

2020 PREPARATIONS, COMPILATIONS AND REVIEWS OF COMMON INTEREST REALTY ASSOCIATIONS 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 *2020 Knowledge-Based Preparations, Compilations, and Reviews of Common Interest Realty Associations tools* includes revisions, updates, and enhancements to reflect current accounting authoritative literature including, among other things, the revised AICPA Code of Professional Conduct (Code); and ET Section 1.295, *Nonattest Services*, and practice points regarding AICPA Statement on Auditing Standards (SAS) No. 134, *Auditor Reporting and Amendments, Including Amendments Addressing Disclosures in the Audit of Financial Statements*, and SAS No. 135, *Omnibus Statement on Auditing Standards – 2019* which do not provide for early implementation. The 2020 tools include links to specific guidance that provides instant access to detailed analysis related to the steps and processes discussed in the workpapers. Many new tips, practice alerts, and examples have been incorporated.

The tools in this edition of *Knowledge-Based Preparations, Compilations, and Reviews of Common Interest Realty Associations* are current through Statement on Standards for Accounting and Review Services No. 24: *Omnibus Statement on Standards for Accounting and Review Services – 2018* and the AICPA Guide *Preparation, Compilation and Review Engagements*.

The 2020 tools are current through FASB Accounting Standards Codification™ as of December 31, 2019, through Accounting Standards Update (ASU) No. 2019-12.

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-201 Pre-Compilation Program: Procedures Performed Prior to a Compilation Engagement					
Removed	<p>Practice Point: In May 2018, the AICPA issued SSARS No. 24, <i>Omnibus Statement on Standards for Accounting and Review Services—2018</i>.</p> <p>The SSARS provides the following:</p> <ul style="list-style-type: none"> • Creates a new AR-C section 100, <i>Special Considerations — International Reporting Issues</i>, which establishes the requirements and guidance when an accountant is engaged to perform a compilation or review in either of the following circumstances: <ul style="list-style-type: none"> ○ The financial statements have been prepared in accordance with a financial reporting framework generally accepted in another country. ○ The compilation or review is to be performed in accordance with both Statements on Standards for Accounting and Review Services (SSARs) and another set of compilation or review standards. • Withdraws of Interpretation No. 1, <i>Considerations Related to Reviews Performed in Accordance With International Standard on Review Engagements (ISRE) 2400 (Revised)</i> of AR-C section 90. • Amends AR-C section 60, General Principles for Engagements Performed in Accordance With Statements on Standards for Accounting and Review Services, as follows: <ul style="list-style-type: none"> ○ Adds a definition for the term <i>fair presentation framework</i> and amends the definition of <i>financial reporting framework</i>. ○ Clarifies that, although the accountant may accept responsibility for the design, implementation, and maintenance of internal control, such an 	Instructions			

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
	<p>activity is a management responsibility and, as such, impairs independence if performed for an attest client. If an accountant accepts such responsibility, the accountant is precluded from performing a review of financial statements.</p> <ul style="list-style-type: none"> • Amends AR-C section 90, Review of Financial Statements, as follows: <ul style="list-style-type: none"> ○ Defines reasonable period of time and adds new application guidance with respect to the new definition. ○ Requires a specific written representation regarding disclosure of all information relevant to the use of the going concern assumption in the financial statements. ○ Amends the requirements regarding the contents of the accountant's review report (paragraph .39) to be consistent with the illustrative report examples in exhibit C of AR-C section 90. ○ Requires the accountant, if 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 financial statements, to perform review procedures related to the following: <ul style="list-style-type: none"> ▪ Whether the going concern basis of accounting is appropriate. ▪ Management's evaluation of whether there are conditions or events that raise substantial doubt about the entity's ability to continue as a going concern. ▪ If there are conditions or events that raise substantial doubt about the entity's ability to continue as a going concern, management's 				

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
	<p>plans to mitigate those matters.</p> <ul style="list-style-type: none"> ▪ The adequacy of the related disclosures in the financial statements. <ul style="list-style-type: none"> ○ Revises guidance to reflect that 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 review procedures on the current period financial statements, the accountant becomes aware of conditions or events that raise substantial doubt, the accountant is required to do the following: <ul style="list-style-type: none"> ▪ Inquire of management whether the going concern basis of accounting is appropriate. ▪ Inquire of management about its plans for dealing with the adverse effects of the conditions and events. ▪ Consider the adequacy of the disclosure about such matters in the financial statements. ○ Requires the accountant to include an emphasis-of-matter paragraph in the accountant's review report if, after considering conditions or events and management's plans, the accountant concludes that substantial doubt about 				

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
	<p>the entity's ability to continue as a going concern for a reasonable time remains.</p> <ul style="list-style-type: none"> ○ Precludes the accountant from referencing, in the accountant's review report, the review or audit report of other accountants if the other accountant's report includes an alert that restricts the use of such report. ○ Requires the accountant of the reporting entity to communicate with the other accountants and determine whether the other accountants understand the ethical requirements relevant to the engagement and, in particular, are independent and whether the other accountants are familiar with the applicable financial reporting framework and with SSARs or with auditing standards generally accepted in the United States of America, as applicable, and will conduct the review or audit in accordance therewith. ○ Precludes the accountant, if the component's financial statements are prepared using a financial reporting framework different from that used for the financial statements of the reporting entity, from referencing the review or audit of the other accountants in the review report of the accountant of the reporting entity unless the following apply: <ul style="list-style-type: none"> ▪ The accountant has determined that the measurement, recognition, presentation, and disclosure criteria that are applicable to all material items in the component's financial statements in accordance with the financial reporting framework used by the component are similar to the criteria that are applicable to all material items in the 				

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
	<p>reporting entity's financial statements in accordance with the financial reporting framework used by the reporting entity.</p> <ul style="list-style-type: none"> The accountant of the reporting entity has obtained sufficient appropriate review evidence for purposes of evaluating the appropriateness of the adjustments to convert the component's financial statements to the financial reporting framework used by the reporting entity without the need to assume responsibility for, and thus be involved in, the work of the other accountants. <p>Except for the revision to paragraph .39 of AR-C section 90, which is effective upon issuance, all revisions are effective for compilations and reviews of financial statements for periods ending on or after June 15, 2019.</p>				
Modify	<p>Under Tax Liability split step b into two steps as follows:</p> <p>b. What processes are in place to determine whether to file Form 1120 or 1120-H (unless tax exempt, which files Form 990) for Federal tax purposes</p> <p>c. Whether State tax returns are required.</p>	Table			Step b will retain on roll forward if user selects to “keep all responses” on roll forward. Step c will reset on roll forward.

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		

	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
REV-801 Review Program: Entity Inquiries					
Modify	Under General modified step 15 as follows: Are any CIRAs, other than the reporting CIRA, commonly controlled (i.e., related parties) by the owners of the CIRA?	Steps			Step will retain on roll forward if user selects to keep all responses on roll forward.
Modify	Under General modified step 21 and practice point as follows: If the CIRA 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? 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.	Steps	Y	ASC 810-10-15-17	Step will retain on roll forward if user selects to keep all responses on roll forward.
Modify	Renamed section, "Investments in Marketable Equity Securities" to "Equity Investments" Renamed both sub-sections: "For CIRAs that are NOT early implementing ASU 2016-01" to "For CIRAs that have NOT implemented ASU 2016-01" "For CIRAs that ARE early implementing ASU 2016-01" to "For CIRAs that HAVE implemented ASU 2016-01"	Steps			
Removed	Removed the following steps under "Investments in Debt Securities": What is the basis of accounting for investments reported in the financial statements (e.g., securities, joint ventures, or closely held businesses)?	Steps			

	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
	<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> <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>	Steps			

	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
	Have gains or losses from the sale of securities in the three portfolios been reported on the income statement?				
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 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?</p> <p>Have those income tax effects that are considered to be provisional or not capable of reasonable estimate been properly disclosed?</p>	Steps			
Removed	<p>Removed the following step under “Other Liabilities, Contingencies, and Commitments”:</p> <p>What is the nature of the amounts included in other liabilities?</p>	Steps			
Modified	<p>Modified section name “Equity” to “Equity – Corporate Entities” and removing one step as follows:</p> <p>Are syndication fees properly reflected in the financial statements as a reduction of equity (rather than an asset)?</p>	Steps			
Modified	<p>Modified following steps under “Revenues and Expenses”:</p> <p>Has the CIRA’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?</p>				Step will reset on roll forward based on content changes.

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"> 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	<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>	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”.				
Removed	Removed the following steps under “Section III: Assessment of Client Relationship for Acceptance or Continuance Decisions: The firm’s independence with respect to the prospective client has been evaluated.	Procedures			
Added	Added a new section “Section IV: Additional Considerations and following question: 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:	Procedures			
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.	Steps			

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
	<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> <p>We have evaluated client and accountant relationships and circumstances to identify potential threats to independence not identified above, including:</p>	Procedures			

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
	<p>a. Adverse interest threat, which is the threat that interests in opposition to the client’s will cause a lack of objectivity.</p> <p>b. Advocacy threat, which is the threat that the accountant will promote the client’s interests to a point of impairing independence.</p> <p>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.</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>				

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
	<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 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>	Procedures			
Added	Added new table with procedures in Section IV: Independence and Ability to Provide Services	Procedures Table			

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
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	<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"> 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	<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</p>	Procedures			

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
	<p>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>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. 	Procedures			

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
	<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.) 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	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			
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</p>	Procedures			

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
	<p>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>				
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 December 31, 2019, including ASU 2019-12.

NEW KBCR-901A Tax Basis Financial Statement Disclosures Checklist

NEW KBCR-901B Cash Basis Financial Statement Disclosures Checklist

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

- **NEW RPT-1116A *Compilation Report: Other Matter – Required Supplementary Information That is Compiled – No Material Departures Identified***
- **NEW RPT-1122A *Compilation Report: Departure from Applicable Financial Reporting Framework—Substantially All Disclosures and Statement of Cash Flows Omitted***

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

- **NEW AID-840 *Payroll and Related Liabilities: Analytical Procedures***

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

- **NEW COR-221F *Engagement Letter: Preparation of Prospective Financial Information (Forecast)***
- **NEW COR-221G *Engagement Letter: Preparation of Prospective Financial Information (Projection)***
- **COR-912 Renamed COR-912A *Management Representation Letter – Review Engagement (In Accordance with SSARS 24)***

- **NEW COR-912B Management Representation Letter – Compilation Engagement**

Resource Documents (RESs)

- **RES-030** Knowledge-Based Preparation, Compilation, and Review Methodology Overview has been modified and updated.
- **RES-031** Index of Engagement Programs, Forms, and Other Practice Aids—Preparation, Compilation, and Review Engagements 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. 2019-12

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	