or to dispose of substantial assets • <i>Internal matters.</i> For example, work stoppages or other labor difficulties, substantial dependence on the success of a particular project, uneconomic long-term commitments, and a need to significantly revise operations. • <i>External matters.</i> For example, legal proceedings, legislation, or similar matters that might jeopardize an entity’s ability to operate; loss of a key franchise, license, or patent; loss of a principal customer or supplier; and an uninsured or underinsured catastrophe such as a hurricane, tornado, earthquake, or flood. 				

	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
	<p>INSTRUCTIONS</p> <p>The program is only a guide and professional judgment should be exercised to determine how the program should be modified by revising procedures listed or adding procedures where appropriate.</p> <p>The accountant should initial and date each procedure as it is considered. If the procedure is not relevant to this particular review engagement, the accountant should place “N/A” (not applicable) in the space provided for an initial. If additional explanation is needed with respect to a procedure, the accountant should provide a proper cross-reference to another workpaper.</p>				
Added	<p>Added new steps as follows:</p> <p>If management has not yet performed an evaluation of the entity’s ability to continue as a going concern, we requested that management make such an evaluation.</p> <p>Practice Point: If management is unwilling to perform or extend its evaluation, the auditor should consider the implications for the accountant’s report.</p> <p>If the applicable financial reporting framework does not include a requirement for management to evaluate the entity’s ability to continue as a going concern for a reasonable period of time in preparing financial statements and conditions or events that raise substantial doubt about an entity’s ability to continue as a going concern for a reasonable period of time existed at the date of the prior period financial statements (regardless of whether the substantial doubt was alleviated by the accountant’s consideration of management’s plans) or, in the course of performing on the current period financial statements, the accountant becomes aware of conditions or events that raise substantial doubt about the entity's</p>				

	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
	<p>ability to continue as a going concern, the accountant should do the following:</p> <ul style="list-style-type: none"> a. Inquire of management whether the going concern basis of accounting is appropriate. b. Inquire of management about its plans for mitigating the adverse effects of the conditions and events. c. Consider the adequacy of the disclosure about such matters in the financial statements. <p>Our conclusion about whether substantial doubt about the entity's ability to continue as a going concern for a reasonable period of time remains or is alleviated. In connection with this item:</p> <ul style="list-style-type: none"> a. If substantial doubt remains, documentation includes the possible effects of the conditions or events on the financial statements and the adequacy of the related disclosures. b. If substantial doubt is alleviated, documentation includes our conclusion regarding the need for, and adequacy of, disclosure of the principal conditions and events that initially caused us to believe there was substantial doubt and management's plans that alleviated the substantial doubt. <p>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>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. Disclosures must indicate:</p> <ul style="list-style-type: none"> a. The conditions or events that raised substantial doubt as to the entity's ability to continue as a going concern before consideration of management's plans. b. Management's evaluation of the significance of those events or conditions. 				

	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
	<p>c. Either management’s plans that alleviated the doubt or management’s plans that are intended to mitigate the events or conditions raising the substantial doubt, as appropriate.</p> <p>If conditions or events related to going concern have been identified and substantial doubt has NOT been alleviated by management’s plans and 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>Practice Point: 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>Practice Point: In considering the adequacy of disclosure, some of the information that might be disclosed, depending on the requirements of the financial reporting framework, includes the following:</p> <ul style="list-style-type: none"> • Principal conditions and events that raise substantial doubt about the entity's ability to continue as a going concern for a reasonable period of time. • The possible effects of such conditions and events. • Management's evaluation of the significance of those conditions and events in relation to the entity’s ability to meet its obligations and any mitigating factors. • Possible discontinuance of operations. • Management's plans (including relevant prospective financial information) that are 				

	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
	<p>intended to mitigate the conditions or events that raise substantial doubt about the entity’s ability to continue as a going concern for a reasonable period of time.</p> <ul style="list-style-type: none"> Information about the recoverability or classification of recorded asset amounts or the amounts or classification of liabilities. <p>Practice Point: SSARS 24 provides that if substantial doubt about the entity’s ability to continue as a going concern is alleviated by management’s plans, the accountant 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>				
Removed	<p>Removed the following step:</p> <p>When the uncertainty was adequately disclosed, we considered emphasizing the uncertainty in the accountant’s report.</p>	Steps	Y	SSARS 24	

Knowledge-Based Preparation Documents (KBPs)

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

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
KBP-201 Preparation: Client/Engagement Acceptance and Continuance Form					
Added	<p>Added the following steps to “Section II: Communication with Predecessor Accountants (Applicable to New Client or New Engagement Acceptance Decisions Only) as follows:</p> <ol style="list-style-type: none"> We inquired of management about its reasons for changing practitioners and how often they have done so in the past: 	Steps			

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
	<p>2. We inquired of the predecessor practitioners concerning their understanding of the reasons for the change in practitioners.</p> <p>3. We considered the predecessor practitioners' reputation, independence, and general competence as follows:</p>				
Modified	<p>Under "Section III: Assessment of Client Relationship for Acceptance or Continuance Decisions" added the following Tailoring Question:</p> <p>Are the client acceptance and continuance considerations such that the practitioner can adequately document his or her consideration in a memorandum format rather than individually considering each factor in detail?</p> <p>The practitioner should use professional judgment when determining whether a memo will provide adequate documentation of the considerations made when determining whether to accept or retain a client engagement. If the decision to accept or retain a client engagement requires significant judgment, considering each factors in the table below instead of a memo would ensure completeness of documentation.</p> <p>This Tailoring Question will show/hide based on whether the practitioner is documenting the factors in memo format of detailed format.</p> <p>Added a Memo format table that will show if the TQ above is noted as "Yes".</p> <p>The next section (Table of procedures) will show if the TQ noted above is "No".</p>	Procedures			
Removed	<p>Removed the following steps under "Section III: Assessment of Client Relationship for Acceptance or Continuance Decisions:</p> <p>The firm's independence with respect to the prospective client has been evaluated.</p>	Procedures			
Added	<p>Added a new section "Section IV: Additional Considerations and following question:</p>	Procedures			

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
	We have considered and documented below, whether the acceptance or continuance of an engagement to prepare financial statements would impair our independence with regard to other attestation engagements performed for the entity:				
KBP-901 Preparation: Documentation Checklist					
Removed	Removed the following step: Appropriate backups of the file have been made in accordance with firm policy.	Procedures			

Knowledge-Based Compilation Documents (KBCs)

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
KBC-201 Compilation: Client/Engagement Acceptance and Continuance Form					
Added	Added the following steps to “Section II: Communication with Predecessor Accountants (Applicable to New Client or New Engagement Acceptance Decisions Only) as follows: 1. We inquired of management about its reasons for changing practitioners and how often they have done so in the past: 2. We inquired of the predecessor practitioners concerning their understanding of the reasons for the change in practitioners. 3. We considered the predecessor practitioners’ reputation, independence, and general competence as follows:	Steps			
Modified	Under “Section III: Assessment of Client Relationship for Acceptance or Continuance Decisions” added the following Tailoring Question: Are the client acceptance and continuance considerations such that the practitioner can adequately document his or	Procedures			

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
	<p>her consideration in a memorandum format rather than individually considering each factor in detail?</p> <p>The practitioner should use professional judgment when determining whether a memo will provide adequate documentation of the considerations made when determining whether to accept or retain a client engagement. If the decision to accept or retain a client engagement requires significant judgment, considering each factors in the table below instead of a memo would ensure completeness of documentation.</p> <p>This Tailoring Question will show/hide based on whether the practitioner is documenting the factors in memo format of detailed format.</p> <p>Added a Memo format table that will show if the TQ above is noted as “Yes”.</p> <p>The next section (Table of procedures) will show if the TQ noted above is “No”.</p>				
Removed	<p>Removed the following steps under “Section III: Assessment of Client Relationship for Acceptance or Continuance Decisions:</p> <p>The firm’s independence with respect to the prospective client has been evaluated.</p> <p>We have evaluated client and accountant relationships and circumstances to identify potential threats to independence not identified above, including:</p> <ul style="list-style-type: none"> a. Adverse interest threat, which is the threat that interests in opposition to the client’s will cause a lack of objectivity. b. Advocacy threat, which is the threat that the accountant will promote the client’s interests to a point of impairing independence. c. Familiarity threat, which is the threat that the accountant’s relationship with the client might cause it to be too sympathetic to the client’s interests or to lack professional 	Procedures			

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
	<p>skepticism when evaluating the client’s work.</p> <p>d. Management participation threat, which is the threat that the accountant will take on the role of client management or will assume management responsibilities for the client.</p> <p>e. Self-interest threat, which is the threat that the accountant may be influenced by some benefit, financial or otherwise, that may result from an interest in, or relationship with, the client.</p> <p>f. Self-review threat, which is the threat that services previously performed for the client will not be adequately reviewed by the accountant in performing the engagement.</p> <p>g. Undue influence threat, which is the threat that the accountant will subordinate judgment to that of an individual associated with the client or some other party due to their reputation, expertise, or some other factor</p> <p>For any identified threats to independence, safeguards have been created or implemented so that such threats are eliminated or reduced to an acceptable level. (Also, provide additional documentation in step after this table.)</p> <p>We have determined that the proposed fee is likely to be sufficient to compensate for estimated time and out-of-pocket expenses.</p> <p>We are not aware of any items that indicate that our firm might have a problem billing or collecting its fees. All fees, billed or unbilled, or note(s) receivable arising from such fees for any professional services provided more than one year prior to the date of the report will be paid prior to the issuance of the report for the current engagement.</p>				
Modified	Under “Section IV: Independence and Ability to Provide Services” added the following TQ:	Procedures			

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
	<p>Is the assessment of the practitioner’s independence and ability to provide services such that the practitioner can adequately document his or her assessment in a memorandum format rather than individually considering each factor in detail?</p> <p>The practitioner should use professional judgment when determining whether a memo will provide adequate documentation of the assessment of the practitioner’s independence and ability to provide services made when determining whether to accept or retain a client engagement. If the decision to accept or retain a client requires significant judgment, considering each factors in the table instead of a memo would ensure completeness of documentation.</p> <p>This Tailoring Question will show/hide based on whether the practitioner is documenting the factors in memo format of detailed format.</p> <p>Added a Memo format table that will show if the TQ above is noted as “Yes”.</p> <p>The next section (Table of procedures) will show if the TQ noted above is “No”.</p>				
Added	Added new table with procedures in Section IV: Independence and Ability to Provide Services	Procedures Table			
Added	Under Section V: Conclusions added a “Quality Control Partner’s Signature”	Procedures			

Knowledge-Based Review Documents (KBRs)

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
KBR-201 Review: Client/Engagement Acceptance and Continuance Form					
Added	Added the following steps to “Section II: Communication with Predecessor Accountants (Applicable to New Client	Steps			

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
	<p>or New Engagement Acceptance Decisions Only) as follows:</p> <ol style="list-style-type: none"> 1. We inquired of management about its reasons for changing practitioners and how often they have done so in the past: 2. We inquired of the predecessor practitioners concerning their understanding of the reasons for the change in practitioners. 3. We considered the predecessor practitioners' reputation, independence, and general competence as follows: 				
Modified	<p>Under "Section III: Assessment of Client Relationship for Acceptance or Continuance Decisions" added the following Tailoring Question:</p> <p>Are the client acceptance and continuance considerations such that the practitioner can adequately document his or her consideration in a memorandum format rather than individually considering each factor in detail?</p> <p>The practitioner should use professional judgment when determining whether a memo will provide adequate documentation of the considerations made when determining whether to accept or retain a client engagement. If the decision to accept or retain a client engagement requires significant judgment, considering each factors in the table below instead of a memo would ensure completeness of documentation.</p> <p>This Tailoring Question will show/hide based on whether the practitioner is documenting the factors in memo format of detailed format.</p> <p>Added a Memo format table that will show if the TQ above is noted as "Yes".</p> <p>The next section (Table of procedures) will show if the TQ noted above is "No".</p>	Procedures			

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
Removed	<p>Removed the following steps under “Section III: Assessment of Client Relationship for Acceptance or Continuance Decisions:</p> <p>We have determined that the firm is independent with respect to the prospective client.</p> <p>We have evaluated client and accountant relationships and circumstances to identify potential threats to independence not identified above, including:</p> <ul style="list-style-type: none"> a. Adverse interest threat, which is the threat that interests in opposition to the client’s will cause a lack of objectivity. b. Advocacy threat, which is the threat that the accountant will promote the client’s interests to a point of impairing independence. c. Familiarity threat, which is the threat that the accountant’s relationship with the client might cause it to be too sympathetic to the client’s interests or to lack professional skepticism when evaluating the client’s work. d. Management participation threat, which is the threat that the accountant will take on the role of client management or will assume management responsibilities for the client. e. Self-interest threat, which is the threat that the accountant may be influenced by some benefit, financial or otherwise, that may result from an interest in, or relationship with, the client. f. Self-review threat, which is the threat that services previously performed for the client will not be adequately reviewed by the accountant in performing the engagement. g. Undue influence threat, which is the threat that the accountant will subordinate judgment to that of an individual associated 	Procedures			

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
	<p>with the client or some other party due to their reputation, expertise, or some other factor</p> <p>For any identified threats to independence, safeguards have been created or implemented so that such threats are eliminated or reduced to an acceptable level. (Also, provide additional documentation in step after this table.) The engagement partner assigned to this engagement has the appropriate competence, capabilities, and authority; and the related responsibilities have been clearly defined and communicated to the engagement partner.</p> <p>Our preliminary understanding of the engagement circumstances indicates that information needed to perform the engagement is likely to be available and reliable.</p> <p>We have determined that the proposed fee is likely to be sufficient to compensate for estimated time and out-of-pocket expenses.</p> <p>We are not aware of any items that indicate that our firm might have a problem billing or collecting its fees. All fees, billed or unbilled, or note(s) receivable arising from such fees for any professional services provided more than one year prior to the date of the report will be paid prior to the issuance of the report for the current engagement.</p>				
Modified	<p>Under "Section IV: Independence and Ability to Provide Services" added the following TQ:</p> <p>Is the assessment of the practitioner's independence and ability to provide services such that the practitioner can adequately document his or her assessment in a memorandum format rather than individually considering each factor in detail?</p> <p>The practitioner should use professional judgment when determining whether a memo will provide adequate documentation of the assessment of the practitioner's independence and ability to provide services made when determining whether to accept or retain a client engagement. If the decision to accept or retain a client requires significant judgment, considering each factors in</p>	Procedures			

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
	<p>the table instead of a memo would ensure completeness of documentation.</p> <p>This Tailoring Question will show/hide based on whether the practitioner is documenting the factors in memo format of detailed format.</p> <p>Added a Memo format table that will show if the TQ above is noted as “Yes”.</p> <p>The next section (Table of procedures) will show if the TQ noted above is “No”.</p>				
Added	Added new table with procedures in Section IV: Independence and Ability to Provide Services	Procedures Table			
Modified	<p>Under “Section V: Additional Considerations for Reviews of Interim Financial Information” added the following TQ:</p> <p>Are the additional considerations for reviews of interim financial information such that the practitioner can adequately document his or her consideration in a memorandum format rather than individually considering each factor in detail?</p> <p>The practitioner should use professional judgment when determining whether a memo will provide adequate documentation of the considerations made when determining whether to accept or retain a client engagement. If the decision to accept or retain a client engagement requires significant judgment, considering each factors in the table below instead of a memo would ensure completeness of documentation.</p> <p>This Tailoring Question will show/hide based on whether the practitioner is documenting the factors in memo format of detailed format.</p> <p>Added a Memo format table that will show if the TQ above is noted as “Yes”.</p>	Procedures			

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
	The next section (Table of procedures) will show if the TQ noted above is “No”.				
Added	Under Section V: Conclusions added a “Quality Control Partner’s Signature”	Procedures			

Knowledge-Based Compilation and Review documents (KBCRs)

KBCR-901 - Checklists are current through June 30, 2019, including ASU 2019-06. Remember the Not-for-Profit Industry Specific section has been removed. This will now only be included the Not-for-Profit Preparation, Compilation, Review or Audit titles going forward.

Reports (RPTs): Reports have been modified and updated to reflect changes based on AICPA guide.

- **RPT-1081, RPT-1081A, and RPT-1081B** have been updated for SSARS 24, Section 100, *International Reporting Issues*.
- **NEW RPT-0933A Compilation Report: Departure from Applicable Financial Reporting Framework—Substantially All Disclosures and Statement of Cash Flows Omitted**
- **NEW RPT-0966E Compilation Report: Comparative Financial Statements Prepared In Accordance With Accounting Principles Generally Accepted In The United States Independence Impaired With Reasons Not Disclosed**
- **NEW RPT-1081A Review Report: Comparative Financial Statements Prepared in Accordance with a Financial Reporting Framework Generally Accepted in Another Country Performed in Accordance with SSARS and Another Set of Review Standards—Intended for Use in the United States of America**
- **NEW RPT-1081B Review Report: Comparative Financial Statements Prepared in Accordance with a Financial Reporting Framework Generally Accepted in Another Country Performed in Accordance with SSARS and Another Set of Review Standards—Intended for Use Only Outside the United States of America**

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

- **AID-803 Investments in Securities Analysis** Updated for ASU 2016-01, *Financial Instruments—Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities*.
- **AID-808 Inventory Analytical Procedures** Added column for “Auditor Expectations and Explanation of Fluctuation”
- **AID-809 PPE Summary Analysis** Added tabs for those implementing ASU No. 2016-02, *Leases (Topic 842)*
- **AID-818 Analysis of Accrued-Refundable Income Taxes** Added columns for Federal and State and a section for Changes in Previous Tax Positions.
- **AID-822 Analysis of Equity Accounts** added tab for analysis of equity for an unincorporated entity.
- **NEW AID-819 Payroll and Related Liabilities – Analytical Procedures.**

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

- **Reindexed COR-902 Management Representation Letter: Review Engagement (In Accordance with SSARS 24) to COR-902A**
- **Reindexed COR-903 Representation Letter: Review of Personal Financial Statements to COR-903A**
- **NEW COR-203F Engagement Letter: Preparation of Prospective Financial Information (Forecast)**
- **NEW COR-203G Engagement Letter: Preparation of Prospective Financial Information (Projection)**
- **NEW COR-902B Management Representation Letter: Compilation Engagement**

- **NEW COR-903B Representation Letter: Compilation of Personal Financial Statements**

Resource Documents (RESs)

- **RES-001 Knowledge-Based Preparation, Compilation, and Review Methodology Overview** has been modified and updated.
- **RES-002 Index of Engagement Programs, Forms, and Other Practice Aids** has been updated to reflect changes to the toolset.

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

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

- Statement on Standards for Accounting and Review Services No. 24 (SSARS-24), Omnibus Statement on Standards for Accounting and Review Services - 2018);
- AICPA Guide Preparation, Compilation and Review Engagements;
- the revised AICPA Code of Professional Conduct (Code), including ET Section 1.295, Nonattest Services;
- AICPA Statement on Quality Control Standards No. 8 (QC Section 10), A Firm's System of Quality Control (Redrafted);
- AICPA Audit Risk Alert Developments in Preparation, Compilation, and Review Engagements —2017/18
- FASB Accounting Standards Codification through Accounting Standards Update No. 2019-06

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

RELATED AND FOUNDATIONS WORKPAPERS FOR THIS TITLE

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

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

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

<i>Form No.</i>	<i>Form Name</i>	<i>Foundation Workpaper</i>
PRPs	PREPARATION PROGRAMS	
PRP-100	Engagement-Level Tailoring Questions	X
PRP-101	Overall Preparation Program	X
PRP-201	Pre-Preparation Program: Procedures Performed Prior to a Preparation Engagement	
PRP-202	Preparation Program: Additional Procedures for Initial Year of Engagement	
PRP-801	Preparation Program: Significant Risks and Uncertainties	
CMPs	COMPILATION PROGRAMS	
CMP-100	Engagement-Level Tailoring Questions	X
CMP-101	Overall Compilation Program	X
CMP-103	Compilation Program: Pro Forma Financial Information	
CMP-201	Pre-Compilation Program: Procedures Performed Prior to a Compilation Engagement	
CMP-202	Compilation Program: Additional Procedures for Initial Year of Engagement	
CMP-801	Compilation Program: Significant Risks and Uncertainties	
REVs	REVIEW PROGRAMS	
REV-100	Engagement-Level Tailoring Questions	X

<i>Form No.</i>	<i>Form Name</i>	<i>Foundation Workpaper</i>
REV-101	Overall Review Program	X
REV-201	Pre-Review Program: Procedures Performed Prior to a Review Engagement	
REV-202	Review Program: Additional Procedures for Initial Year of Engagement	
REV-801	Review Program: Entity Inquiries	
REV-802	Review Program: Significant Risks and Uncertainties	